ORDER OF BUSINESS

Pursuant to Governor Bill Lee’s Executive Order Nos. 16 & 78, this meeting will be conducted electronically. Members of the public will not be able to physically attend the meeting, but they can watch on Community Television of Knoxville either streaming on its website or on broadcast television:

www.ctvknox.org

• Xfinity (Comcast) – Channel 12
• Charter (Spectrum) – Channel 193
• WOW! (Knology) – Channel 6
• AT&T U-verse – Channel 99

Persons wishing to speak at public forum or to an item on the agenda must register with the City Recorder’s Office either by telephone or email before 5:00 pm on Tuesday, March 9, 2021. The City Recorder’s Office will ask for contact information in order that they can connect to the Zoom meeting.

City Recorder’s Office

T: 865-215-2075
E: wjohnson@knoxvilletn.gov

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG

3. ROLL CALL

4. APPROVAL OF MINUTES

Tuesday, February 23, 2021

5. ANNOUNCEMENTS AND EXTRAORDINARY MATTERS, ADOPTION OF AGENDA
a. ITEMS WITHDRAWN (Indicated with "W")

b. ITEMS FOR POSTPONEMENT (Indicated with "P")

c. ITEMS REQUESTED TO BE ADDED BY MOTION (Indicated with "M")

d. CONSENT ITEMS (Indicated with "**")

   11s-11z (Pensions)

6. MAYOR'S REPORT

   a. Debt Obligation Report

7. REPORTS OF COUNCIL MEMBERS OR COMMITTEES

8. ELECTIONS AND CONFIRMATIONS

   a. A Resolution confirming the appointment of Stephanie Taylor to the Civil Service Merit Board. (Requested by Mayor Kincannon)

9. ORDINANCES ON SECOND READING

   a. An Ordinance appropriating the sum of $4,800.00 from the Community Empowerment budget and donating same to World United Ministries to be utilized toward its Safe Haven Gym Program and Love Your Neighbor Day. (Requested by Office of Community Empowerment)

10. HEARINGS ON ZONING MATTERS, APPEALS FROM ACTION OF MPC/BOARD OF ZONING APPEALS OR PLANS REVIEW

11. RESOLUTIONS

   a. A Resolution requesting that the members of the General Assembly representing the City of Knoxville introduce and seek passage of a legislative bill regarding state and local tax revenue allocation for a mixed-use stadium in the City of Knoxville. (Requested by Administration)

   b. A Resolution authorizing the Mayor to execute a lease agreement with Legacy Parks Foundation for water access at Bicentennial Park for a non-motorized boat launch. (Requested by Administration)

   c. A Resolution authorizing the Mayor to enter into a Memorandum of Understanding with the Appalachian Mountain Bike Club providing that the City pay an amount not to exceed $100,000.00 toward the purchase of 28 acres of property to expand the William Hastie Natural Area in the Urban Wilderness, and expressing appreciation for the donation of property to the City. (Requested by Administration)
d. A Resolution respectfully requesting the Knoxville-Knox County Planning Commission to consider and make a recommendation to City Council regarding the possible addition of architectural design standards to CG-1 zoned districts and the reinstitution of planned residential districts. (Requested by Councilmember Roberto)

e. A Resolution respectfully requesting the Tennessee General Assembly oppose Senate Bill 783 and House Bill 1204, which have the purpose of amending Tennessee Code Annotated Title 67, Chapter 6, relative to sales and use taxes, and any legislation that would redistribute local and state sales tax revenue to fund the bond payments of a sports stadium. (Requested by Councilmember Parker)

f. A Resolution authorizing the Mayor to execute Amendment No. 5 to Agreement No. 050113 with the State of Tennessee Department of Transportation adjusting funding for replacement of the Jackson Avenue ramps to Gay Street and extending the date of completion. (Requested by Department of Engineering)

g. A Resolution authorizing the Mayor to execute an agreement with Design and Construction Services, Inc. for construction of the Waterfront Drive Roadway Improvements Project for an amount not to exceed $733,262.85. (Requested by Department of Engineering)

h. A Resolution authorizing the Mayor to amend Contract No. C-12-0153 with CDM Smith, Inc. for the Washington Pike Roadway Improvements Project, increasing the contract amount by $693,000.00 for a new contract total of $1,948,600.00, and extending the date of completion to March 31, 2025. (Requested by Departments of Engineering and Parks & Recreation)

i. A Resolution authorizing the Mayor to amend Contract No C-20-0052 with Hedstrom Landscape Architecture to provide design services for the Fort Kid Playground Project, increasing the contract amount by $38,600.00 for a new total contract amount of $68,200.00 and extending the date of completion to December 31, 2021. (Requested by Department of Engineering)

j. A Resolution authorizing the Mayor to execute an agreement with Morgan Contracting Inc. for the Cured-In-Place Pipe (CIPP) Phase 3 Project for an amount not to exceed $668,938.00. (Requested by Department of Engineering)

k. A Resolution setting the in lieu of tax payments for the electric and gas systems of the Knoxville Utilities Board for the fiscal year beginning July 1, 2020 and providing for the allocation and distribution of such payments to the affected taxing jurisdictions. (Requested by Finance Department)

l. A Resolution supplementing Resolution No. 1644 adopted by the City Council of the City of Knoxville, Tennessee on January 4, 1949 entitled "A Resolution providing for the issuance of Electric System Revenue Refunding Bonds" so as to provide for the issuance of not to exceed Eighty-Seven Million Five Hundred Thousand and no/100 Dollars ($87,500,000.00) of Electric System Revenue Refunding Bonds, Series LL-2021. (Requested by Finance Department)

m. A Resolution supplementing Resolution No. R-25-88 adopted by the City Council of the City of Knoxville, Tennessee on February 9, 1988 entitled "A Resolution providing for the issuance of Gas System Revenue Bonds" so as to provide for the issuance of not to exceed Forty-Nine Million Five Hundred thousand and no/100 Dollars ($49,500,000.00) of Gas System Revenue Refunding Bonds, Series AA-2021. (Requested by Finance Department)
n. A Resolution supplementing Resolution No. 2075 adopted by the City Council of the City of Knoxville, Tennessee on April 20, 1954 entitled "A Resolution providing for the issuance of Water Revenue Bonds" so as to provide for the issuance of not to exceed Forty-One Million Five Hundred Thousand and no/100 Dollars ($41,500,000.00) of Water System Revenue refunding Bonds, Series LL-2021. (Requested by Finance Department)

o. A Resolution supplementing Resolution No. R-129-90 adopted by the City Council of the City of Knoxville, Tennessee on May 15, 1990 providing for the issuance of not to exceed Two Hundred Forty-One Million and no/100 Dollars ($241,000,000.00) of Wastewater System Revenue Refunding Bonds, Series 2021A. (Requested by Finance Department)

p. A Resolution authorizing the Mayor to execute an amendment to Agreement No. C-20-0254 with Knoxville-Knox County Community Action Committee to extend the term of the Agreement through March 31, 2022 and to provide additional funds not to exceed $123,028.00 in HUD Community Development Block Grant-Coronavirus funding for housing assistance, as part of the City’s response to the COVID-19 pandemic, for a new contract amount not to exceed $386,895.00. (Requested by Department of Housing & Neighborhood Development)

q. A Resolution authorizing the Mayor to execute any and all documents necessary to apply for and accept "The Kevin and Avonte Program: Reducing Injury and Death of Missing Individuals with Dementia and Developmental Disabilities" grant award of $150,000.00 from the Bureau of Justice Assistance, with no required local match, for funding of efforts to protect our vulnerable citizens. (Requested by Knoxville Police Department)

r. A Resolution authorizing the Mayor to execute an agreement with Knox County, Tennessee to share costs associated with the operation of the Household Hazardous Waste Facility located at 1033 Elm Street with Knox County reimbursing the City for 50% of operating costs and commensurate share of disposal costs. (Requested by Public Service Department)

s. * A Resolution granting a pension of $6,752.70 per month to Cynthia A. Gass, an employee of the Knoxville Police Department. (Requested by Pension Board)

t. * A Resolution granting a pension of $1,801.28 per month to John R. Vineyard, an employee of the Knoxville General Government. (Requested by Pension Board)

u. * A Resolution granting a pension of $4,156.31 per month to Robin L. Tipton, an employee of the Knoxville General Government. (Requested by Pension Board)

v. * A Resolution granting a pension of $2,546.97 per month to Gregory M. Taylor, an employee of the Knoxville General Government. (Requested by Pension Board)

w. * A Resolution granting a pension of $1,775.46 per month to Mark E. Pinkston, an employee of the Knoxville General Government. (Requested by Pension Board)

x. * A Resolution granting a pension of $753.47 per month to Mary W. Lewis, an employee of the Knoxville General Government. (Requested by Pension Board)

y. * A Resolution granting a pension of $1,217.41 per month (defined benefit only) to Karen E. Ellis, an employee of the Knoxville General Government. (Requested by Pension Board)

z. * A Resolution granting a pension of $2,454.35 per month to Harry B. Boss, an employee of the General Government. (Requested by Pension Board)

12. ORDINANCES ON FIRST READING
a. An Ordinance to amend the Operating and Capital Budgets for Fiscal Year 20/21. (Requested by Finance Department)

b. An Ordinance to amend the Knoxville City Code, Appendix B, Zoning Code to add social service centers as a special use in the C-G (General Commercial), C-R (Regional Commercial), and DK-E (Downtown Knoxville - Edge) Districts, Knoxville-Knox County Planning Commission, Applicant. (Planning Commission Approved 12-0 Consent) (File No. 1-A-21-OA) (All districts) (Requested by Knoxville-Knox County Planning Commission)

c. An Ordinance to rezone property located at 622 and 624 Dry Gap Pike from AG (Agricultural) District to RN-1 (Single-Family Residential Neighborhood) District, Joan Newman, Applicant. (Planning Commission Approved 12-0 Consent) (File No. 2-B-21-RZ) (Fifth District) (Requested by Knoxville-Knox County Planning Commission)

13. PUBLIC FORUM

14. ADJOURNMENT
February 23, 2021

VIA EMAIL

Director
Office of State and Local Finance
505 Deaderick Street
Suite 1600
Nashville, Tennessee 37243-1402

Re: City of Knoxville, Tennessee
$102,385,000 General Obligation Bonds, Series 2021

Dear Sir or Madam:

I have enclosed Form CT-0253 to be filed on behalf of the City of Knoxville, TN in connection with the above-captioned Bonds. Please note there was no offering document prepared for this transaction. I appreciate your assistance with this matter. Should you have any questions, please do not hesitate to give me a call.

Sincerely,

G. Mark Mamantov

GMM:jwh
Enclosure
29913582.1
REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-22-151)

1. Public Entity:
   Name: City of Knoxville, Tennessee
   Address: 400 Main Street, Room 685, City County Building
   Knoxville, Tennessee 37902
   Debt Issue Name: General Obligation Bonds, Series 2021
   if disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: $102,385,000.00
   Premium/Discount: $19,564,747.60

3. Interest Cost: 1.3070% ✓ Tax-exempt ☐ Taxable
   [☐ TIC ☐ NRC]
   Variable: Index ______ plus ______ basis points; or
   Variable: Remarketing Agent
   Other:

4. Debt Obligation:
   [☐ TRAN ☐ BAN ☐ CON]
   [☐ BAN ☐ CRAN ☐ GAN]
   ☐ Bond
   [☐ Loan Agreement ☐ Capital Lease]
   If any of the notes listed above are issued pursuant to Title 9, Chapter 22, enclose a copy of the executed note
   with the filing with the Division of Local Government Finance ("DLGF").

5. Ratings:
   [☐ Unrated]
   Moody's ______ Standard & Poor's AA+ Fitch AAA

6. Purpose:
   ☐ General Government 51.47% ✓ Safety Building; Misc. Capital Projects
   ☐ Education %
   ☐ Utilities %
   ☐ Other %
   ☐ Refunding/Renewal 48.53% Refunding of Series 2012 and 2014 Bonds

7. Security:
   ☐ General Obligation
   ☐ Revenue
   ☐ Annual Appropriation (Capital Lease Only)
   ☐ General Obligation + Revenue/Tax
   ☐ Tax Increment Financing (TIF)
   ☐ Other (Describe):

8. Type of Sale:
   ☐ Competitive Public Sale
   ☐ Interfund Loan
   ☐ Negotiated Sale
   ☐ Loan Program
   ☐ Informal Bid

9. Date:
   Dated Date: 02/23/2021 Issue/Closing Date: 02/23/2021
REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-153)

10. Maturity Dates, Amounts and Interest Rates *:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$10,110,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2023</td>
<td>$11,550,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2024</td>
<td>$12,170,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2025</td>
<td>$8,370,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2026</td>
<td>$3,360,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2027</td>
<td>$3,525,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2028</td>
<td>$3,745,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2029</td>
<td>$3,900,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2030</td>
<td>$4,120,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2031</td>
<td>$4,370,000.00</td>
<td>5.0000 %</td>
</tr>
<tr>
<td>2032</td>
<td>$4,570,000.00</td>
<td>4.0000 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2033</td>
<td>$4,740,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2034</td>
<td>$4,915,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2035</td>
<td>$2,990,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2036</td>
<td>$3,080,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2037</td>
<td>$3,175,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2038</td>
<td>$3,270,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2039</td>
<td>$3,365,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2040</td>
<td>$3,470,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td>2041</td>
<td>$3,575,000.00</td>
<td>3.0000 %</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source MUST BE PREPARED AND ATTACHED. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

* This section is not applicable to the Initial Report for a Borrowing Program.

11. Cost of Issuance and Professionals:

- Financial Advisor Fees: $90,000
- Legal Fees: $0
- Bond Counsel: $80,000
- Issuer’s Counsel: $0
- Trustee’s Counsel: $0
- Bank Counsel: $0
- Disclosure Counsel: $0
- Paying Agent Fees: $0
- Registrar Fees: $0
- Trustee Fees: $0
- Remarketing Agent Fees: $127,000
- Liquidity Fees: $0
- Rating Agency Fees: $0
- Credit Enhancement Fees: $0
- Bank Closing Costs: $0
- Underwriter’s Discount: 80,166
- Management Fee: $0
- Risk Premium: $0
- Underwriter’s Counsel: $0
- Other expenses: $0
- Printing and Advertising Fees: $1,750
- Issuer/Administrator Program Fees: $0
- Real Estate Fees: $0
- Sponsorship/Referral Fee: $0
- Other Costs: $5,500

TOTAL COSTS: $384,416
# REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-31-151)

### 12. Recurring Costs:
- **☑ No Recurring Costs**

<table>
<thead>
<tr>
<th>AMOUNT (Basis point/%)</th>
<th>FIRM NAME (If different from #11)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Remarketing Agent</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Paying Agent / Registrar</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Trustee</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Liquidity / Credit Enhancement</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Escrow Agent</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sponsorship / Program / Admin</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
</tbody>
</table>

### 13. Disclosure Document / Official Statement:
- **☐ None Prepared**
- **☑ EMM link** [https://emma.marb.org/P31410845-P21113687-P21524453.pdf](https://emma.marb.org/P31410845-P21113687-P21524453.pdf) or
- **☑ Copy attached**

### 14. Continuing Disclosure Obligations:
- **☑ Yes** **☐ No**
  - Is there an existing continuing disclosure obligation related to the security for this debt?
- **☑ Yes** **☐ No**
  - Is there a continuing disclosure obligation agreement related to this debt?
  - If yes to either question, date that disclosure is due: **June 30, 2021**
  - Name and title of person responsible for compliance: **City of Knoxville**

### 15. Written Debt Management Policy:
- **Date of approval of the current version:** **09/20/2011**
- **☐ Yes** **☐ No**
  - Is the debt obligation in compliance with and clearly authorized under the policy?

### 16. Written Derivative Management Policy:
- **☑ No derivative**
- **Date of approval of the current version:**
- **Date of Letter of Compliance for derivative:**
- **☐ Yes** **☐ No**
  - Is the derivative in compliance with and clearly authorized under the policy?

### 17. Submission of Report:
- **To the Governing Body:** on **03/09/2021** and presented at public meeting held on **03/09/2021**
- **To copy to Director, Division of Local Gov’t Finance:** on **01/23/2021**
  - **☑ Email to:** LGF@cot.tn.gov
  - **☐ Mail to:** Cordell Hull Building, 425 Fifth Avenue North, 4th Floor, Nashville, TN 37243-3402

### 18. Signatures:

<table>
<thead>
<tr>
<th>AUTHORIZED REPRESENTATIVE</th>
<th>PREPARER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td><strong>G. Mark Mamanot</strong></td>
</tr>
<tr>
<td><strong>Title</strong></td>
<td><strong>Attorney</strong></td>
</tr>
<tr>
<td><strong>Firm</strong></td>
<td><strong>Bass, Berry &amp; Sims PLC</strong></td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><strong><a href="mailto:mmamanot@bassberry.com">mmamanot@bassberry.com</a></strong></td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td><strong>02/23/2021</strong></td>
</tr>
</tbody>
</table>
AGENDA SUMMARY  A Resolution confirming the appointment of Stephanie Taylor to the Civil Service Merit Board.

COUNCIL DISTRICT(S) AFFECTED
all

BACKGROUND
Stephanie Taylor
3843 Tambark Drive
Knoxville, TN 37917
taylors011@gmail.com

Term: 4/1/2021 - 3/31/2026

Stephanie M. Taylor is a native of Knoxville, TN. She has over 20 years with Knox County Schools. She is passionate about her calling to educate and mentor students.

She received her Ed.D and Ed.S from Lincoln Memorial University, in Education Leadership and Educational Administration, respectfully. She received her Masters degree from the University of Tennessee in Recreation & Leisure Studies and undergraduate degree from Tennessee State University in Health, Physical Education and Recreation.

She has served on the board, or volunteered with numerous organizations including the Eighth of August Committee and Sertoma Board. Dr. Taylor is a member of Alpha Kappa Alpha Sorority, Inc., and is Chair of the Scholarship Committee at Foster Chapel Baptist Church.

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

Updated: 3/3/2021 10:14 AM
PRIOR ACTION/REVIEW

FISCAL INFORMATION

ATTACHMENTS:
- Resolution (DOCX)
WHEREAS, TENN. CODE ANN. § 6-54-114 provides that all members of any municipal civil service merit board in any county with a population greater than 300,000 shall be appointed by the mayor of the municipality which the board serves; and

WHEREAS, TENN. CODE ANN. § 6-54-114 further provides that such appointments shall be subject to confirmation by the municipal legislative body; and

WHEREAS, the Mayor desires to appoint Stephanie Taylor to serve as a member of the Civil Service Merit Board; and

WHEREAS, the Council of the City of Knoxville desires to confirm said appointment of Stephanie Taylor to the Civil Service Merit Board.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Council of the City of Knoxville hereby confirms the appointment of Stephanie Taylor, 3843 Tambark Drive, Knoxville, Tennessee 37917, to the Civil Service Merit Board for a term beginning April 1, 2021 and ending March 31, 2026.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________________
Presiding Officer of the Council

__________________________________
Recorder
AGENDA SUMMARY An Ordinance appropriating the sum of $4,800.00 from the Community Empowerment budget and donating same to World United Ministries to be utilized toward its Safe Haven Gym Program and Love Your Neighbor Day.

COUNCIL DISTRICT(S) AFFECTED

6th District

BACKGROUND

World United Ministries is an organization focused on violence interruption strategies that reduce crime in East Knoxville. The Safe Haven Program empowers inner-city youth to become assets within their community. World United's purpose is to help stop the violence in our communities by getting at-risk young men and women off the streets and giving them a healthy and safe alternative. The Safe Haven Gym program provides a safe, non-judgment space for area and inner-city at-risk youth and assists them with finding positive direction through engagement with community leaders, clergy, and business professionals. Love Thy Neighbor Day is an event designed to provide fellowship in the community for people of all ages in high-risk communities. It is a safe space where neighbors can meet neighbors, build relationships and talk/fellowship, enjoy free food, gospel music, games, haircuts and talk to Safe Haven Love Thy Neighbor volunteers to share concerns and receive information for resources and tips on personal safety and keeping their neighborhood safe from crime and violence.

Safe Haven Gym Program - $4,000

Love Your Neighbor Day - $ 800

Total $4,800

OPTIONS

Approve or deny the ordinance

RECOMMENDATION

Approve $4,800
March - December 2021

PRIOR ACTION/REVIEW

The Office of Community Empowerment, formerly known as Community Relations, has partnered successfully on numerous occasions with World United Ministries to implement the Safe Haven Gym Program. Data collected from evaluations conducted by The UT College of Social Work (SWORPS) indicated that the open gym program was successful in appealing to young Black males, providing a safe place for the young men to spend time outside of school, increasing opportunities for life skills training and personal development, exposure to positive role models and increasing positive interactions with KPD.

FISCAL INFORMATION

$4,800 to be funded from 11116.100.8950.0811 Community Empowerment Department and administered by Community Empowerment Department Staff.

ATTACHMENTS:

- Ordinance, World United Ministries (DOC)
- LWilliams Letter Jan52021 (PDF)
- Support Ltr Love Thy Neighbor Day (DOCX)
- World United Budget (PDF)
- Safe Haven Evaluation Study (PDF)

HISTORY:

02/23/21 City Council APPROVED ON FIRST READING
Next: 03/09/21

Vice-Mayor McKenzie moved to approve the ordinance, and Council Member Smith seconded the motion. On unanimous roll-call vote, the motion carried.
AN ORDINANCE OF THE COUNCIL OF THE CITY OF KNOXVILLE APPROPRIATING THE SUM OF $4,800.00 FROM THE COMMUNITY EMPOWERMENT BUDGET AND DONATING SAME TO WORLD UNITED MINISTRIES TO BE UTILIZED TOWARD ITS SAFE HAVEN GYM PROGRAM AND LOVE YOUR NEIGHBOR DAY.

ORDINANCE NO: _______________

REQUESTED BY: Empowerment
PREPARED BY: Law Dept.

APPROVED ON 1ST READING: ________________________
APPROVED ON 2ND READING: ________________________
APPROVED AS AN EMERGENCY MEASURE: ________________________

MINUTE BOOK: _______ PAGE ______

WHEREAS, World United Ministries is an organization which focuses on violence interruption strategies, initiatives and service learning projects to reduce crime in East Knoxville; and

WHEREAS, its purpose is to get at risk young men and women off the streets and give them a healthy and safe alternative; and

WHEREAS, the Safe Haven Gym Program provides a safe non-judgment space for area and inner-city at risk youth and assists them with finding positive direction through engagement with community leaders, clergy, and business professionals; and

WHEREAS, the Safe Haven Love Your Neighbor Day is an outreach event in high risk neighborhoods providing fellowship where neighbors can meet other neighbors, build relationships, enjoy free food, gospel music, games, haircuts, and talk to Safe Haven
volunteers to share concerns and receive information for resources and tips on personal safety and keeping their neighborhoods safe; and

WHEREAS, funds are available from the Community Empowerment budget and the Office of Community Empowerment desires to donate $4,800.00 to World United Ministries to be utilized toward the Safe Haven Gym Program and Love Your Neighbor Day.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: There is hereby appropriated from the funds budgeted for the Office of Community Empowerment the amount of $4,800.00 and said sum is hereby donated to World United Ministries to be utilized toward the Safe Haven Gym Program and Love Your Neighbor Day.

SECTION 2: This Ordinance shall take effect immediately upon its passage, the public welfare requiring it.

__________________________________________________________
Presiding Officer of the Council

__________________________________________________________
Recorder
To Whom It May Concern,

I am writing this letter in support of Mr. Lawrence Williams and his dedication and commitment to improving our community and his commitment to expanding the Safe Haven Program.

I was vaguely aware of Mr. Williams prior to becoming Chief of Police in June, 2018 because of the strong, positive relationships he has built with many of our officers. He actually approached me after a Knoxville City Council Meeting that he had attended and asked to meet with me to introduce himself. I must mention here that he was actually at that meeting to support moving bi-monthly “gun shows” (that had been held at a city facility/park in the heart of his neighborhood for years prior) out of the area as he felt they were a detriment to his community. These “gun shows” are no longer held in this facility.

Upon talking with Mr. Williams, I was extremely impressed with his dedication to the youth of his community and working to keep them/and get them out of gangs and to be honorable young men. Mr. Williams is truly a leader who “walks the walk.” He is available and out and about in the wee hours when most of the young people he is working with are out. He is trusted and his words “carry weight” with these young people. He worked extremely hard on a project called “Safe Haven,” and worked to assist young people to be productive, proud members of society. In one aspect of this project during the summers of 2016 and 2017, he wanted to build trusting relationships between police officers and the young people from both sides of town. Several of our officers participated in a basketball program where they played together. During those time periods, we experienced no youth-related gang violence. Additionally, the relationships built during the program are still in place today and trusting each other has been a cornerstone that was built upon to serve both the youth and the officers.

I was so impressed upon talking with Mr. Williams and his mission to continue to build relationships with all of our officers in order to help the youth he cares so deeply for, that I asked him to come and talk with my current (at that time) Police Recruit class – who were approaching their graduation and taking their oath to become Police Officers. I wasn’t exactly sure what he would say, but he showed courage and compassion when speaking to these newest members of our department. He allowed them to see the value in building relationships and that, although people (especially young people) may do bad things, they are not bad people - and that all are to be valued by our community. I was moved by his commitment and honesty. After he left, I talked with my Recruits and found they had the same feelings. I have continued to ask Mr. Williams to come talk with Recruit classes – in fact, our current class completed a community volunteer project at Safe Haven House. Additionally, Mr. Williams has applied to be a Knoxville Police Department Chaplain – just another example of his commitment to building relationships.

I hope this letter will support any decision in recognizing Mr. Williams and assisting him in expansion of the Safe Haven Project.

Sincerely,

Eve M. Thomas

CHIEF EVE M. THOMAS

MAYOR INDYA KINCANNON
January 5, 2021

To Whom It May Concern,

The Safe Haven “Love Thy Neighbor Day” is an amazing event that provides outreach in high-risk neighborhoods. This Safe Haven event actually GOES into the Neighborhood with their volunteers, as well as volunteers from the neighborhood in which the event is being held, to show the neighborhood they are loved, cared about and not forgotten.

The event is designed to provide fellowship in the community for people of all ages. It is a safe space where neighbors can come out and talk/fellowship, enjoy free food, gospel music, games, haircuts and talk to Safe Haven Love Thy Neighbor volunteers to share concerns and receive information for resources and tips on what they can do to stay safe and keep their neighborhood safe from crime and violence.

The free haircuts are a non-invasive way to reach our youth. The haircuts serve multiple purposes, a fresh haircut helps with self-care/self-esteem to help young people but also an opportunity for them to open up individually and share any concerns and fears they have without worrying about retaliation or ridicule from peers.

Partnerships with community Churches and Resource Agencies are always welcome to provide information to communities at Love Thy Neighbor Day Events. Donations and volunteers are always welcome and greatly appreciated.

The event has been very successful in the past as many people are struggling with day-to-day life challenges in addition to violence, addictions, lack of employment and hopelessness. I have personally witnessed how this event provides encouragement and hope to those who attend!

Thank you!

Sincerely,

Vice Mayor Gwen McKenzie

6th District City Councilwoman

(865) 438-4551
<table>
<thead>
<tr>
<th>EXPENSE ITEM</th>
<th>MONTHLY EXPENSE</th>
<th>NUMBER OF TIMES YEARLY</th>
<th>TOTAL EXPENDITURE (PROJECTED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RENT</td>
<td>$ 1,700.00</td>
<td>12</td>
<td>$ 20,400.00</td>
</tr>
<tr>
<td>UTILITIES</td>
<td>$ 300.00</td>
<td>12</td>
<td>$ 3,600.00</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>$ 300.00</td>
<td>12</td>
<td>$ 3,600.00</td>
</tr>
<tr>
<td>CABLE/INTERNET</td>
<td>$ 200.00</td>
<td>12</td>
<td>$ 2,400.00</td>
</tr>
<tr>
<td>CELL PHONE</td>
<td>$ 100.00</td>
<td>12</td>
<td>$ 1,200.00</td>
</tr>
<tr>
<td>DIRECTOR SALARY</td>
<td>$ 2,000.00</td>
<td>12</td>
<td>$ 24,000.00</td>
</tr>
<tr>
<td>SECRETARY SALARY</td>
<td>$ 1,000.00</td>
<td>12</td>
<td>$ 12,000.00</td>
</tr>
<tr>
<td>OFFICE SUPPLIES</td>
<td>$ 100.00</td>
<td>12</td>
<td>$ 1,200.00</td>
</tr>
<tr>
<td>MEDIA/MARKETING</td>
<td>$ 100.00</td>
<td>12</td>
<td>$ 1,200.00</td>
</tr>
<tr>
<td>GROCERIES/FOOD</td>
<td>$ 1,000.00</td>
<td>12</td>
<td>$ 12,000.00</td>
</tr>
<tr>
<td>OUTREACH/LOVE THY NEIGHBOR DAY</td>
<td>$ 800.00</td>
<td>12</td>
<td>$ 9,600.00</td>
</tr>
<tr>
<td>WINTER DRIVE FOR THE HOMELESS</td>
<td>$ 300.00</td>
<td>3</td>
<td>$ 900.00</td>
</tr>
<tr>
<td>SAFE HAVEN GYM PROGRAM</td>
<td>$ 2,000.00</td>
<td>12</td>
<td>$ 24,000.00</td>
</tr>
<tr>
<td>GAS</td>
<td>$ 400.00</td>
<td>12</td>
<td>$ 4,800.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$120,900.00</strong></td>
</tr>
</tbody>
</table>
Safe Haven Open Gym Program
Participant Survey Evaluation Study
March 2017

PREPARED FOR
Knoxville – City of Knoxville Community Relations

BY
MAX TAYLOR, MPH
AMY WILSON HARDY, MSSW, BS
EMILY MCCUTCHEON, MSW, MBA, LMSW
The University of Tennessee, Knoxville
College of Social Work Office of Research and Public Service

Karen Sowers, Dean
Maryanne Cunningham, Interim Director

The University of Tennessee is an EEO/AA/Title VI/Title IX/Section 504/ADA/ADEA institution in the provision of its education and employment programs and services. All qualified applicants will receive equal consideration for employment without regard to race, color, national origin, religion, sex, pregnancy, marital status, sexual orientation, gender identity, age, physical or mental disability, or covered veteran status.

Project # R01-4018-537

This project is funded through a contract with the Knoxville Police Department and the University of Tennessee, College of Social Work Office of Research and Public Service.

Contract Number: C-16-0122
Summary

The Goal of Knoxville’s Targeted Community Crime Reduction Project (TCCRP) is to reduce violent crime in identified neighborhood hot spots in the area covered by ZIP codes 37914, 37915, and 37917. The Office of Criminal Justice Programs, which administers the TCCRP, identified four strategies it will use to accomplish this goal: pre-enforcement, neighborhood revitalization, enforcement, and offender intervention. The Safe Haven Open Gym, a program offered as a partnership with the Eternal Life Harvest Center, a neighborhood faith-based organization, is one of the TCCRP’s pre-enforcement strategies. Overall, this strategy intends to decrease the number of African American youths living in the target area who engage in criminal activity by increasing the number of African American youths securing employment; increasing the number of African American youths receiving a GED, technical training, apprenticeship programs or college educations. The final pre-enforcement strategies were the target of the Safe Haven Open Gym: increasing positive interaction between Knoxville Police Department (KPD) and residents in the target area and providing safe places for African American males to spend out-of-school time engaging in safe activities, educational programs, and giving back to the community through community service.

Safe Haven Open Gym was offered as a summer program at Cal Johnson Recreation Center, one of the City’s recreational facilities located in the target area. The program was held during nontraditional hours to provide youth in the target area with a safe place to hang out with their friends, play basketball, and attend periodic personal and professional training sessions. Expected outcomes of the Safe Haven Open Gym program include improving the attitudes and perceptions of boys and young men of color towards the KPD, building relationships with KPD officers, increasing opportunities for technical training, and increasing opportunities for safe activities in a safe environment outside of school hours.

A total of 25 Open Gym sessions were held on Tuesday and Thursday nights from May 24 to August 16, 2016. Program staff distributed surveys to Open Gym session attendees on five nights: June 30, July 5, July 12, July 21, and August 16. A total of 167 young men who attended the Open Gym sessions returned surveys on one of these five nights. As the TCCRP initiative is focused on boys and young men, the following data analysis only included responses from respondents who identified themselves as male.
Demographic and Survey Item Responses

Age: A majority of attendees (60.5%) were between 15 and 19 years of age. This age range corresponds to the TCCRP target age range of 15 to 24, indicating that the majority of boys and young men who attended Safe Haven Open Gym nights were within the project’s target age range. Of the remaining attendees, 31.7% were between 12 and 14 years of age, while 7.8% were between 9 and 11 years of age.

Race/Ethnicity: TCCRP’s pre-enforcement strategy focuses on African American youth living within the target neighborhoods. A majority of attendees (92.1%) identified as Black Non-Hispanic (91.4%) or Black Hispanic (0.7%). The remaining attendees identified as White Non-Hispanic (3.3%), Unspecified Hispanic (2%), and Other (2.6%). Sixteen attendees did not provide information on their race or ethnicity.

School Attending in Fall 2016: Most survey respondents (155 of 167) provided information on which school they would be attending in Fall 2016. Of these, a slight majority (53.5%) reported that they would be attending a school located within the TCCRP target area. The five schools represented are Austin-East Magnet High (60 attendees), Fulton High (16 attendees), Vine Middle Magnet (5 attendees), Whittle Springs Middle (1 attendee), and Christenberry Elementary (1 attendee). Seventy-two Safe Haven Open Gym attendees (46.5%) reported that they would be attending schools located outside the TCCRP target area. However, the largest numbers of attendees reported that they would be attending schools in ZIP codes neighboring the TCCRP target area: 18 attendees reported that they would be attending West High (located in 37918), while 11 attendees reported that they would be attending Northwest Middle (located in 37912). As these attendees may still live in, have strong ties to, or spend a significant amount of time in the TCCRP target area, their survey responses were not excluded. Twelve attendees did not provide information on which school they would be attending.

Proximity to Open Gym: Sixty-four attendees (38.6%) reported living “More than a mile” from the Open Gym, while 57 attendees (34.3%) reported living “About a mile” from the Open Gym and only 45 respondents (27.1%) reported living “A few blocks” away.

Travel to Open Gym: Survey respondents appear to have interpreted the open-ended survey item asking how they arrived at the Safe Haven Open Gym in two different ways. Most respondents provided information regarding who brought them: 28 were brought by a relative (43.8%), 9 came with a friend (14.1%), and 8 came with an unrelated adult such as a teacher, coach, or Safe Haven Open Gym staff member (12.5%). However, some respondents interpreted the question differently, providing information on their means of transportation such as “Car” (14.1%), “Bicycle/Walked” (4.7%), and “Bus” (1.6%). Survey respondents who provided information on their means of transportation did not differ significantly in age from those who provided information on who they came with, so while it might seem logical to assume that the former respondents came by themselves, this assumption is not supported by the available data. It would be advisable to revise this question in the future to clarify what kind...
of information it is seeking to gather, such as by providing options for respondents to choose from rather than leaving the question open-ended. Six respondents did not answer this question. Responses to this item provided by attendees who indicated that they lived “About a mile” and “A few blocks” from the Safe Haven Open Gym have been excluded due to the wording of the item specifying that responses were only sought from participants who lived “More than a mile” away from the Open Gym.

**Activities:** Attendees were encouraged to select all activities in which they participated. All but one attendee reported participating in at least one activity, while a total of 87 attendees took part in more than one activity. Almost all attendees (97.6%) reported playing basketball. Sixty-eight attendees (40.7%) reported attending a class; the most popular class was “Life Skills,” with 44 responses. Twenty-one attendees (12.6%) reported hanging out with friends, while 12 attendees (7.2%) reported playing another sport, specifically football. Only two participants reported “Other activity;” one reported “Dance,” while the other did not specify what activity he took part in.

**How attendees heard about Open Gym:** The majority of attendees (151 attendees, 93.2%) reported that they learned about the Safe Haven Open Gym from someone they knew. Almost half (46.9%) of all attendees reported that they heard about the Open Gym program from friends. The next most frequently chosen sources from whom attendees heard about the Open Gym were teachers and coaches (39 attendees, 24.1%), relatives (29 attendees, 17.9%), or other people (seven attendees, 4.3%). Only five attendees (3.1%) reported hearing about the Open Gym from social media. Three attendees said they learned about the Open Gym from more than one person, and three attendees said they were walk-ins and had not heard of the Open Gym before. Five attendees provided no answer to this question. Since this survey item was an open-ended question, it is not clear if attendees’ responses were drawing a distinction between in-person, word-of-mouth interactions with friends and social media interactions with friends. Changing this survey item to a list of selections could yield more specific information on the respective impacts of social media and traditional word-of-mouth on Open Gym awareness.

**Time spent at Open Gym:** Each Open Gym session lasted from two and a half to three hours. The majority of attendees (139 attendees, 84.8%) reported that they stayed at the Open Gym for two to three hours. Only 12.2% reported spending one to two hours at the Open Gym, and only 3% reported spending less than an hour. Three attendees did not answer this question.

**Scheduling feedback:** A large majority of attendees (96.2%) reported that they would stay longer at the Open Gym if it were open longer. Only six attendees (3.8%) said that they would not, and 11 attendees did not answer this question. Of the 150 attendees who said that they would stay longer at the Open Gym if it were open longer, a majority (60.0%) responded that the Open Gym should both open earlier and stay open later. Roughly half as many attendees (31.3%) responded that the Open Gym should only open earlier, and 10 attendees (6.7%)
responded that the Open Gym should only remain open later. Three of the 150 attendees who said they would stay longer at the Open Gym did not indicate a preference.

**Likelihood of bringing a friend:** When asked if they would bring a friend to the Open Gym, 161 attendees (97.0%) responded positively. Only five attendees (3.0%) responded negatively, and each of these five attendees provided a different reason why they would not. These reasons given were “Work;” “I offered, but they didn’t want to come;” “It’s boring;” “They live too far away;” and “They already attend Open Gym.” Only one attendee left this question unanswered.

**Number of Open Gym sessions attended:** A total of 25 Open Gym sessions were offered over the summer of 2016. Open Gym session attendees were surveyed on five dates: June 30, July 5, July 12, July 21, and August 16, which was the final Open Gym night. Attendees were asked to disclose how many Safe Haven Open Gym nights they had attended. As this survey item was an open-ended question, respondents could provide any answer they chose. For simplicity’s sake, numerical responses by survey respondents have been organized into the following two categories: “10 or fewer sessions” and “11 or more sessions.” Some respondents answered “most” or “all” instead of providing a numerical response; these responses were included in “11 or more sessions,” since more than 11 sessions had taken place by the first survey date. While there is some fluctuation over time, more respondents reported attending 10 or fewer sessions to date than 11 or more at each survey administration. This may indicate that the young men are using the service as needed, but are also taking advantage of other opportunities such as summer sports leagues or other area events. Additional items could be added to the survey to clarify this finding.

![Graph showing participant frequency of attendance at Open Gym](image)

**Figure 1. Participant frequency of attendance at Open Gym**
Participant Survey

These survey items were structured as a retrospective pre-posttest, in which respondents answered the same set of questions twice. Respondents were provided with seven statements regarding their perceptions of their neighborhoods and KPD and were asked to indicate their level of agreement with the statement by checking one of three responses: a positive response “Yes, Definitely;” a neutral response “Kind of;” or a negative response “No, Not at All.” In the pretest section, Open Gym attendees were first encouraged to think back to the time before they started attending the Safe Haven Open Gym program and record their responses to these statements. They were then asked to respond to the same statements again in the posttest section, this time while thinking about how they currently feel after having attended the Safe Haven Open Gym program. See Table VI in the Appendix.

The survey format was interpreted ambiguously by some Open Gym attendees. Consistently across all survey dates, a larger number of survey respondents omitted the questions in the posttest section than the number of respondents who omitted the questions in the pretest section. This was especially true on the June 30 and July 5 survey dates. Overall, 20 to 23 survey respondents left the posttest section unanswered across all survey dates, compared to only eight to nine respondents who left the pretest section unanswered. This suggests that Open Gym attendees may have misunderstood the instructions for how to answer this type of survey. It may be worthwhile in the future for the Open Gym staff who hand out the surveys to quickly review the instructions with attendees to avoid misunderstanding. Unfortunately, because of this discrepancy in attendees’ responses to the pretest and posttest sections, only limited conclusions can be drawn about the impact of the Open Gym on program attendees’ attitudes.
Question A: I felt like there was a safe place to go in my neighborhood during the hours of 6 pm to 9 pm. For both the pretest and posttest sections, more respondents reporting having a safe place to go in their neighborhood, but almost twice as many said they felt this way AFTER attending an Open Gym sessions as did before attending a session.

Figure 2. Responses to "I feel like there's a safe place to go in my neighborhood between the hours of 6-9pm"
Question B: I had adults I could turn to if I needed help. For both the pretest and posttest sections, the majority of respondents felt they have adults in their lives they can turn to, but many more reported this after attending an Open Gym Session.

Figure 3. Responses to "I had adults I could turn to if I needed help"
**Question C: I often got into trouble.** This survey item is unique in that it is phrased in such a way that the negative response "No, Not at All" is more desirable than the neutral response "Kind Of" or the positive response "Yes, Definitely." After attending an Open Gym session, slightly fewer respondents chose positive or neutral responses and a majority of respondents reported that they did not often get into trouble.

![Figure 4. Responses to "I often got into trouble"](image-url)

- **Yes**: 25.9% Pretest, 14.5% Posttest
- **Kind Of**: 39.9% Pretest, 32.4% Posttest
- **No**: 34.2% Pretest, 53.1% Posttest
Question D: I had a lot of friends in my neighborhood. Almost 50% more respondents reported having a lot of friends in their neighborhood after attending an Open Gym session.

![Chart showing response rates for having a lot of friends in the neighborhood before and after Open Gym session.](image)

Figure 5. Responses to "I had a lot of friends in my neighborhood"

Question E: I liked my neighborhood. Responses to this question did not meaningfully vary after respondents attended an Open Gym session.

![Chart showing response rates for liking the neighborhood before and after Open Gym session.](image)

Figure 6. Responses to "I liked my neighborhood"
Question F: I participated in volunteer activities in my neighborhood. After attending an Open Gym session, many more respondents reported a neutral response to this question. Positive responses increased as well, while negative responses decreased substantially.

![Graph showing responses to volunteer activities]

Figure 7. Responses to "I participated in volunteer activities in my neighborhood"
Question G: I had a positive opinion of the Knoxville Police Department (KPD). Negative responses to this question decreased substantially after attending an Open Gym session, while positive and neutral responses increased accordingly.

![Graph showing responses to Question G](image)

Figure 8. Responses to "I had a positive opinion of the Knoxville Police Department (KPD)"

Conclusion

The Safe Haven Open Gym was successful in appealing to young African American males living in and near the target area. Notably, most Open Gym attendees learned about the program from friends, and almost all attendees would recommend the program to friends, indicating very positive word-of-mouth among the target population. Overall, survey respondents indicated that the Open Gym was successful in its goals of providing a safe place for boys and young men of color to spend time outside of school, increasing opportunities for learning, and increasing positive interactions with KPD.
Appendix
<table>
<thead>
<tr>
<th>Table 1: Demographic Characteristics and School Attended (n=167)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
</tr>
<tr>
<td>9-11</td>
</tr>
<tr>
<td>12-14</td>
</tr>
<tr>
<td>15-19</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Missing</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
</tr>
<tr>
<td>Black Non-Hispanic</td>
</tr>
<tr>
<td>White Non-Hispanic</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Unspecified Hispanic</td>
</tr>
<tr>
<td>Black Hispanic</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Missing</td>
</tr>
<tr>
<td>School Attending in Fall 2016:</td>
</tr>
<tr>
<td>Schools Within TCCRP Target Area</td>
</tr>
<tr>
<td>Austin-East Magnet High</td>
</tr>
<tr>
<td>Fulton High</td>
</tr>
<tr>
<td>Vine Middle Magnet</td>
</tr>
<tr>
<td>Whittle Springs Middle</td>
</tr>
<tr>
<td>Christenberry Elementary</td>
</tr>
<tr>
<td>Schools Outside TCCRP Target Area</td>
</tr>
<tr>
<td>West High</td>
</tr>
<tr>
<td>Carter High</td>
</tr>
<tr>
<td>South-Doyle High</td>
</tr>
<tr>
<td>Central High</td>
</tr>
<tr>
<td>Northwest Middle</td>
</tr>
<tr>
<td>Bearden Middle</td>
</tr>
<tr>
<td>Carter Middle</td>
</tr>
<tr>
<td>South-Doyle Middle</td>
</tr>
<tr>
<td>West Hills Elementary</td>
</tr>
<tr>
<td>Other schools</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Missing</td>
</tr>
</tbody>
</table>

*Percentage does not sum to 100 due to rounding
Table 2: Proximity and Travel to Open Gym (n=167)

<table>
<thead>
<tr>
<th>How far do you live from the Open Gym?</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than a mile</td>
<td>64</td>
<td>38.6</td>
</tr>
<tr>
<td>About a mile</td>
<td>57</td>
<td>34.3</td>
</tr>
<tr>
<td>A few blocks</td>
<td>45</td>
<td>27.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>166</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

If more than a mile, how did you get there?

<table>
<thead>
<tr>
<th>Method of Travel</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative brought me</td>
<td>28</td>
<td>43.8</td>
</tr>
<tr>
<td>Car</td>
<td>9</td>
<td>14.1</td>
</tr>
<tr>
<td>Friend brought me</td>
<td>9</td>
<td>14.1</td>
</tr>
<tr>
<td>Teacher, coach, or Safe Haven Open Gym staff member brought me</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Bicycle/Walked</td>
<td>3</td>
<td>4.7</td>
</tr>
<tr>
<td>Bus</td>
<td>1</td>
<td>1.6</td>
</tr>
<tr>
<td>No Answer</td>
<td>6</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>64</td>
<td>100.2*</td>
</tr>
</tbody>
</table>

*Percentage does not sum to 100 due to rounding

Table 3: Respondent Activities at the Open Gym (n=167+)

<table>
<thead>
<tr>
<th>Activity</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basketball</td>
<td>163</td>
<td>97.6</td>
</tr>
<tr>
<td>Attended a class</td>
<td>68</td>
<td>40.7</td>
</tr>
<tr>
<td>Hung out with friends</td>
<td>21</td>
<td>12.6</td>
</tr>
<tr>
<td>Other sport</td>
<td>12</td>
<td>7.2</td>
</tr>
<tr>
<td>Other activity</td>
<td>2</td>
<td>1.2</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*Respondents could provide more than one response (266 total responses)
<table>
<thead>
<tr>
<th>Table 4: Program Feedback (n=167)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How did you hear about Safe Haven Open Gym?</strong></td>
</tr>
<tr>
<td>Friends</td>
</tr>
<tr>
<td>Teacher or coach</td>
</tr>
<tr>
<td>Relatives</td>
</tr>
<tr>
<td>Other person</td>
</tr>
<tr>
<td>Social media</td>
</tr>
<tr>
<td>More than one source</td>
</tr>
<tr>
<td>No one/Walk-in</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>How long do you usually stay?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than an hour</td>
</tr>
<tr>
<td>1-2 hours</td>
</tr>
<tr>
<td>2-3 hours</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>If the Open Gym was open longer, would you stay longer?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>If YES, should it be open earlier, later, or both?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earlier</td>
</tr>
<tr>
<td>Later</td>
</tr>
<tr>
<td>Both</td>
</tr>
<tr>
<td>No Answer</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Would you bring a friend to with you?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
</tr>
</tbody>
</table>

*Percentage does not sum to 100 due to rounding
<table>
<thead>
<tr>
<th>Date</th>
<th>Range</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/16</td>
<td>1-5</td>
<td>21</td>
<td>61.8</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>5</td>
<td>14.7</td>
</tr>
<tr>
<td></td>
<td>11 or more</td>
<td>1</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>Most</td>
<td>2</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>5</td>
<td>14.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7/5/16</td>
<td>1-5</td>
<td>19</td>
<td>57.6</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>4</td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td>11 or more</td>
<td>1</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Most</td>
<td>3</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>6</td>
<td>18.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>7/12/16</td>
<td>1-5</td>
<td>10</td>
<td>43.5</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>4</td>
<td>17.4</td>
</tr>
<tr>
<td></td>
<td>11 or more</td>
<td>1</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>Most</td>
<td>4</td>
<td>17.4</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>4</td>
<td>17.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>23</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>7/21/16</td>
<td>1-5</td>
<td>8</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>2</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>11 or more</td>
<td>1</td>
<td>6.3</td>
</tr>
<tr>
<td></td>
<td>Most</td>
<td>2</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>3</td>
<td>18.8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>16</td>
<td>100.1*</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>8/16/16</td>
<td>1-5</td>
<td>1</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>29</td>
<td>63.0</td>
</tr>
<tr>
<td></td>
<td>11 or more</td>
<td>14</td>
<td>30.4</td>
</tr>
<tr>
<td></td>
<td>Most</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>2</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>46</td>
<td>99.9*</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Percentage does not sum to 100 due to rounding
Table 6: Change in Opinion Questions (n=167)

<table>
<thead>
<tr>
<th></th>
<th>Pre Open Gym</th>
<th></th>
<th>Post Open Gym</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>I felt like there was a safe place to go in my neighborhood during the hours of 6 pm to 9 pm.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>73</td>
<td>45.9</td>
<td>123</td>
<td>84.8</td>
</tr>
<tr>
<td>Kind Of</td>
<td>40</td>
<td>25.2</td>
<td>20</td>
<td>13.8</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>46</td>
<td>28.9</td>
<td>2</td>
<td>1.4</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
<td>100.0</td>
<td>145</td>
<td>100.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>8</td>
<td></td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>I had adults I could turn to if I needed help.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>88</td>
<td>55.3</td>
<td>132</td>
<td>89.8</td>
</tr>
<tr>
<td>Kind Of</td>
<td>60</td>
<td>37.7</td>
<td>13</td>
<td>8.8</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>11</td>
<td>6.9</td>
<td>2</td>
<td>1.4</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
<td>99.9*</td>
<td>147</td>
<td>100.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>8</td>
<td></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>I often got into trouble.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>41</td>
<td>25.9</td>
<td>21</td>
<td>14.5</td>
</tr>
<tr>
<td>Kind Of</td>
<td>63</td>
<td>39.9</td>
<td>47</td>
<td>32.4</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>54</td>
<td>34.2</td>
<td>77</td>
<td>53.1</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>100.0</td>
<td>145</td>
<td>100.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>9</td>
<td></td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>I had a lot of friends in my neighborhood.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>77</td>
<td>48.7</td>
<td>112</td>
<td>77.2</td>
</tr>
<tr>
<td>Kind Of</td>
<td>75</td>
<td>47.5</td>
<td>27</td>
<td>18.6</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>6</td>
<td>3.8</td>
<td>6</td>
<td>4.1</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>100.0</td>
<td>145</td>
<td>99.9*</td>
</tr>
<tr>
<td>No Answer</td>
<td>9</td>
<td></td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>I liked my neighborhood.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>80</td>
<td>50.3</td>
<td>72</td>
<td>50.0</td>
</tr>
<tr>
<td>Kind Of</td>
<td>61</td>
<td>38.4</td>
<td>61</td>
<td>42.4</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>18</td>
<td>11.3</td>
<td>11</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
<td>100.0</td>
<td>144</td>
<td>100.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>8</td>
<td></td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>I participated in volunteer activities in my neighborhood.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>31</td>
<td>19.6</td>
<td>45</td>
<td>31.3</td>
</tr>
<tr>
<td>Kind Of</td>
<td>63</td>
<td>39.9</td>
<td>85</td>
<td>59.0</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>64</td>
<td>40.5</td>
<td>14</td>
<td>9.7</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>100.0</td>
<td>144</td>
<td>100.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>9</td>
<td></td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>I had a positive opinion of the Knoxville Police Department (KPD).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, Definitely</td>
<td>41</td>
<td>25.9</td>
<td>51</td>
<td>35.4</td>
</tr>
<tr>
<td>Kind Of</td>
<td>50</td>
<td>31.6</td>
<td>68</td>
<td>47.2</td>
</tr>
<tr>
<td>No, Not at All</td>
<td>67</td>
<td>42.4</td>
<td>25</td>
<td>17.4</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>99.9*</td>
<td>144</td>
<td>100.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>9</td>
<td></td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

*Percentage does not sum to 100 due to rounding
AGENDA SUMMARY A Resolution requesting that the members of the General Assembly representing the City of Knoxville introduce and seek passage of a legislative bill regarding state and local tax revenue allocation for a mixed-use stadium in the City of Knoxville.

COUNCIL DISTRICT(S) AFFECTED All

BACKGROUND The City of Knoxville and Knox County are negotiating with Boyd Sports, Inc., the owner of the Tennessee Smokies AA baseball team, to be the anchor tenant of a proposed multi-use public stadium. The project is expected to be accompanied by over $140,000,000 in new private commercial and residential development surrounding the stadium, which has the ability to directly generate significant new state and local tax revenue.

Tennessee state law currently allows certain state and local sales and uses tax revenue to be utilized by Sports Authorities to retire debt on sports stadiums. The requested legislative bill will expand the Sales Tax Allocation Area to include an area within one-quarter mile from the center point of the proposed stadium, which will encompass the anticipated new private development. Revenue derived from the expanded Sales Tax Allocation Area will be necessary to make construction and ownership of the stadium feasible.

OPTIONS Approve or deny the request.

RECOMMENDATION Approve the request.

ESTIMATED PROJECT SCHEDULE The legislation will be deliberated in the Spring 2021 session of the Tennessee General Assembly.

PRIOR ACTION/REVIEW City Council approved the creation of a joint sports authority on December 15, 2020.
FISCAL INFORMATION

ATTACHMENTS:

- Resolution (DOCX)
RESOLUTION


RESOLUTION NO: ____________
REQUESTED BY: Administration_____
PREPARED BY: BASS, BERRY & SIMS, PLC
APPROVED: _________________
APPROVED AS AN EMERGENCY MEASURE: _________________________
MINUTE BOOK: _____PAGE _____

WHEREAS, the City of Knoxville ("the City") and Knox County ("the County") have been negotiating with Boyd Sports, Inc., the owner of the Tennessee Smokies, a Class AA baseball team affiliated with the Chicago Cubs ("the Team"), to be the anchor tenant of a mixed-use stadium to be located in a blighted area adjacent to downtown Knoxville ("the Stadium"); and

WHEREAS, the City and the County have previously approved the creation of a joint sports authority ("the Sports Authority") to construct and own the Stadium; and

WHEREAS, the City and the County expect significant development in the area in close proximity to the Stadium, including an investment of over $140,000,000 in new commercial and residential development undertaken by a development group affiliated with the Team (collectively, "the Adjacent Developments"); and

WHEREAS, Tennessee law currently allows certain state and local tax revenue to be apportioned and distributed to the Sports Authority for the retirement of the debt on and maintenance of the Stadium; and

WHEREAS, to make the construction and ownership of the Stadium feasible, the Sports Authority desires to have certain state and local tax revenue from a one-quarter mile area from the center of the Stadium ("the Sales Tax Allocation Area"), including the Adjacent Developments, to be
apportioned and distributed to the Sports Authority for the retirement of the debt on and maintenance of the Stadium; and

WHEREAS, the Council of the City of Knoxville desires to request the members of the Tennessee General Assembly representing the City to introduce and seek passage of a legislative bill that would allow certain state and local tax revenue from the Sales Tax Allocation Area to be apportioned and distributed to the Sports Authority for the retirement of the debt on and maintenance of the Stadium.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Council of the City of Knoxville hereby requests that the members of the Tennessee General Assembly representing the City of Knoxville to introduce and seek passage of a legislative bill to allow certain state and local tax revenue from the Sales Tax Allocation Area to be apportioned and distributed to the Sports Authority for the retirement of the debt on and maintenance of a Stadium.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City of Knoxville requiring it.

____________________________________
Presiding Officer of the Council

____________________________
Recorder

29796474.1
AGENDA SUMMARY  A Resolution authorizing the Mayor to execute a lease agreement with Legacy Parks Foundation for water access at Bicentennial Park for a non-motorized boat launch.

COUNCIL DISTRICT(S) AFFECTED  Sixth District (Council member Gwen McKenzie)

BACKGROUND  The City has an easement agreement with TVA permitting public recreation uses along the Tennessee River at parcel 095JB007. The City has developed the waterfront area to provide opportunities for public recreational activities within TVA’s 2006 Land Policy definition of “public recreation” including leasing the Gateway Pavilion to Legacy Parks Foundation, a non-profit entity, for public outdoor recreational activities. To enhance the outdoor activities that Legacy Parks is promoting, the City approved a lease to Legacy Parks to construct and maintain a water access structure, with permission from TVA, for launching paddleboards, kayaks, canoes or other non-motorized boats. The current lease established in 2014 has expired.

Pending approvals from City Development Services, the lease will allow Legacy Parks to construct and maintain a boat locker structure for storage of kayaks, paddle boards and other boating equipment for use at the approved water access structure. The location of the access structure and boat lockers will be just south of the Gateway Pavilion at Bicentennial Park, at the mouth of First Creek, near the Holston Treaty statue. Legacy Parks will not be charging a fee for use of the access structure and the structure will be open to the public. The term of the new lease will run through September 30, 2022, aligning the expiration with the time frame of the lease with Legacy Parks Foundation for the Gateway Building.

OPTIONS  Approve or Deny

RECOMMENDATION  Approve

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW  - Prior lease was approved by council and dated December 10th, 2014 has expired. Land Acquisition approved to issue a new lease in November 2019.

FISCAL INFORMATION  - none

ATTACHMENTS:
- RESOL - Legacy Parks Bicentennial Park C-21-0224  (DOCX)
- AGRMT - Legacy Parks Bicentennial Park C-21-0224 final 2-25 (DOCX)
• Exhibits to C-21-0224  (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH LEGACY PARKS FOUNDATION FOR WATER ACCESS AT BICENTENNIAL PARK FOR A NON-MOTORIZED BOAT LAUNCH.

WHEREAS, on December 10, 2014, the Legacy Parks Foundation ("Legacy Parks"), a nonprofit entity, entered into a Lease with the City ("Lease") for a portion of the North Waterfront to be used for a public access structure to allow for the launching of small, personal, non-motorized watercraft; and

WHEREAS, this Lease has expired and the parties desire to enter into a new lease agreement for the same property and for the same purposes; and
WHEREAS, the Council of the City of Knoxville finds that it is in the best interests of the City to execute a Lease with Legacy Parks Foundation for a portion of the North Waterfront adjacent to Bicentennial Park to be used for a public access structure to allow for the launching of small, personal, non-motorized watercraft.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor be and hereby is authorized to enter into a Lease Agreement, in substantially the form attached hereto, on behalf of the City of Knoxville with the Legacy Parks Foundation for the lease of a portion of the waterfront area adjacent to Bicentennial Park to allow for the launching of small, personal, non-motorized watercraft for a period to expire September 30, 2022.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

________________________________________
Presiding Officer of the Council

Recorder

R:\CMagrans\Resolutions\Finance\Legacy Parks Bicentennial C-21-0224.docx
LEASE

THIS LEASE is made by and between the CITY OF KNOXVILLE, a municipal corporation organized and existing under the laws of the State of Tennessee with its principal office at 400 Main Street, Knoxville, Tennessee 37902 (“City”) and LEGACY PARKS FOUNDATION, a non-profit corporation organized and existing under the laws of the State of Tennessee with its principal office at 900 Volunteer Landing Lane, Knoxville, Tennessee 37915 (“Legacy Parks”).

WITNESSETH:

WHEREAS, on May 17, 1979, the Tennessee Valley Authority (“TVA”) and the City entered into a thirty-year easement agreement to permit public recreational activities on and along the Tennessee River at TVA Parcel XTFL-113RE, also known as TVA Contract No. TV-50921A (the “Easement Agreement”);

WHEREAS, in 2008, the City exercised its option to renew the Easement Agreement for an additional twenty years and the Easement Agreement is now scheduled to expire on May 16, 2029;

WHEREAS, the City has continued to develop the waterfront area to provide opportunities for public recreational activities within TVA’s 2006 Land Policy definition of “public recreation,” including leasing the Gateway Pavilion to Legacy Parks for use of the building for public outdoor recreational activities, which lease is known as City of Knoxville Document No. C-19-0256;

WHEREAS, the City desires to continue developing the waterfront area by enhancing public access to the Tennessee River;

WHEREAS, the City specifically desires to lease a portion of the waterfront area for a public access structure to allow for the launching of small, personal, non-motorized watercraft;
WHEREAS, Legacy Parks has built an access structure at a location adjacent to Bicentennial Park (the “Leased Premises”), the boundaries of which are shown in Exhibits A and B attached hereto; and

WHEREAS, the Leased Premises is within TVA Parcel XTFI-113RE and subject to the Easement Agreement;

WHEREAS, TVA has given the City written permission to lease the Leased Premises as a portion of the easement area, pursuant to the Easement Agreement and as shown in the letter from TVA attached hereto as Exhibit C;

WHEREAS, TVA has concluded that the construction and maintenance of an access structure at the Leased Premises is consistent with the terms set forth in the Easement Agreement; and

WHEREAS, Legacy Parks is leasing the Leased Premises with the full understanding that this Lease is subject to the terms and conditions set forth in the Easement Agreement, as well as TVA’s 2006 Land Policy definition of “public recreation,” both having been previously provided to Legacy Parks for consideration and review, and that this Lease is subject to all relevant regulations, definitions, and land use policies of TVA.

WHEREAS, City Council by Resolution No. ______________ on March 9, 2021 authorized the Mayor of the City of Knoxville to execute this Lease on behalf of the City of Knoxville.

NOW, THEREFORE, the City and Legacy Parks, for the mutual considerations stated herein, agree as follows:

ARTICLE 1. GENERAL CONDITIONS

1.1. LEASE OF PREMISES. Subject to and upon the terms, provisions, and conditions herein, and each in consideration of the duties, covenants, and obligations of the other hereunder, the City does hereby demise and lease unto Legacy Parks, and Legacy Parks hereby rents and leases from the City, the land adjacent to Bicentennial Park, as further described in Exhibits
A and B, which are attached hereto incorporated herein and made a part of this Lease as if the exhibits were fully set out verbatim (the “Leased Premises”). The Lease is subject to the 1979 Easement Agreement for TVA Parcel XTFL-113RE, attached hereto as Exhibit D, which provides, in part, that the easement shall be used solely for public recreation and at all times shall be made available for recreational purposes to all members of the general public.

1.2. LEASE CONDITIONAL. Plans involving potential obstructions to be placed in the Tennessee River require TVA approval under Section 26a of the TVA Act, as well as review of land agreements to insure that such proposed items are allowed in accordance with TVA rules, regulations, policies, and environmental concerns.

1.3. PURPOSE OF LEASE. The purpose of this Lease is to allow Legacy Parks to use the Leased Premises in a manner that will facilitate public outdoor recreational activities on and along the Tennessee River. The City believes that Legacy Parks’ construction of an access structure has enhanced existing uses and features, and promotes outdoor recreational activities in the region and specifically along the Tennessee River. The access structure shall be used specifically for the launch and retrieval of small, personal, non-motorized watercraft. To ensure that this purpose is fulfilled, the following conditions must be maintained during the Term of this Lease:

1.3.1. Legacy Parks shall remain a non-profit corporation;
1.3.2. Revenues generated from rentals and sales shall be used to fund operational expenses; and
1.3.3. Any change to Legacy Parks’ business plan shall be submitted to TVA for approval.

1.4. LEASE DOCUMENTS. The executed Lease Documents will consist of the following:

(A) This Lease;
(B) Proposed description for Leased Premises as Exhibit A;
(C) Boundary map of the Leased Premises as Exhibit B;
(D) Letter from TVA granting the City permission to lease the easement area as Exhibit C;
(D) The 1979 Easement Agreement for TVA Parcel XTFL-113RE as Exhibit D;
(E) The 2008 Easement Agreement renewal letter as Exhibit E;
(F) TVA’s 2006 Land Policy as Exhibit F;
(G) Insurance certificates and endorsements as Exhibit G.

All other exhibits attached to this Lease are incorporated herein by reference and made a part of this Lease as if they were fully set out verbatim. To the extent there is a conflict between the terms of the Lease Documents, the terms that provide the greater benefit to the City or impose the greater obligation on Legacy Parks shall control.

1.5. PREMISES PARKING. Legacy Parks understands and agrees that there is no exclusive parking designated for the Leased Premises or for the use of Legacy Parks. Public parking without designation is located on the land next to and nearby the Leased Premises, subject to the rights of the adjacent businesses, but the City makes no warranty that the Leased Premises will be served by any designated parking area or stalls during the Term of this Lease.
1.6. USE OF PREMISES. Legacy Parks agrees that it will use and occupy the Leased Premises to facilitate public outdoor recreational activities on and along the Tennessee River. Accordingly, Legacy Parks shall not charge any fee or seek donations for the use of or access to the access structure. The use of this Leased Premises cannot impair or impede any rights reserved to TVA, whether set forth in the Easement Agreement or required by subsequent regulation or policy of TVA. Legacy Parks understands and agrees that it acquires no ownership, title, property rights, or property interest in or to the Leased Premises other than the leasehold interest conveyed by this Lease.

1.7. TERM. The City does hereby lease to Legacy Parks the Leased Premises for a term commencing on April 1, 2021, and terminating on September 30, 2022, unless earlier terminated pursuant to Article 2 herein. This Lease may be extended for two (2) additional one (1) year terms, under the same provisions, with the written approval of the City and Legacy Parks.

1.8. RENT. As consideration for the use and occupancy of, and as rent for the Leased Premises, Legacy Parks promises and agrees to pay the City a rental payment in the amount of One Dollar ($1.00) per month or any portion thereof, with the first monthly rental payment being payable on April 1, 2021, and thereafter on the first business day of each month, and payable in advance and without demand.

1.9. PLACE OF PAYMENT. Legacy Parks shall pay to the City Finance Department all rent and other sums payable by Legacy Parks to the City.

1.10. TAXES. Legacy Parks shall pay, or cause to be paid, before they become delinquent, all taxes and assessments of every kind or character which accrue against the personal property placed on the Leased Premises by Legacy Parks or any permitted subtenants or assigns. Legacy Parks shall not be responsible for payment of property taxes to the City of Knoxville or Knox County.

1.11. UTILITIES. Legacy Parks shall be responsible for and shall pay promptly for the installation and use of utility services for the Leased Premises, including any natural gas, water, and electricity charges assessed on the Leased Premises during the term of the Lease. This provision does not guarantee that Legacy Parks shall be permitted to install any utilities on the Leased Premises, nor does it guarantee that the City shall provide utilities on the Leased Premises.

1.12. CONDITION OF THE PREMISES. Legacy Parks’ signature on this Lease signifies that representatives of Legacy Parks (i) have visited the Leased Premises; (ii) have inspected the Leased Premises; and (iii) are fully acquainted with the condition of the Leased Premises. The failure of Legacy Parks to do any of the above does not, in any way, relieve Legacy Parks of any obligations pursuant to this Lease. The parties agree that the Leased Premises is in good order and repair, and Legacy Parks accepts the Leased Premises in its present condition and acknowledges that it is suitable for Legacy Parks’ intended use. The Leased Premises are leased and Legacy Parks accepts the same in their “as is” condition, and the City has no obligation to build or make any improvements thereon or thereto whatsoever.
1.13. **IMPROVEMENTS.**

1.13.1. **Optional Improvements.** Legacy Parks may improve the property by constructing boat lockers on the Leased Premises within the area designated on Exhibits A and B; provided, however, that Legacy Parks must submit site plans to the City and obtain prior written approval from the City prior to such construction. Otherwise, Legacy Parks shall not alter the Leased Premises without the prior written approval of the City, which approval shall not be unreasonably withheld.

1.13.2. **Permits Required.** Nothing in this Section 1.13 shall exempt Legacy Parks from obtaining all necessary permits and approvals pursuant to the City of Knoxville Code of Ordinances, including, but not limited to, the Building Code, Plumbing Code, Mechanical Code, Electrical Code, and Fire Code.

1.13.3. **Removal of Improvements.** Only if directed by the City or TVA, Legacy Parks shall remove all improvements or fixtures on the Leased Premises within thirty (30) days' written notice to Legacy Parks of the termination of the Lease, at Legacy Parks’ sole cost. Otherwise, upon termination of this Lease, Legacy Parks shall not remove the access structure or boat lockers, if constructed, from the Leased Premises.

1.14. **WARRANTY OF POSSESSION.** During the entire Term, the City covenants and warrants that Legacy Parks, subject to the terms of this Lease and upon paying the rents herein provided for and performing all of its covenants and agreements herein contained, shall peaceably and quietly have, hold, occupy, use, and enjoy and shall have the full and unrestricted use and enjoyment of the Leased Premises; provided however, that others may use the property and access structure at any time to launch and retrieve small, personal, non-motorized watercraft.

1.15. **CLEANING, MAINTENANCE, AND CAPITAL REPAIRS BY THE CITY.** Legacy Parks will provide 24-hour access to all facility-related equipment and spaces at the Leased Premises as needed by the City or Public Building Authority to maintain the Leased Premises. At no cost to Legacy Parks, the City will be responsible for reasonably maintaining the grounds around the Leased Premises. Such maintenance by the City shall not include maintenance or management of impacts created by Legacy Parks’ use of the Leased Premises.

1.16. **CLEANING, MAINTENANCE, AND STORAGE BY LEGACY PARKS.** At its sole cost and expense, Legacy Parks agrees to keep the Leased Premises in a clean, sanitary, and safe condition in accordance with all applicable federal, state, and local regulations. Legacy Parks shall keep the Leased Premises and any approved improvements on the Leased Premises shall free of debris, trash, blight, and rot. Legacy Parks shall not store property or materials on the Leased Premises, except where such storage has been approved by the City. Legacy Parks shall not install or allow to be installed any unapproved fixtures or structures. Legacy Parks will not allow any nuisances to exist with respect to the Leased Premises.

1.17. **OTHER COSTS.** In addition to its obligations stated in this Lease, Legacy Parks shall pay, or cause to be paid, all other costs necessary for its use and operations of the Leased Premises.
1.18. **SURRENDER OF LEASED PREMISES.** At the termination or expiration of this Lease, for whatever reason, Legacy Parks shall surrender the Leased Premises to the City in the same condition as Legacy Parks received it when the Term of this Lease began, except (i) Legacy Parks shall not be responsible for reasonable wear and tear, and (ii) any permanent structures or fixtures installed by Legacy Parks shall remain on the Leased Premises unless Legacy Parks is directed to remove such structures or fixtures. All improvements remaining on the Leased Premises, referred to in Section 1.13, of this Lease, shall be the sole property of the City. Legacy Parks is authorized to remove any non-fixture at the conclusion of the Lease. Any other items belonging to Legacy Parks that remain on the Leased Premises on the termination date of this Lease shall be deemed abandoned and shall become property of the City; the City may then dispose of the same without any liability to Legacy Parks.

1.19. **CITY’S RIGHT OF ENTRY.** The City or the City’s representatives shall have the right at any time to enter upon any part of the Leased Premises for the purposes of (i) determining whether the conditions and covenants contained in this Lease are being kept and performed; (ii) at its sole option, and without a duty to do so, performing Legacy Parks’ conditions and covenants in the event Legacy Parks fails to do so and such failure continues for thirty (30) days after written notice from the City to Legacy Parks, or, in the event of an emergency, immediately upon the occurrence thereof, and charging the cost thereof back to Legacy Parks, which Legacy Parks agrees to immediately pay; and (iii) installing utilities under, upon or over the Leased Premises for the benefit of property other than the Leased Premises, which shall be at City’s cost, and to which Legacy Parks consents, so long as the installed utilities do not substantially interfere with Legacy Parks’ operations on the Leased Premises.

1.20. **INSURANCE.** Legacy Parks shall procure and maintain throughout the term of this Lease the insurance coverage specified in Article 6 of this Lease.

1.21. **CONDEMNATION.** If, during the Term of this Lease, any material part of the Leased Premises shall be taken in any condemnation or eminent domain proceedings, this Lease shall thereupon terminate. In such event, the obligation to pay rent and Legacy Parks’ right of possession hereunder shall terminate on the date of such taking. Any rent paid in advance as of the date of such taking shall be refunded to Legacy Parks. Legacy Parks shall not be entitled to any damages or compensation as the result of the condemnation, including any compensation or damages for any improvements to the Leased Premises or moving expenses, except to the extent operation of law permits an award to Legacy Parks of compensation that does not affect or diminish compensation awarded to the City.

1.22. **HAZARDOUS MATERIALS AND ENVIRONMENTAL COVENANTS.** Neither Legacy Parks nor its permitted sublessees or assigns shall use or store any Hazardous Materials on the Leased Premises other than reasonable amounts of supplies for cleaning and operation of the improvements on the Leased Premises which shall be used and stored in accordance with applicable laws and regulations. In the event that Hazardous Materials are discovered on, in, or under the Leased Premises, which are present as a result of Legacy Parks’ use or occupancy of the Leased Premises or as a result of the use or occupancy, or any acts or omissions, of Legacy Parks employees, agents, contractors, invitees, licensees, permitted subtenants or assigns, or any person who comes upon the Leased Premises with Legacy Parks’ permission, Legacy Parks, at its sole expense, shall immediately institute and complete, on an emergency basis, all proper,
requisite, and thorough procedures for the removal of Hazardous Materials in accordance with all applicable laws, rules, ordinances, and regulations.

Legacy Parks shall indemnify and hold the City and its successors and assigns harmless from and against any costs, reasonable attorney’s fees, expenses, fines, or claims arising out of the presence or existence of Hazardous Materials on, in or under the Leased Premises which are present as a result of Legacy Parks’ use or occupancy of the Leased Premises or as a result of any acts or omission of Legacy Parks’ employees, agents, contractors, invitees, licensees, permitted subtenants or assigns, or any person who comes upon the Leased Premises with Legacy Parks’ permission. Legacy Parks shall have no liability for Hazardous Materials which are on, in, or under the Leased Premises prior to the date of Legacy Parks’ occupancy thereof. The indemnity obligation stated herein shall survive the termination of this Lease.

For purposes of this Lease, the term "Hazardous Materials" is defined as any substance, chemical or material that is prohibited, regulated or controlled by any federal, state or local statute, law or ordinance enacted for the protection of the environment, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§1801, et seq.), and the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§6901 et seq.).

ARTICLE 2.
TERMINATION

In addition to the termination options available to the City in Section 3.2 of this Lease, this Lease may also be terminated by either party upon TVA’s operation or revocation of the Easement Agreement. As stated in the Preamble of this Lease, the Leased Premises sits upon real property owned by TVA and subject to the Easement Agreement. If TVA notifies the City that the City may no longer occupy the Leased Premises, for any reason, this Lease shall immediately terminate. The City makes no guarantees to Legacy Parks that the City will be in possession of the Leased Premises for the entire Term of this Lease. If TVA requests or makes an amendment to the Easement Agreement that may be inconsistent with this Lease, the City will provide a copy of the same to Legacy Parks within ten (10) days of such request or amendment.

ARTICLE 3.
DEFAULT

3.1. DEFAULT BY LEGACY PARKS. The following events shall be deemed “Events of Default” by Legacy Parks under this Lease:

3.1.1. FAILURE TO PAY RENT. Legacy Parks fails to pay any installment of the rent within ten (10) days after the date it is due, as defined in Section 1.8, and such failure continues for a period of thirty (30) days after written notice thereof from City to Legacy Parks.

3.1.2. FAILURE TO COMPLY WITH TERMS OF LEASE. Legacy Parks fails to comply with any other term, provision, or covenant of this Lease, upon the expiration of
twenty (20) days after written notice from City, provided that if the default is of such a nature that it cannot reasonably be cured within such twenty (20) day period, then no default shall be deemed to have occurred if Legacy Parks commences to cure the default within such twenty (20) day period and thereafter pursues the cure with reasonable diligence.

3.1.3. **BANKRUPTCY.** Legacy Parks files a voluntary petition under any chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof in which Legacy Parks contends that it is insolvent.

3.1.4. **IN VoluntARY PROCEEDING.** An involuntary proceeding is filed against Legacy Parks pursuant to the United States Bankruptcy Code, and such proceeding is not dismissed within ninety (90) days.

3.1.5. **RECEIVERSHIP.** A receiver or trustee is appointed for all or substantially all of the assets of Legacy Parks and that proceeding is not be terminated within ninety (90) days after the date of its commencement.

3.1.6. **DISSOLUTION.** Legacy Parks is dissolved pursuant to the Tennessee Non-profit Corporation Act or any other governing act and is not reinstated as permitted by such act(s) within a reasonable time.

Upon the occurrence of any Event of Default specified in Article 3 above, the City shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

3.2. **REMEDIES OF THE CITY UPON DEFAULT BY LEGACY PARKS.** If an Event of Default occurs, the City may do either or both of the following upon ninety (90) days’ written notice to Legacy Parks:

A. **Terminate this Lease:** Legacy Parks shall immediately surrender possession of the Leased Premises to the City, and if Legacy Parks fails to do so, the City may, without prejudice to any other remedy which it may have for default hereunder or arrearages in rent, enter upon and take possession of the Leased Premises.

B. **Take Possession:** Enter upon and take possession of the Leased Premises and expel or remove Legacy Parks and any other occupant therefrom, using such force as may be reasonably necessary, without having terminated this Lease, without being deemed guilty of any manner of trespass and without prejudice to any other remedy which it may have for default hereunder or arrearages in rent.

If the City exercises its remedies above, Legacy Parks shall be liable for and shall pay to the City all rent and other indebtedness accrued to the date of termination or repossession. In addition, Legacy Parks shall pay to the City the reasonable costs incurred by the City in recovering possession of the Leased Premises, including reasonable attorneys’ fees and litigation costs. Actions to collect amounts due by Legacy Parks may be brought from time to time.
time, on one or more occasions, without the necessity of the City’s waiting until expiration of
the Term.

3.3. **DEFAULT BY THE CITY.** Legacy Parks shall give the City written notice of default and at
least sixty (60) days to cure. An “Event of Default” by the City shall be the City’s failure to
comply with any term, provision, or covenant of this Lease prior to the expiration of the
prescribed cure period; provided, however, that if any event of default is of such a nature that
it cannot be reasonably cured within the prescribed period, then no default shall be deemed
to have occurred if the City commences to cure the default within the prescribed period and
thereby pursues the cure with reasonable diligence.

3.4. **REMEDIES OF LEGACY PARK UPON DEFAULT BY THE CITY.** Upon the occurrence
of an Event of Default by the City specified in Section 3.3, Legacy Parks shall have the option
to terminate this Lease or pursue such other remedies available to Legacy Parks at law or
equity, subject to any restrictions on otherwise available remedies that protect municipalities.

**ARTICLE 4.**
**INDEMNIFICATION AND LIABILITY**

4.1. **INDEMNIFICATION.** The indemnification and hold harmless provisions of this Lease shall
survive termination of the Lease. Legacy Parks shall:

Defend, indemnify and hold harmless the City, its officers, employees and agents from any
and all liabilities which may accrue against the City, its officers, employees and agents or any
third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen
from an act or omission of Legacy Parks in performance of this Lease or from Legacy Parks’
failure to perform this Lease using ordinary care and skill, except where such injury, damage,
or loss was caused by the sole negligence of the City, its agents or employees.

Save, indemnify and hold the City harmless from the cost of the defense of any claim, demand,
suit or cause of action made or brought against the City alleging liability referenced above,
including, but not limited to, costs, fees, reasonable attorney fees, and other expenses of any
kind whatsoever arising in connection with the defense of the City; and Legacy Parks shall
assume and take over the defense of the City in any such claim, demand, suit, or cause of
action upon written notice and demand for same by the City. Legacy Parks will have the right
to defend the City with counsel of its choice that is satisfactory to the City, and the City will
provide reasonable cooperation in the defense as Legacy Parks may request. Legacy Parks will
not consent to the entry of any judgment or enter into any settlement with respect to an
indemnified claim without the prior written consent of the City, such consent not to be
unreasonably withheld or delayed. The City shall have the right to participate in the defense
against the indemnified claims with counsel of its choice at its own expense.

Save, indemnify and hold City harmless and pay judgments that shall be rendered in any such
actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Lease shall survive termination of
the Lease.
4.2. **NO LIABILITY FOR PROPERTY MAINTAINED ON LEASED PREMISES.** Legacy Parks agrees that all property owned by it, its agents, employees, invitees, or tenants, on or about the Leased Premises will be kept at the Leased Premises at the sole risk and hazard of Legacy Parks. The City will not be liable or responsible for any loss of or damage to Legacy Parks, or anyone claiming under or through Legacy Parks, or otherwise.

**ARTICLE 5.**
**ASSIGNMENT OR SUBLEASE**

Legacy Parks shall not assign, transfer, or encumber any interest in this Agreement, nor assign or sublet Legacy Parks’ leasehold interest in the Leased Premises, without obtaining the prior written consent of the City, except that Legacy Parks is expressly authorized to enter into written sublease or licensure agreements consistent with the purposes of this Lease and for the purpose of constructing the access structure. The form of any sublease shall contain contractual obligations for the sublessee substantially similar to Legacy Parks’ obligations stated herein and such additional terms and conditions as Legacy Parks deems appropriate; provided, however, that any sublease or licensure agreement shall contain the exact language as it is stated in Articles 8, 9, and 10 of this Lease. Upon entering into any such agreement, Legacy Parks’ shall submit an executed copy of the written agreement to the City at the address provided for Notices.

**ARTICLE 6.**
**INSURANCE**

6.1. **INSURANCE REQUIRED.** At its sole expense, Legacy Parks shall maintain insurance for its operations at the Leased Premises and for personalty owned by Legacy Parks at the Leased Premises. All policies must be written on an occurrence basis. Use of policies written on a claims made basis must be approved by the City and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. At its sole expense, Legacy Parks shall obtain and maintain in full force and effect for the duration of the Lease, and any extension hereof, at least the following types and amounts of insurance for claims which may arise from or in connection with this Lease:

6.1.1. **Commercial General Liability Insurance:** For its operations at the Leased Premises, Legacy Parks will procure occurrence version commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000.00) each occurrence for bodily injury, personal injury, and property damage. If such insurance contains a general aggregate limit, it shall apply separately to the work and location in this Lease and be no less than Three Million Dollars ($3,000,000.00). Such insurance shall contain or be endorsed to contain a provision that includes the City of Knoxville, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Legacy Parks including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. For any claims related to this Lease,
Legacy Parks’ insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Legacy Parks insurance and shall not contribute with it.

6.2. OTHER INSURANCE REQUIREMENTS. Legacy Parks shall:

6.2.1. Prior to commencement of this Lease, furnish the City with original certificates and amendatory endorsements effecting coverage required by this Article 6, which shall name the City as an additional insured, and which shall provide that such insurance shall not be canceled, allowed to expire, or be materially reduced in coverage except on thirty (30) days’ prior written notice to the City Attorney of Knoxville, P.O. Box 1631, Knoxville, Tennessee 37901. The certificates and endorsements will be attached hereto as Exhibit H.

6.2.2. Provide certified copies of endorsements and policies if requested by the City in lieu of or in addition to certificates of insurance.

6.2.3. Replace certificates, policies, and endorsements for any such insurance expiring prior to conclusion of the Lease.

6.2.4. Maintain such insurance from the time the Lease commences until the Lease is terminated or expires. Failure to maintain coverage, renew coverage, or provide evidence of renewal may be treated by the City as a Default under this Lease, subject to applicable notice and cure rights.

6.2.5. Place such insurance in a self-insurance pool or with an insurer that is licensed to do business in Tennessee and has an A.M. Best Company rating of no less than A-V.

6.2.6. Disclose to and obtain approval from the City of Knoxville prior to the commencement of services for any deductibles and/or self-insured retentions greater than $50,000 must be. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by the City.

6.2.7. Require all subcontractors to maintain during the term of the Lease Commercial General Liability insurance, Business Automobile Liability insurance, and Workers’ Compensation/Employer’s Liability insurance (unless subcontractor’s employees are covered by Legacy Park’s insurance) in the same manner as specified for Legacy Parks. Legacy Parks shall furnish subcontractors’ certificates of insurance to the City without expense immediately upon request.

6.2.8. Waive all rights of subrogation of its insurer against the City, its officers, officials, and employees for losses arising from the activities of Legacy Parks pursuant to this Lease or on the Leased Premises.
ARTICLE 7
NOTICE

7.1. **EFFECTIVE NOTICE.** Any notice, communication, request, reply, or advice (“Notice”) required or permitted to be given, made, or accepted by either party to the other must be in writing and may, unless this Lease expressly provides otherwise, be given or by hand delivery; by overnight courier service by a nationally recognized overnight courier company; or mailed by United States Mail, postage prepaid and in registered or certified form and addressed to the party to be notified, with return receipt requested. Notice mailed in such a manner shall be deemed to be effective three days after it is deposited in the United States Mail or the date of receipt shown on the return receipt, whichever is earlier. Notice given in any other manner shall be effective only if and when received by the party to be notified. For purposes of Notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

**If to the City:**
Charles W. Swanson, Law Director
City of Knoxville Law Department
P.O. Box 1631
Knoxville, Tennessee 37901

Chip Barry, Deputy Chief Operations Officer
City of Knoxville
P. O. Box 1631
Knoxville, TN 37901

**If to Legacy Parks:**
Carol Evans, Executive Director
Legacy Parks Foundation
900 Volunteer Landing
Knoxville, Tennessee 37902

7.2. **CHANGING NOTIFICATION ADDRESS.** The parties hereto and their respective successors and permitted assigns shall have the right from time to time and at any time to change their respective addresses, and each shall have the right to specify as its address any other address, by giving ten (10) days written notice to the other party.

7.3. **SUBLESSEE NOTICE.** In the event Legacy Parks enters into a sublease of the Leased Premises with a subtenant or assign permitted pursuant to Article 5 of this Lease, Legacy Parks shall give written notice of the sublease and the name and address of the sublessee and the term of the sublease to City. From and after receipt of such notice, City shall send to the permitted subtenant or assign a copy of any notice sent by City to Legacy Parks regarding this Lease.
ARTICLE 8.
NON-DISCRIMINATION

Legacy Parks:

(A) will not discriminate against any employee or applicant for employment because of race, age, color, religion, national origin, sex or disability;

(B) will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, age, color, religion, national origin, sex or disability; and

(C) will, in all solicitations or advertisements for employees placed by or on behalf of it, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, national origin, sex or disability.

(D) will include these provisions in every subcontract or sublease let by or for it.

ARTICLE 9.
ETHICAL STANDARDS

Legacy Parks hereby takes notice of and warrants that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

(A) Sec. 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefor, where to the employee's knowledge there is a financial interest possessed by:

(1) The employee or the employee's immediate family;
(2) A business other than a public agency in which the employee or a member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or
(3) Any other person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment.
(B) **Sec. 2-1049. Receipt of Benefits from City Contracts by Councilmembers, Employees and Officers of the City.**

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

(C) **Sec. 2-1050. Gratuities and Kickbacks Prohibited.**

**Gratuities.** It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

1. An official action taken, or to be taken, or which could be taken;
2. A legal duty performed, or to be performed, or which could be performed; or
3. A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

**Kickbacks.** It is unlawful for any payment, gratuity or benefit to be made by or on behalf of a subcontractor or any person associate therewith as an inducement for the award of a subcontract or order.

(D) **Sec. 2-1051. Covenant Relating to Contingent Fees.**

(a) **Representation of Contractor.** Every person, before being awarded a contract in excess of ten thousand dollars ($10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) **Intentional violation unlawful.** The intentional violation of the representation specified in subsection (a) of this section is unlawful.

(E) **Sec. 2-1052. Restrictions on Employment of Present and Former City Employees.**

**Contemporaneous employment prohibited.** It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

(F) **Remedies for Violations.** For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

1. Oral or written warnings or reprimands;
(2) Cancellation of transactions; and
(3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

ARTICLE 10.
ADA COMPLIANCE

With regard to the services, obligations, requirements, and covenants performed under this Lease, Legacy Parks shall comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq. (“ADA”). Legacy Parks agrees that it will defend, indemnify and hold the City harmless against any and all claims, demands, suits or causes of action which arise out of any negligent and/or intentional act or omission by Legacy Parks, its employees, agents or representatives that violates the ADA. Legacy Parks agrees that the City will not be responsible for any costs or expenses arising from Legacy Parks’ failure to comply with the ADA. The City remains solely responsible for physical and structural alterations to the Leased Premises that may be necessitated by any future change in the ADA, federal or state regulations promulgated pursuant to the ADA or caselaw.

ARTICLE 11.
FIRE AND CASUALTY EVENT

11.1. NOTICE OF EVENT. In the case of fire or other casualty occurring at the Leased Premises, Legacy Parks must give immediate notice thereof to:

City of Knoxville
Risk Management Office
400 Main Street, Suite 599
Knoxville, Tennessee 37902

11.2. CITY’S OPTIONS UPON EVENT. Upon receiving such notice, the City will have the option to (i) cause the damage to be repaired as soon as it is reasonable and convenient for the City, or (ii) decide neither to repair or rebuild and terminate this Lease. In no event shall Legacy Parks be entitled to compensation or damages on account of any inconvenience caused by or related to such fire or other casualty.

11.3. LEGACY PARK’S LIABILITY. If damage to the Leased Premises resulted from or was contributed to by the fault or neglect of Legacy Parks, its agents, invitees, licensees or servants, Legacy Parks will be liable to the City for that portion of such loss and expense suffered or incurred by the City as a result of such damage. Any sums due hereunder will be payable on demand whether the City (i) repairs such damage or (ii) exercises its right to neither repair nor rebuild. Legacy Parks shall have the right to cure any damage described in this paragraph within
thirty (30) days of the date such damage was sustained. Nothing in this Article shall be interpreted to include damage due to reasonable, ordinary wear and tear.

ARTICLE 12.
MISCELLANEOUS PROVISIONS

12.1. WRITTEN AMENDMENTS. This Lease may be modified only by a written amendment or addendum which has been executed and approved by the appropriate officials shown on the signature page of this Lease.

12.2. REQUIRED APPROVALS. Neither Legacy Parks nor the City is bound by this Lease until it is approved by the appropriate officials shown on the signature page of this Lease. The parties signing this Lease represent that they possess the proper authority to bind the parties with respect to this Lease.

12.3. ARTICLE CAPTIONS. The captions appearing in this Lease are for convenience only and are not a part of this Lease; they do not in any way limit or amplify the provisions of this Lease.

12.4. SEVERABILITY. If any provision of this Lease is determined to be unenforceable or invalid, such determination will not affect the validity of the other provisions contained in this Lease. Failure to enforce any provision of this Lease does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Lease at any time.

12.5. ASSIGNMENT. Legacy Parks Foundation will not assign or transfer any interest in this Lease without obtaining the prior written approval of the City, subject to the provisions of Article 5.

12.6. FEDERAL, STATE AND LOCAL REQUIREMENTS. Legacy Parks is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations.

12.7. GOVERNING LAW. This Lease and any subsequent addenda or amendments hereto will be governed and construed in accordance with the laws of the State of Tennessee.

12.8. ENTIRE AGREEMENT. This Lease document forms the entire lease agreement between the City and Legacy Parks. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, will be of no force or effect.

12.9. NON-RELIANCE OF PARTIES. Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in this Lease. Furthermore, neither party has been induced to enter into this Lease by anything other than the specific written terms set forth herein.

12.10. APPROVALS. All approvals required to be obtained from the City hereunder may be granted by the Mayor of the City of Knoxville or her designee.
12.11. **NO MECHANIC’S OR MATERIALMEN’S LIENS.** The City does not consent to the imposition of any mechanic's or materialmen's lien against the Leased Premises, and Legacy Parks shall keep the Leased Premises free thereof.

12.12. **FORCE MAJEURE.** Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Lease due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Lease. The term “force majeure” as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

12.13. **EEO/AA.** The City of Knoxville is an EEO/AA/Title VI/Section 504/ ADA/ADEA Employer.

12.14. **NO BENEFIT FOR THIRD PARTIES.** No benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to this Lease.

12.15. **COMPLIANCE WITH APPLICABLE LAW.** Each Party is responsible for full compliance with all applicable federal, state, and local laws, rules, and regulations that relate to the performance of its obligations.

12.16. **CITY COUNCIL APPROVAL REQUIRED.** This Lease is expressly subject to approval by the Knoxville City Council.

**IN WITNESS WHEREOF,** the City and Legacy Parks have executed this Lease in two (2) copies as of the below-written date.

**APPROVED AS TO FORM:**

**CITY OF KNOXVILLE**

______________________________  ______________________________
CHARLES W. SWANSON  INDY A KINCANNON
LAW DIRECTOR  MAYOR

______________________________
DATE: ____________________________________________________________________
FUNDS CERTIFIED: LEGACY PARKS FOUNDATION

_________________________________ BY: ________________________________
SUSAN A. GENNOE TITLE: ________________________________
FINANCE DIRECTOR

Required Documents:
Certificate of Insurance __

Documents to be attached
Exhibit A: Proposed description of Leased Premises
Exhibit B: Boundary map and survey of the Leased Premises
Exhibit C: Letter from TVA granting the City permission to lease the easement area
Exhibit D: 1979 Easement Agreement for TVA Parcel XTFL-113RE
Exhibit E: 2008 Easement Agreement renewal letter
Exhibit F: TVA’s 2006 Land Policy
Exhibit G:
Insurance certificates and endorsements

R:\CMagrans\Agreements, Contracts & MOUs\2021\Finance\Legacy Parks Bicentennial Park C-21-0224 final 2-25.docx
EXHIBIT A

PROPOSED LEASE AREAS FOR CONSTRUCTION AND MAINTENANCE OF BOAT LOCKER FACILITIES AND A WATER ACCESS STRUCTURE AT VOLUNTEER LANDING

Situated in District No. One of Knox County, Tennessee, within City of Knoxville Block No. 01180, being a portion of Tax Parcel No. 095J-B-007 and being a portion of the property described in a warranty deed from Sanford Realty Company, Inc., to the United States of America, dated December 29, 1942, and recorded in Warranty Deed Book 645, Page 389, in the Knox County Register of Deeds Office and being generally depicted as the hatched areas labeled “Proposed lease area for a water access structure” and “Proposed lease area for boat locker facilities” on Exhibit B.

The proposed lease areas are located within and subject to a public recreation easement granted to the City of Knoxville by the United States of America as recorded in Warranty Deed Book 1679, Page 709, in the Knox County Register of Deeds Office.
August 15, 2014

Ms. Christa Cuccaro  
Attorney at Law  
City of Knoxville  
City County Building, Suite 699  
400 Main Street  
Knoxville, Tennessee 37901

Dear Ms. Cuccaro:

FORT LOUDOUN RESERVOIR - XTFL-113RE – CITY OF KNOXVILLE DOWNTOWN WATERFRONT - REQUEST APPROVAL OF LEASE AGREEMENT BETWEEN THE CITY OF KNOXVILLE AND LEGACY PARKS FOUNDATION – MAP 64D – TENNESSEE RIVER MILE 647.6 R

Thank you for your June 17, 2014, inquiry regarding the City of Knoxville's (City) proposed lease to Legacy Parks Foundation for the current area at the mouth of First Creek, as noted in your Exhibit A, near downtown Knoxville. TVA has reviewed the lease provided and the proposed plans to construct boat locker facilities and a water access facility. Based on this description of the proposed services and their potential to expand the recreation opportunities to the public, TVA has concluded that the proposed lease is consistent with the terms of your easement agreement. We made several suggestions on an earlier version of the lease and acknowledge that the City has made the requested changes as sent by you on July 31, 2014 (enclosed). TVA hereby gives approval for the revised lease for the water access area as described in Exhibit A and B in accordance with the proposal under the following conditions:

- Legacy Parks Foundation remains a 501(c)(3) organization;
- Revenues generated through boat and bike rentals and ancillary sales would be used to fund the operating expenses of the building and the non-profit mission of Legacy Parks Foundation; and
- Any significant change to this business plan would be submitted to TVA for approval in advance of the change.

TVA granted a 30-year easement (Tract No. XTFL-113RE) “exclusively for public recreation purposes” to the City in 1979, with a renewal option which the City has exercised and TVA approved through May 16, 2029, on 10.9 acres between First and Second Creeks. TVA’s 2006 Land Policy defines public recreation as “recreation on publicly owned land with facilities developed by a public agency (or their concessionaire) and provides amenities open to the general public.”
Ms. Christa Cuccaro  
Page 2  
August 15, 2014

Based on this information, TVA agrees that the proposed lease with Legacy Parks  
Foundation for the Waterfront Pavilion area as described in Exhibit A and B would align  
with TVA's purpose for granting the recreation easement to the City and TVA's definition  
of public recreation. This letter authorizes the requested use. This approval in no way  
nullifies any conditions of the easement agreement.

As a reminder, Paragraphs 1 and 4(c) of the easement require TVA's approval of plans  
prior to construction, operation, or maintenance of improvements on the easement area  
through the standard 26a or Land Use application process. We have received the 26a  
application from Legacy Parks (enclosed) and are proceeding with processing; however,  
we will not provide a permit approval until we receive the executed lease.

We are excited about the City's opportunity to utilize this space, and we look forward to  
continuing to work with the staff from the City of Knoxville to provide recreation  
opportunities in the Tennessee Valley.

If you have questions, please feel free to contact me at kjohnson@tva.gov or  
865-632-1308.

Sincerely,

Keri J. Chartrand  
Recreation Agreements Specialist  
Public Outreach and Recreation

Enclosures  
1. Exhibits A and B  
2. Draft Lease Agreement  
3. Legacy Parks Foundation Section 26a Joint Application Form
This instrument was prepared by
Harriet A. Cooper, TVA
Office of the General Counsel
Knoxville, TN 37902

INSTRUMENT NO. 27137

CONTRACT NO. TV-50921A

GRANT OF EASEMENT

BY

UNITED STATES OF AMERICA

TO

THE CITY OF KNOXVILLE, TENNESSEE

FOR

PUBLIC RECREATION PURPOSES

THIS GRANT OF EASEMENT, made and entered into this 17th day
of May, 1979, by and between the UNITED STATES
OF AMERICA (hereinafter referred to as "Grantor"), acting by and through
the TENNESSEE VALLEY AUTHORITY (hereinafter referred to as "TVA"),
a corporation created by an act of Congress known as the Tennessee Valley
Authority Act of 1933, as amended, and the CITY OF KNOXVILLE, TENNESSEE
(hereinafter referred to as "Grantee").

WITNESSETH:

WHEREAS TVA is authorized by Public Law No. 87-852 to grant to
an applicant, on behalf of Grantor, such easement affecting Federal property
in its custody and control as TVA's Board of Directors determines will not
be adverse to the interests of Grantor; and

WHEREAS in considering Grantee's application, TVA's Board of
Directors has determined that the easement hereinafter described for the
purposes hereinafter defined, and subject to the conditions hereinafter set forth, will not be adverse to the interests of Grantor;

NOW THEREFORE, in consideration of the premises and the other provisions of this grant of easement:

1. Grantor, pursuant to the provisions of Public Law No. 87-852, hereby gives and grants to Grantee an easement for a term of 30 years from the date hereof for development and use by Grantee exclusively for public recreation for the benefit and enjoyment of the general public without distinction or discrimination in, over, and upon certain land (sometimes referred to herein as the "easement area") located in the city of Knoxville, Tennessee, designated as tract XTFL-113RE and more particularly described in the description of the easement area attached hereto and incorporated herein as Exhibit A, and shown on the map attached hereto as Exhibit B, and the right to construct, operate, and maintain public recreation facilities approved by TVA under article 4(c) hereof.

Furthermore, the right to construct, operate, and maintain water use facilities, in accordance with plans approved in advance by TVA, on and over the adjoining land lying between the 813.5-foot contour elevation and the adjacent waters of the lake and in and on such waters; and the further right of suitable ingress and egress over said adjoining land to and from the waters of the lake and to and from all structures, facilities, and improvements maintained in, on, or over said land or waters pursuant to the rights herein conveyed, all upon the express conditions that said rights shall be subject to and shall not in any way interfere with TVA's statutory program for river control and development, including, but without limitation by reason of enumeration, TVA's right to flood the land lying below elevation 849 or to do anything
which TVA deems necessary or desirable in the promotion of vector control, flood control, navigation, or other programs; and that TVA shall not be liable for any loss or damage resulting therefrom.

2. This entire grant is expressly made upon and subject to the conditions that the easement hereby granted shall (a) be used solely for the purposes of public recreation; and (b) at all times be made available for recreation purposes to all members of the general public without distinction or discrimination, and no person shall, on the ground of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in the use of the easement, in full compliance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d, et seq. (1976)), Part 302 of Title 18 of the Code of Federal Regulations, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 (1976)), and the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq. (1976)), which provisions are incorporated herein and made a part hereof.

In the event Grantee shall cease to use such easement for such purposes for a period of two consecutive years or more or shall, regardless of the time period, initiate use of the area subject to such easement for some other purpose, or shall abandon such easement or commit any breach of any of the foregoing conditions, in whole or in part, then Grantor, TVA, or their successors or assigns, may terminate the easement by written notice to Grantee. Such termination shall be effective as of the date of such notice; provided, however, that Grantee, its successors or assigns, shall have the right during a period of 90 days immediately following such termination date to remove any improvements placed by any of them on the easement area in accordance with article 11 hereof. Any failure of
Grantor and TVA, their successors and assigns, to exercise such power of termination shall not be construed as a waiver of any of the conditions or of the rights hereunder of Grantor, its successors and assigns.

3. This grant is made upon the further express condition that Grantee shall, within five years from the date of execution of this grant of easement complete construction of the pedestrian access connecting the park with the downtown business district, the public restrooms, and other public recreation facilities. Such improvements shall be for public recreational purposes or related to or incidental to public recreational use of the easement area. Upon breach of this condition, either in whole or in part, the Grantor, its successors, and assigns, shall have the right and sole option, upon giving written notice to Grantee, to terminate this easement grant and all rights of use hereunder in accordance with the procedure set out above in article 2.

4. Grantee, by its acceptance of this grant, covenants and agrees to and with Grantor that:

(a) Grantee, its successors, agents, or assigns will not use the easement area for any purpose that will result in the draining or dumping into Fort Loudoun Reservoir or adjacent streams of any refuse, sewage, or other material which in the judgment of TVA, would degrade water quality to an extent that would be incompatible with the public interest, and that Grantee will control all wastes which might be discharged into the reservoir, or adjacent streams, in accordance with waste disposal plans, submitted separately for its initial installation and for each major addition thereto or modification thereof, which shall first have been approved in writing by TVA.

(b) Grantee, its successors, agents, or assigns will not permit or suffer any offensive use of the easement area or the commission...
of waste thereon and will keep the easement area and all improvements thereon in a safe condition and in good order and appearance; and that Grantee, its successors, agents, or assigns will collect and dispose of all trash, garbage, and other solid wastes accumulated or left on said area in accordance with applicable laws and regulations and with sufficient frequency to keep the easement area orderly and sanitary.

(c) Grantee, its successors, agents, or assigns will not construct, operate, or maintain buildings, facilities, or structures of any nature on any portion of the easement area or in the waters immediately abutting thereon, except such as are constructed, operated, and maintained in accordance with plans and specifications which have first been approved in writing by TVA.

(d) Grantee, its successors, agents, or assigns will, in connection with any development activities involving approved filling and grading, establish and maintain positive drainage of the filled and graded area.

(e) Grantee, its successors, agents, or assigns will not construct, install, operate, or maintain any buildings or other structures on any portion of the easement area located below the 827-foot contour elevation, except nonhabitable structures, facilities, and improvements not subject to serious damage if temporarily flooded, such as roads, drives, parking areas, playgrounds, and walkways.

(f) Grantee, its successors, agents, or assigns will observe and abide by the conditions set forth in Article 2 of this Agreement.

5. It is expressly understood and agreed that Grantee will use all revenue derived from the use of the property solely for the construction, operation, and maintenance of existing and proposed public
recreation facilities on this easement area or for the retirement of bonds issued to fund construction of such improvements and facilities on the easement area. When construction of the facilities is completed, and all bonds issued to fund this construction are retired, any surplus revenue derived from use of the property and not necessary for operation and maintenance of these public recreation facilities may then be used to assist in financing city waterfront recreation projects on other tracts.

6. This grant is made subject to any and all rights in the affected land which may exist in third parties to rights of way or other easements or rights for roads, railroads, utilities, or other purposes and more specifically is made subject to any and all future rights in the affected land which TVA proposes to grant to the State of Tennessee for a relocated road right of way and to the Southern Railway Company for a relocated railroad right of way.

7. It is expressly understood and agreed that Grantor, as fee owner, retains for itself, its successors, agents, and assigns, without limitation by reason of specification, the unqualified and unrestricted rights, at any and all times and from time to time, to draw down Fort Loudoun Reservoir and to fluctuate the level thereof in any manner which they may consider necessary or desirable in their sole discretion, and to flood temporarily and intermittently all portions of the land described in Exhibit A, any access thereto, and facilities constructed thereon by Grantor with water from any source or sources.

8. Nothing in this instrument shall be construed as nullifying or affecting in any way Grantor's right as fee owner or TVA's right as Grantor's agent, without limitation by reason of specification, to enter in, upon, over, and across any and all portions of the easement area for
the purpose of carrying out any part of TVA's statutory program for
development, including TVA's right to enter into all buildings, structures,
improvements, and facilities hereafter located on any of said land for
the purpose of inspecting said buildings, structures, improvements, and
facilities and operations of Grantee, its successors, agents, or assigns
thereon and therein.

9. Grantor does not warrant or represent the easement area or
any means of ingress thereto or egress therefrom to be safe, healthful,
adequate, or suitable for the purposes for which they are intended or
may be used under the terms of this easement. Insofar as the Constitution
and laws of the State of Tennessee permit, Grantee, its successors,
agents, or assigns covenants and agrees to indemnify the Grantor and TVA
against, and save them and each of them harmless from all claims, damages,
demands, actions, costs, and charges to which they or either of them or
Grantee, its successors, agents, or assigns may be subject or may have
to pay by reason of any injury to any person or property, or loss of
life or property, suffered or sustained by all parties whomever,
resulting from or in any way connected with the condition or use of the
easement area, including any means of ingress thereto or egress therefrom
except liability for personal injuries, property damage, or loss of life
or property caused by the sole negligence of the Grantor or TVA.

10. Neither this easement nor any interest therein may be
assigned or transferred by Grantor, its successors, agents, or assigns
nor may the easement area or any of it be leased in whole or in part,
nor the use of the easement area or any of it be granted by license or
permit, unless Grantee has secured written permission from Grantor prior
to such assignment, transfer, lease, license, or permit. Terms of any
such agreement may not extend beyond the expiration date of this grant.
of easement or subsequent approved extensions. Any assignment, transfer, lease, license, or permit granted or issued by Grantee, its successors, agents, or assigns without Grantor's prior written consent shall be void and of no effect.

11. Any structures and facilities constructed upon the easement area by Grantee, its successors, agents, or assigns pursuant to this grant of easement shall be and remain the property of Grantee, and may be removed therefrom on or before or within ninety (90) days after expiration or termination of this easement. Any such property not so removed after ninety (90) days following such expiration or termination shall be considered as abandoned, and title to such property shall automatically pass to Grantor without further consideration; provided, however, that if Grantor desires the removal of any such structures or facilities, the Grantee upon written notice from Grantor to that effect, shall tear down and/or remove any such structure or facility designated by Grantor not later than ninety (90) days after expiration of this easement. Grantee shall promptly repair any damage to Grantor's lands resulting from the erection, installation, tearing down, or removal of said structures or equipment and shall leave said easement area in a clean and orderly condition. All such property constructed, erected, or installed in or upon the easement area pursuant to this grant shall be at the sole risk of Grantee, its successors, agents, or assigns.

12. If, on May 16, 2002, this easement grant is still in effect, and Grantee is utilizing the lands and waters affected by said easement rights for public recreation purposes, in accordance with all terms of this easement grant, Grantee shall have an option to renew said easement grant for an additional term of 20 years. Such option shall be exercised by written notice thereof given to TVA not...
later than twelve months before the expiration of the then existing easement grant.

TO HAVE AND TO HOLD the said easement unto Grantee, its successors and assigns, for a period of 30 years from the date hereof, with option to renew for an additional period of 20 years, subject, however, to the conditions, reservations, and exceptions stated in the preceding articles.

IN WITNESS WHEREOF, the Tennessee Valley Authority, acting herein as legal agent of the United States of America, and being duly authorized to do so, has caused this instrument to be executed in the name of the United States of America by its authorized officers and its corporate seal to be hereunto affixed as of the date first above written.

ATTEST:

UNITED STATES OF AMERICA
By: Tennessee Valley Authority
   Its Agent

Director of Land and Forest Resources

Assistant Secretary

[Seal]
STATE OF TENNESSEE )
COUNTY OF KNOX )

On the 17th day of May, 1979, personally appeared before me Richard L. Morgan, Jr., and Helen S. Drummer to me personally known, who, being by me duly sworn, did say that they are Director of Land and Forest Resources and Assistant Secretary, respectively, of the TENNESSEE VALLEY AUTHORITY, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed, sealed, and delivered in behalf of said corporation, as legal agent for the UNITED STATES OF AMERICA, by authority of its Board of Directors; and that said Richard L. Morgan, Jr., and Helen S. Drummer severally acknowledged said instrument to be the free act and deed of said corporation and the UNITED STATES OF AMERICA.

WITNESS my hand and official seal at Knoxville, Tennessee, this the day and year aforesaid.

My Commission Expires:

D/22/79
EXHIBIT A
PROPOSED 30-YEAR RECREATION EASEMENT
CITY OF KNOXVILLE, TENNESSEE
FORT LOUDOUN RESERVOIR
TRACT XFL-113RE

A tract of land lying in the corporate limits of the city of Knoxville in the First Civil District of Knox County, State of Tennessee, along the northwest shore of Fort Loudoun Lake, being between the mouth of First Creek and the mouth of Second Creek, the said tract being more particularly described as follows:

Beginning at a metal marker US-TVA corner 64-10 (Coordinates: N. 575,771; E. 2,615,052) approximately in the 822.0-foot contour of Fort Loudoun Lake and in the boundary of the United States of America's land at a corner to the land of The University of Tennessee; thence with the United States of America's boundary N. 55° 38' W., 30 feet to a concrete monument US-TVA corner 64-11; thence continuing with the line of the United States of America N. 55° 38' W., 57 feet to a concrete monument 64-12; thence N. 31° 49' E., 169 feet to a metal marker US-TVA corner 64-13; thence N. 33° 22' E., 96 feet to a metal marker US-TVA corner 64-14 and crossing the centerline of a Southern Railway right of way at approximately 77 feet; thence N. 33° 22' E., 128 feet to a concrete monument US-TVA corner 64-15; thence N. 37° 32' E., 26 feet to a metal marker US-TVA corner 64-16; thence with a 1,909.86-foot-radius curve to the right approximately 373 feet to a metal marker (said curve being subtended...
by a chord of N. 39° 26' E., 372 feet) US-TVA corner 64-17; thence N. 44° 52' E., 30 feet to a metal marker US-TVA corner 64-23; thence N. 47° 40' E., 76 feet to a metal marker US-TVA corner 64-24; thence N. 49° 07' E., 76 feet to a metal marker US-TVA corner 64-25; thence N. 52° 41' E., 51 feet to a metal marker US-TVA corner 64-26; thence N. 51° 52' E., 67 feet to a metal marker US-TVA corner 64-27 located in the southwest right of way line of Henley Street; thence N. 37° 45' E., 95 feet to a metal marker US-TVA corner 64-36 located in the northeast right of way line of Henley Street; thence N. 62° 22' E., 615 feet to a concrete monument US-TVA corner 64-37 located in the southwest right of way line of Walnut Street; thence with the right of way line of Walnut Street S. 27° 16' E., 129 feet to a concrete monument US-TVA corner 64-39 passing a concrete monument US-TVA corner 64-38 at 109 feet; thence with the boundary of the lands of Southern Railway S. 27° 16' E., 16 feet to a concrete monument US-TVA corner 64-40; thence continuing with the lands of Southern Railway N. 63° 27' E., 656 feet to a metal marker US-TVA corner 64-7 located in the southwest right of way line of the Gay Street Bridge; thence N. 63° 37' E., 44 feet to a metal marker US-TVA corner 65-9 located in the northeast right of way line of the Gay Street Bridge; thence with the southeast right of way line of Southern Railway N. 63° 26' E., 653.8 feet to a metal marker US-TVA corner 65-10; thence N. 63° 24' E., 30 feet to a point US-TVA corner 65-11; thence N. 63° 24' E., approximately 13 feet to a point in the 813.5-foot contour elevation of Fort Loudoun Lake on the southwest bank of First Creek; thence with the 813.5-foot contour elevation as it meanders downstream in a general southwesterly direction approximately 1,907 feet to a point; thence S. 17° 58' 17" W., approximately 47 feet to a point; thence the following calls and distances:
S. 38° 08' 32" W., 52.20 feet to a point;
S. 49° 38' 49" W., 110.45 feet to a point;
S. 56° 48' 59" W., 145.09 feet to a point;
S. 57° 42' 14" W., 100.12 feet to a point;
S. 55° 35' 57" W., 140.35 feet to a point;
S. 44° 46' 10" W., 137.09 feet to a point;
S. 35° 54' 57" W., 47.32 feet to a point;
S. 45° 32' 41" W., 47.32 feet to a point;
S. 32° 39' 39" W., 90.03 feet to a point;
S. 39° 07' 18" W., 145.64 feet to a point;
S. 74° 44' 36" W., 66.76 feet to a point;
S. 38° 17' 43" W., approximately 51 feet to a point in the
813.5-foot contour elevation of Fort Loudoun Lake; thence with the
813.5-foot contour as it meanders in a generally southwesterly direction
approximately 112.0 feet to a point in the boundary of the lands of the
United States of America; thence N. 55° 38' W., approximately 17 feet to
the point of beginning and containing approximately 10.91 acres.

This grant of easement is made subject to the existing permanent
right of way and easement for Neyland Drive and to a grant of easement
to the State of Tennessee now being processed to accommodate the recent
expansion of Neyland Drive and an easement to Southern Railway for the
resultant relocation of Southern's tracks caused by the expansion of
Neyland Drive, all of which affects 6.57 acres of the above-described
tract. The remaining 4.34 acres are unaffected by the above-mentioned
highway and railroad easements.

This easement is also conveyed subject to any existing prior
easements and rights of way for utilities and streets.
The position of corners and directions of lines are referred to the Tennessee Coordinate System. The contour elevation is based on MSL Datum as established by the USC&GS Southeastern Supplementary Adjustment of 1936.
May 2, 2008

The Honorable Mayor Bill Haslam
Mayor of Knoxville
City County Building
400 Main Street
Knoxville, Tennessee 37902

Dear Mayor Haslam:

FORT LOUDOUN RESERVOIR – TENNESSEE RIVER MILE 647.5R – TVA TRACT NO. XTFI-113RE – 30 YEAR EASEMENT AGREEMENT – CITY OF KNOXVILLE
DOWNTOWN WATERFRONT

On May 17, 1979, TVA executed an easement agreement with the City of Knoxville for development of a portion of the Knoxville Waterfront. This agreement granted an easement to manage TVA property for a term of 30 years for development and use by the City of Knoxville for public recreation until May 16, 2008. Since that time, the City has made significant public improvements on the property and has brought much public attention and education to the downtown waterfront.

The agreement gives the City an option to extend the easement for additional 20 years with a written notification to TVA no later than 12 months prior to the expiration of the easement. To date, TVA has not yet received this written notice.

I have enclosed a copy of this easement agreement for your convenience. Please consider the terms of both the expiration and renewal of this agreement. If the City desires to continue the management of the property according to the terms of the current agreement, please forward a letter to me no later than May 16, 2008 indicating this. If TVA does not receive written notice of a desire to renew the existing agreement by May 16, 2008, we will consider that the City intends to vacate the property according to the terms of the agreement.
Mayor Haslam
Page 2
May 2, 2008

If you have any questions, please call me at (865) 632-1302.

Sincerely,

[Signature]

Janet L. Duffy
Land Use Representative
Little Tennessee Watershed Team

Enclosure

cc: Knoxville City Law Department
    City County Building
    400 Main Street
    Knoxville, Tennessee 37902

Attachment: Exhibits to C-21-0224 (8101 : Legacy Parks, water access and boat locker)
May 12, 2008

Via Facsimile No. 632-9358 and Hand-Delivery
Ms. Janet L. Duffey
TVA Little Tennessee Watershed Team
Tennessee Valley Authority
260 Interchange Park Drive
Lenoir City, TN 37772

RB: Fort Loudon Reservoir
Tennessee River Mile 647.2R
TVA Tract No. XTFL-113RE
30 Year Easement Agreement—City of Knoxville Downtown Waterfront

Dear Ms. Duffey:

Thank you for your letter of May 2, 2008. In response thereto, please be advised that the City of Knoxville desires to exercise the option to renew the above-referenced easement agreement for an additional twenty years.

If you have any questions or need any additional information, please let me know.

Sincerely,

Bill Haslam
November 24, 2008

The Honorable Bill Haslam
Mayor of Knoxville
City County Building
400 Main Street
Knoxville, Tennessee 37902

Dear Mayor Haslam:

FORT LOUDOUN RESERVOIR – TENNESSEE RIVER MILE 647.5R – TVA TRACT NO. XTFL-113RE – 30-YEAR EASEMENT AGREEMENT – CITY OF KNOXVILLE DOWNTOWN WATERFRONT

We are in receipt of your letter of May 12, 2008, in which you expressed the city of Knoxville’s (City) desire to exercise its option to renew the Grant of Easement entered into on May 17, 1979, between the United States of America, by and through TVA, and the City. In accordance with Paragraph 12 of the Grant of Easement, your May 12, 2008, letter effectively exercised the City’s option to renew the easement grant for an additional term of 20 years. Accordingly, the Grant of Easement will now expire on May 16, 2028. No further easement renewals are provided for in the Grant of Easement.

TVA regards your May 12, 2008, letter as sufficient to extend the term of the Grant of Easement. However, if the City would prefer to capture the extension in a recordable instrument, TVA would be happy to prepare such an instrument at the City’s expense.

You may contact me at (865) 632-1302 if you have any questions or wish to request the preparation of a recordable instrument.

Sincerely,

Janet L. Duffey
Land Use Representative
Little Tennessee Watershed Team
TVA Land Policy

Policy Governing the Tennessee Valley Authority's Retention, Disposal and Planning of Interests in Real Property

The Tennessee Valley Authority (TVA) has been charged by Congress with improving navigation, controlling floods, providing for the proper use of marginal lands, providing for industrial development and providing power at rates as low as feasible, all for the general purpose of fostering the physical, economic, and social development of the Tennessee Valley region. The lands which TVA stewards in the name of the United States are some of the most important resources of the region. They have provided the foundation for the great dams and reservoirs that protect the region from flooding and secure for its residents the benefits of a navigable waterway and low-cost hydro-electricity. TVA’s lands are the sites for its power generating system and the arteries for delivering power to those that need it. Many of the region’s parks, recreation areas, and wildlife refuges that are so important for the region’s quality of life grew up from lands that TVA made available. And TVA’s lands often have been the catalyst for public and private economic development activities that support all of these activities.

TVA originally acquired approximately 1.3 million acres of land in the Tennessee Valley. The construction and operation of the reservoir system inundates approximately 470,000 acres with water. TVA has already transferred or sold approximately 508,000 acres, the majority of which was transferred to other federal and state agencies for public uses. TVA currently owns approximately 293,000 acres which continue to be managed pursuant to the TVA Act.

As stewards of this critically important resource, TVA has a duty to manage its lands wisely for present and future generations. Accordingly, it is TVA’s policy to manage its lands to protect the integrated operation of the TVA reservoir and power systems, to provide for appropriate public use and enjoyment of the reservoir system, and to provide for continuing economic growth in the Valley. Recognizing that historical land transfers have contributed substantially to meeting multipurpose objectives, it further is TVA’s policy to preserve reservoir lands remaining under its control in public ownership except in those rare instances where the benefits to the public will be so significant that transferring lands from TVA control to private ownership or another public entity is justified. This policy is explicated below.

Reservoir Properties

Land Planning
TVA shall continue to develop reservoir land management plans for its reservoir properties with substantial public input and with approval of the TVA Board of Directors. The land use allocations will be determined with consideration of the social, economic and environmental conditions around the reservoir. TVA shall consider changing a land use designation outside of the normal planning process only for water-access purposes
Watts Bar Reservoir Land Management Plan

for industrial or commercial recreation operations on privately owned backlying land or to implement TVA's Shoreline Management Policy. Reservoir properties that have become fragmented from the reservoir will be evaluated to determine their public benefit. If it is determined by TVA's Chief Executive Officer that these fragmented properties have little or no public benefit they shall be declared surplus and sold at public auction to the highest bidder in the same manner as surplus power or commercial properties.

Residential Use
TVA shall not allocate lands or landrights for residential use or dispose of reservoir properties for residential use.

Retail or Other Non-industrial Commercial Use
TVA shall not allocate lands for retail or other non-industrial commercial use or dispose of reservoir properties for such use.

Economic Development
TVA shall consider disposing of reservoir lands or land rights for industrial purposes or other businesses if the TVA property is located in an existing industrial park, or is designated for such purposes in a current reservoir land management plan and verified as suitable for such use by RSO&E and ED staff in a property survey. The TVA Board directs staff to complete this survey within six months of the approval of this policy. The TVA Board recognizes that property with water access, for either navigation or water supply, is a limited resource in the Valley and has preference for businesses that require water access. Future reservoir land management plans will consider industrial development opportunities as land allocations are made. TVA shall consider disposing of non-waterfront reservoir properties in industrial parks for any purpose permitted by the industrial park covenants. TVA shall not allocate lands or landrights for retail use or dispose of reservoir land or landrights for such use.

Recreation
TVA shall consider leasing or granting limited easements over lands for the development of commercial recreation facilities or public recreation purposes if the property is so designated in a reservoir land management plan and a survey conducted by RSO&E determines that the site remains suitable for recreational uses and a continued need exists for such use. The TVA Board directs staff to complete this survey within six months of the approval of this policy. Commercial recreation is defined as recreation with facilities that are provided for a fee to the public intending to produce a profit for the owner/operator. Public recreation is defined as recreation on publicly owned land with facilities developed by a public agency (or their concessionaire) and provides amenities open to the general public.

Commercial Recreation
TVA leases or easements for commercial recreation purposes shall limit the use primarily to water-based recreation designed to enhance the recreation potential of the natural resources of the river and be a stimulus for regional economic development. TVA leases or easements for commercial recreation purposes will contain restrictions against
residential use, and no long term accommodations or individually owned units will be permitted.

Public Recreation
TVA leases or easements for public recreation purposes will contain restrictions against residential use, cabins, or other overnight accommodations (other than campgrounds) except if a recreation area is owned by a State or State agency and operated as a component of a State Park system in which case cabins and other overnight accommodations will be permitted.

Deed Restrictions over Private Lands
The TVA Board recognizes that much of TVA's lands were transferred upon specific agreement among the parties to conduct activities that would enhance recreation opportunities in the Valley. TVA will continue to consider the release or modification of flowage rights no longer necessary to TVA to operate the river system. TVA will consider the removal or modification of deed provisions to facilitate industrial development. TVA will also consider the removal or modification of deed restrictions that result in the public having recreational access to the tract, or if the tract is already open to the public, maintains that access. TVA will not remove or modify other deed restrictions for the purpose of facilitating residential development. To the extent permitted by the language of deed or other transfer or contractual instrument, TVA will administer its interest in former TVA land to achieve the goals of this policy.

Operational Uses of TVA Properties
TVA shall continue to utilize reservoir properties to meet the operational needs of the agency and its distributors as well as provide for public infrastructure needs such as roads, water and sewer lines, and other utilities, but will only consider requests for private infrastructure where TVA determines no other practicable alternative exists. Nothing in this policy is intended to prevent the disposal of tracts of land upon the recommendation of the General Counsel to settle claims or litigation or to address issues of contamination or potential contamination. In addition, TVA will continue to work with development agencies (and other partners) throughout the Valley to implement previously executed agreements.

Power & Commercial Properties
TVA's nonreservoir property—primarily power and commercial properties and mineral holdings—shall continue to be managed as power assets. The TVA Board directs staff to undertake a review of TVA mineral holdings for later policy consideration. Retention and disposal decisions will be primarily based on business considerations consistent with the TVA Act and other applicable requirements. TVA may enter into special arrangements with the distributors of TVA power. In addition, TVA may relinquish transmission line rights, if they are determined to be unnecessary for present or future operations and the current owner agrees to pay the enhanced fair market value of the property. In all other instances, TVA shall emphasize sales that generate the maximum competition among bidders at public auction and where possible shall not include use restrictions other than those designed to protect TVA's program interests or to meet legal or environmental requirements.
CITY OF KNOXVILLE, TENNESSEE
City Council
AGENDA INFORMATION SHEET

AGENDA DATE: March 9, 2021
DEPARTMENT: Administration
DIRECTOR: Stephanie Welch

AGENDA SUMMARY A Resolution authorizing the Mayor to enter into a Memorandum of Understanding with the Appalachian Mountain Bike Club providing that the City pay an amount not to exceed $100,000.00 toward the purchase of 28 acres of property to expand the William Hastie Natural Area in the Urban Wilderness, and expressing appreciation for the donation of property to the City.

COUNCIL DISTRICT(S) AFFECTED District 1 - Tommy Smith

BACKGROUND - Legacy Parks Foundation acquired various properties to help establish William Hastie Park and nearby Marie Myers Park. In 2014, Legacy Parks transferred these properties to the City upon which multi-use trails were established as part of the comprehensive Urban Wilderness. The Appalachian Mountain Bike Club has negotiated with a private property owner to acquire 28 acres of property adjacent to William Hastie Natural Area located along Margaret Road. The City agrees to provide $100,000 towards the total negotiated purchase price of $200,000 and AMBC will provide the remaining funds. Once acquired, AMBC will transfer the property to the City to preserve the property as greenspace and for additional multi-use trails and expansion of the Natural Area of the Urban Wilderness.

OPTIONS - Approve or Deny

RECOMMENDATION - Approve

ESTIMATED PROJECT SCHEDULE - City of Knoxville will transfer $100,000 into an escrow account for the acquisition by April 12, 2021. AMBC will acquire the property on April 28, 2021 and transfer the property to the City the same day.

PRIOR ACTION/REVIEW - Land Acquisition Committee approved the purchase along with AMBC and transfer to the City.
FISCAL INFORMATION - Commitment of $100,000 from Parks and Recreation property acquisition funds.

ATTACHMENTS:
- Resolution, Accept Donation, MOU, Appalachian Mountain Bike Club, William Hastie Natural Area (DOC)
- MOU, AMBC, William Hastie Natural Area (DOCX)
- MOU exhibit (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE APPALACHIAN MOUNTAIN BIKE CLUB PROVIDING THAT THE CITY PAY AN AMOUNT NOT TO EXCEED $100,000.00 TOWARD THE PURCHASE OF 28 ACRES OF PROPERTY TO EXPAND THE WILLIAM HASTIE NATURAL AREA IN THE URBAN WILDERNESS, AND EXPRESSING APPRECIATION FOR THE DONATION OF PROPERTY TO THE CITY.

WHEREAS, the City of Knoxville (the “City”) owns the William Hastie Natural Area; an 85 acre park with approximately six miles of nature trails through heavily forested property in South Knoxville, connecting with the greater Urban Wilderness outdoor adventure area; and

WHEREAS, the Appalachian Mountain Bike Club has joined the City’s efforts to preserve and embrace this important park, along with others; and
WHEREAS, the City desires to expand and enhance the William Hastie Natural Area; and

WHEREAS, the Appalachian Mountain Bike Club also wishes to expand and enhance the area for the use of mountain bike riders and all users of the Urban Wilderness and parks; and

WHEREAS, the Appalachian Mountain Bike Club has secured an agreement to acquire two large parcels of heavy forested property on Margaret Road and View Road, totaling 28 acres (the “Property”), adjacent to the William Hastie Natural Area for $200,000.00 within approximately 90 days; and

WHEREAS, after acquiring the Property, the Appalachian Mountain Bike Club wishes to donate the Property to the City for preservation as part of the William Hastie Natural Area; and

WHEREAS, pursuant to Knoxville City Code § 2-837, the Purchasing Agent for the City is authorized to accept gifts, donations, legacies or usages of money as deemed to be in the public interest; and

WHEREAS, the City wishes to contribute one-half of the funds needed to acquire the Property in an amount not to exceed $100,000.00; and

WHEREAS, the parties desire to enter into a Memorandum of Understanding with respect to the acquisition, improvement, and maintenance of the Property; and

WHEREAS, the City desires to express its appreciation to the Appalachian Mountain Bike Club for its generous gift to the citizens of the City and its visitors.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Council of the City of Knoxville expresses its appreciation and gratitude to the Appalachian Mountain Bike Club for its generous donation of property to expand and enhance the William Hastie Natural Area, and authorizes the Mayor to execute all documents necessary to accept said donation.

SECTION 2: The Mayor of the City of Knoxville is hereby authorized to enter into a Memorandum of Understanding with the Appalachian Mountain Bike Club, in substantially the same form as the one attached hereto, with respect to the acquisition, improvement, and maintenance of 28 acres of property to be a part of the William Hastie Natural Area.

SECTION 3: This Resolution will take effect from and after its passage, the welfare of the City requiring it.

________________________________________
Presiding Officer of the Council

_______________________________________
Recorder
MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF KNOXVILLE AND THE APPALACHIAN MOUNTAIN BIKE CLUB FOR
EXPANSION OF THE WILLIAM HASTIE NATURAL AREA

This Memorandum of Understanding (“Memorandum”) is made as of __________, 2021 (“Effective Date”), by and between the City of Knoxville (“City”), a municipal corporation organized and existing under the laws of the State of Tennessee, 400 Main Avenue, P.O. Box 1631, Knoxville, Tennessee 37901, and the Appalachian Mountain Bike Club (“AMBC”), which is a local chapter of the Southeast regional division of the International Mountain Bike Association, a Tennessee nonprofit corporation, dedicated to promoting sustainable trail access for recreational mountain biking, and whose address is P.O. Box 883, Knoxville, Tennessee 37901.

RECITALS:

WHEREAS, the City owns the William Hastie Natural Area, an 85 acre park with approximately six miles of nature trails through heavily forested property in South Knoxville, connecting with the greater Urban Wilderness outdoor adventure area; and

WHEREAS, the Appalachian Mountain Bike Club has joined the City’s efforts to preserve and enhance this important park, along with others; and

WHEREAS, the City desires to expand and enhance the William Hastie Natural Area; and

WHEREAS, the Appalachian Mountain Bike Club also wishes to expand and enhance the William Hastie Natural Area for the use of mountain bike riders and all users of the Urban Wilderness and parks; and

WHEREAS, the AMBC has secured a contract to acquire two large parcels of land adjacent to the William Hastie Natural Area for $200,000 within approximately 90 days; and

WHEREAS, the AMBC wishes to acquire the two parcels of property, which together are 28 acres of heavily-forested land immediately adjacent to the William Hastie Natural Area, and to donate the same to the City of Knoxville for preservation as part of the natural area; and
WHEREAS, the Appalachian Mountain Bike Club is now engaged in a fundraising effort to accomplish these acquisitions, with a goal of raising One Hundred Thousand Dollars ($100,000.00); and

WHEREAS, City wishes to contribute one-half (1/2) of the funds needed to acquire these two properties in an amount not to exceed One Hundred Thousand Dollars ($100,000.00).

NOW, THEREFORE, the City and the Appalachian Mountain Bike Club set forth the following agreements in order to best serve the William Hastie Natural Area, the Urban Wilderness and the benefits these provides to the citizens of Knoxville:

I: PROPERTY

The two parcels of property that are the subject of this agreement lie along the eastern boundary of the City’s William Hastie Natural Area, which itself is located in South Knoxville at 1302 Margaret Road and 0 View Road with parcel identification numbers of 123DA01301 and 109MC021. The properties are shown on the attached Exhibit A map. The two parcels to be acquired are:

A. Parcel One: Approximately 11.50 acres of undeveloped, forested real property located to the immediate northeast of the William Hastie Natural Area, with a common border of approximately 480 feet, addressed as 0 Margaret Road, and further identified as parcel number 109LD021.

B. Parcel Two: Approximately 16.45 acres of undeveloped, forested real property located to the immediate east and southeast of the William Hastie Natural Area, with a common border of approximately 745 feet and extending further to the south another 433 feet, addressed as 1308 Margaret Road, and further identified as parcel number 124AA001.

II: RESPONSIBILITIES OF THE PARTIES

The parties wish to memorialize their agreements with respect to the acquisition, improvement and maintenance of the properties by entering into this Memorandum of Understanding.

A. The Appalachian Mountain Bike Club: The AMBC agrees to undertake the following partnership responsibilities:

1. The AMBC will maintain any conditions necessary to follow through on the existing contract to purchase the two parcels of property.

2. The AMBC will pay the earnest money for the contract to purchase. This amount of $1,500 was paid on January 25, 2021.

3. AMBC intends to engage in fundraising for $100,000 for the purchase of these properties.
4. The AMBC will engage an appraisal of the property by a professional appraiser licensed by the State of Tennessee, at its own expense. The AMBC will provide the resulting appraisal report to the City for review and concurrence by March 31, 2021.

5. After acquisition, the AMBC will donate the two parcels of property, in their entirety, to the City of Knoxville for inclusion in the William Hastie Natural Area.

6. AMBC will maintain the natural trail connections that are built on the properties.

B. **The City of Knoxville:** The City of Knoxville agrees to undertake the following partnership responsibilities:

1. The City will timely review the appraisal report provided by AMBC for concurrence as to the value of the two properties. If the City does not find the value of the properties together meets or exceed the agreed-upon purchase price, the City will promptly notify the AMBC.

2. If the appraisal report values the properties at or above the proposed purchase price, and the City concurs, the City will pay $100,000 toward the purchase of the properties, to be delivered into escrow at the closing title company by April 21, 2021. If the purchase is not made, the City’s contribution to the purchase price will be returned to the City.

3. The City agrees to protect the two parcels from future development by adding them to the William Hastie Natural Area for perpetual conservation, subject to limited improvements consistent with the natural area and the Urban Wilderness. The City and AMBC will collaborate on a conservation easement to implement to intentions of the parties as expressed in this MOU, to be recorded at the Knox County Register of Deeds for both parcels of property.

**III: ADDITIONAL PROVISIONS**

A. **Notice.** Any notice to be provided under this Memorandum will be directed to the following representatives or such other address as either party may designate by written notice to the other:

If to the AMBC: AMBC  
P.O. Box 883  
Knoxville TN 37901  
Attention: Matthew Kellogg  
kellogg@ambcknox.org
If to City of Knoxville:  
Chip Barry, Deputy Chief Operations Officer  
400 Main Street, Ste 681  
PO Box 1631  
Knoxville TN 37901  
(865) 215-3146  
cbarry@knoxvilletn.gov

B. Amendments. This Memorandum may be amended only by written agreement signed by all parties.

C. Assignments. This Memorandum and the rights and obligations of the parties hereunder shall not be assignable by any of the parties without the express written consent of the other party.

D. Entire Agreement. This Memorandum embodies all of the terms and conditions of the agreement between the parties hereto with respect to the subject matter hereof. There are no statements, representations, warranties or agreements which have not been included in this Memorandum.

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this agreement.

APPROVED AS TO FORM:  

CITY OF KNOXVILLE

______________________________  
BY: ______________________________

CHARLES W. SWANSON  
INDYA KINCANNON

LAW DIRECTOR  
MAYOR

DATE: ___________________________

Funds Certified:  

APPALACHIAN MOUNTAIN BIKE CLUB

________________________  
BY: __________________________

SUSAN A. GENNOE  
ITS:

FINANCE DIRECTOR  
________________________
PROPOSED MEMORANDUM OF UNDERSTANDING

RE: Parcels 109LD021, 124AA001

The Appalachian Mountain Bike Club (AMBC) acted swiftly with unanimous board consent to secure a contract on the property with the intent to conserve natural space, improve water quality by limiting development in rugged terrain, add natural area to Knoxville’s Urban Wilderness, increase trail connection to William Hastie Natural Area, Marie Myers Park, and adjoining land with trail easements. We propose to enter into an MOU with the City of Knoxville for the purchase of 2 parcels that adjoin William Hastie Natural Area, a City of Knoxville Park.

Property information:
#1 Parcel 109LD021
11.50 Acres

#2 Parcel 124AA001
16.45 Acres

AMBC Contract Commitments:
Purchase the property for $200,000.00
Close on or before April 28th 2021

We propose the following partnership responsibilities:

AMBC will:
• Negotiate and secure the real estate contract (Under contract for $200,000.00)
• Pay earnest monies (Paid $1500 on 1/25)
• Fundraise for $100,000.00 for purchase of the property
• Fund and oversee appraisal of property
• Close on the property on or before April 28th 2021
• Transfer the Property to the City of Knoxville
• Fund and oversee trail connections on the property
• Maintain the natural trail connections that are built on the property

COK will:
• Contribute $100,000.00 for the purchase of the property
• Deliver contribution to AMBC prior to closing date of April 28th 2021
• Agree to protect the property from future development by adding it to William Hastie Natural Area.
AGENDA DATE: March 9, 2021
DEPARTMENT: Legislative
DIRECTOR: City Council

AGENDA SUMMARY
A Resolution respectfully requesting the Knoxville-Knox County Planning Commission to consider and make a recommendation to City Council regarding the possible addition of architectural design standards to CG-1 zoned districts and the reinstitution of planned residential districts.

COUNCIL DISTRICT(S) AFFECTED
All

BACKGROUND
Requested by Councilmember Roberto

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION

ATTACHMENTS:
- Resolution - Request to add Design Standards to CG-1 and Reinstitution Planned Residential (DOC)

HISTORY:
02/23/21 City Council POSTPONED
Next: 03/09/21

Updated: 2/15/2021 9:27 AM
Council Member Roberto moved to postpone Resolution 11-b for two weeks, and Council Member Thomas seconded the motion. On unanimous roll-call vote, the motion to postpone carried.
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE RESPECTFULLY REQUESTING THE KNOXVILLE-KNOX COUNTY PLANNING COMMISSION TO CONSIDER AND MAKE A RECOMMENDATION TO CITY COUNCIL REGARDING THE POSSIBLE ADDITION OF ARCHITECTURAL DESIGN STANDARDS TO CG-1 ZONED DISTRICTS AND THE REINSTITUTION OF PLANNED RESIDENTIAL DISTRICTS.

WHEREAS, the City of Knoxville Zoning Code does not presently contain architectural design standards in CG-1 zoned districts; and

WHEREAS, the former zoning code had planned residential districts, but this type of district did not carry over to the current zoning code; and

WHEREAS, after some implementation and further consideration of the current zoning code, City Council is of the opinion it may be beneficial to study the possibility of adding architectural design standards to CG-1 zoning districts and reinstitute planned residential districts.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Council of the City of Knoxville hereby respectfully requests the Knoxville-Knox County Planning Commission to consider and make recommendations to
City Council with regard to adding architectural design standards to CG-1 zoning districts and reinstituting planned residential districts.

SECTION 2: Upon adoption, the City Recorder is hereby respectfully requested and directed to forward a true and correct copy of this Resolution to the Knoxville-Knox County Planning Commission to make it aware of Council’s request with regard to these matters.

SECTION 3: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

___________________________________
Presiding Officer of the Council

______________________
City Recorder
AGENDA SUMMARY  A Resolution respectfully requesting the Tennessee General Assembly oppose Senate Bill 783 and House Bill 1204, which have the purpose of amending Tennessee Code Annotated Title 67, Chapter 6, relative to sales and use taxes, and any legislation that would redistribute local and state sales tax revenue to fund the bond payments of a sports stadium.

COUNCIL DISTRICT(S) AFFECTED

All

BACKGROUND

Requested by Councilmember Parker

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION

ATTACHMENTS:

- Resolution - oppose legislation for sports stadiums (DOCX)
RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE RESPECTFULLY REQUESTING THE TENNESSEE GENERAL ASSEMBLY OPPOSE SENATE BILL 783 AND HOUSE BILL 1204, WHICH HAVE THE PURPOSE OF AMENDING TENNESSEE CODE ANNOTATED TITLE 67, CHAPTER 6, RELATIVE TO SALES AND USE TAXES, AND ANY LEGISLATION THAT WOULD REDISTRIBUTE LOCAL AND STATE SALES TAX REVENUE TO FUND THE BOND PAYMENTS OF A SPORTS STADIUM.

WHEREAS, City of Knoxville local sales tax revenue is allocated to essential community services; and

WHEREAS, 72% of City of Knoxville local sales tax revenue is allocated to fund Knox County Schools; and

WHEREAS, the State of Tennessee sales tax revenue is allocated to essential community needs with 64% of the Fiscal Year 2022 proposed budget dedicated to education, healthcare, and infrastructure funding; and

WHEREAS, the owner of the Tennessee Smokies has proposed a taxpayer financed and funded baseball stadium that is estimated to cost up to $65 million dollars with an additional up to $20 million in infrastructure costs around the stadium; and

WHEREAS, one of the proposed methods to pay for the construction of the stadium is through the creation of a special taxing district around the stadium to redirect local and state sales tax revenue to stadium bond debt payments; and

WHEREAS, State Representative Jason Zachary has introduced House Bill 1204 and State Senator Becky Duncan Massy has introduced Senate Bill 783 in order to create the special taxing district in any county with a population greater than four hundred thousand (400,000) and with a sports stadium placed in service after December 31, 2020 and before December 31, 2025.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: The Council of the City of Knoxville hereby respectfully requests that Governor Lee, members of the Knoxville Legislative Delegation, and all members of the Tennessee General Assembly oppose House Bill 1204 and Senate Bill 783 and any legislative efforts to redistribute local and state sales tax revenue to fund the bond payments for a proposed City of Knoxville and Knox County baseball stadium.

SECTION 2: Upon adoption, the City Recorder is hereby respectfully requested and directed to forward a true and correct copy of this Resolution to Governor Bill Lee, the Knoxville Legislative Delegation, and all members of the Tennessee General Assembly to apprise them of City Council’s respectful request.

SECTION 3: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

________________________
Presiding Officer of the Council

________________________
City Recorder
AGENDA SUMMARY A Resolution authorizing the Mayor to execute Amendment No. 5 to Agreement No. 050113 with the State of Tennessee Department of Transportation adjusting funding for replacement of the Jackson Avenue ramps to Gay Street and extending the date of completion.

COUNCIL DISTRICT(S) AFFECTED

6th District (Gwen McKenzie)

BACKGROUND

The Jackson Avenue Ramps have been refurbished and replaced as part of the Federal Bridge Program, administered in Tennessee by TDOT. Because this project affects local streets, TDOT has delegated the administration of all phases of this project to the City, with TDOT oversight. This arrangement is set forth in TDOT Agreement No. 050113 (Jackson Ave. Bridges over Gay Street in Knoxville). The City contracted with Bell & Associates Construction for this complex, historic project.

This Amendment will replace the Agreement’s Exhibit A and extend the project completion date from December 31, 2020 to September 31, 2021, which will include all project close-out tasks. The Amendment also reflects the actual cost of construction, which was less than the full amount originally authorized.

OPTIONS

Approve or deny the Amendment.

RECOMMENDATION

Approve the Amendment.

ESTIMATED PROJECT SCHEDULE

The new project completion date will be September 31, 2021.

PRIOR ACTION/REVIEW

R-156-07: enter into contract
R-401-07: enter into contract which included sections omitted from original contract

Updated: 3/3/2021 12:07 PM
Amendments 1 and 2: extended date of completion (Council approval not required)
R-366-2017: Amendment 3, accept additional funding and extending date of completion
R-138-2019: Amendment 4, accept additional funding and extending date of completion

**FISCAL INFORMATION**

The City was responsible for a 20% local match for the Preliminary Engineering and Right-of-Way phases of the project which totaled approximately $275,000. That funding came from the Capital Budget line item ENG073305 Replacement of Jackson Avenue Ramps.

The construction funding is 100% federal and state funds from the Surface Transportation Program, Off-Systems Bridge Replacement Program, the IMPROVE Act of 2017 and the High Priority Bridge Replacement Program (HPBRP)

AIS prepared by: Robin L. Tipton, P.E., Civil Engineering Division, 215-6105.

**ATTACHMENTS:**
- resolution, TDOT, Amendment 5, Jackson Ave ramps  (DOC)
- PIN 106077.00, Amendment 5  (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 5 TO AGREEMENT NO. 050113 WITH THE STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION ADJUSTING FUNDING FOR REPLACEMENT OF THE JACKSON AVENUE RAMPS TO GAY STREET AND EXTENDING THE DATE OF COMPLETION.

RESOLUTION NO: ______________
REQUESTED BY: Engineering
PREPARED BY: Law
APPROVED: ______________
APPROVED AS AN EMERGENCY MEASURE: ______________
MINUTE BOOK: _______ PAGE ______

WHEREAS, the Jackson Avenue ramps to Gay Street were included in the Tennessee Department of Transportation ("TDOT") Bridge Inventory and upon inspection received a “poor” rating resulting in qualification for federal bridge replacement funds; and

WHEREAS, the City of Knoxville (the “City”) entered into Agreement No. 050113 with the State of Tennessee Department of Transportation (TDOT) for reconstruction of the Jackson Avenue ramps at Gay Street providing 80% of federal highway bridge replacement and rehabilitation program funds with the City paying 20% of actual cost; and
WHEREAS, the City is responsible for all phases of the Project; and

WHEREAS, the City has previously entered into Amendment Nos. 1 and 2 to extend the date of completion; and

WHEREAS, the City has previously entered into Amendment Nos. 3 and 4 to accept additional funding in the amount of $5,015,600.00 and $668,000.00 respectively and to extend the date of completion; and

WHEREAS, the parties desire to enter into Amendment No. 5 to adjust the funding by reducing the overall estimated construction phase cost to align with the actual cost of construction and to extend the date of completion from December 31, 2020 to September 31, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville is authorized to enter into Amendment No. 5 to Agreement No. 050113 with TDOT, in substantially the same form as the one attached hereto, providing for the adjustment of funding for the construction phase, reducing the estimated construction cost to align with the actual cost, and extending the date of completion to September 31, 2021.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________________
Presiding Officer of the Council

__________________________________
Recorder
Amendment Number: 5
Agreement Number: 050113
Project Identification Number: 106077.00
Federal Project Number: BRZE-9109(103)
State Project Number: 47953-3592-94

FOR IMPLEMENTATION OF SURFACE TRANSPORTATION PROGRAM ACTIVITY

THIS AGREEMENT AMENDMENT is made and entered into this _________ day of ________, 20___ by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the CITY OF KNOXVILLE (hereinafter called the "Agency") for the purpose of providing an understanding between the parties of their respective obligations related to the management of the project described as:

"Jackson Ave, Bridges over Ramp to Gay Street in Knoxville (IA)"

1. The language of AGREEMENT # 050113 dated May 19, 2019 Exhibit A is hereby deleted in its entirety and replaced with the attached Exhibit A for Amendment 1.

2. B.2 a) Completion Date is amended to change the first sentence of Section B.2 a) from.

   The Agency agrees to complete the herein assigned phases of the Project on or before December 31, 2020.

   To

   The Agency agrees to complete the herein assigned phases of the Project on or before September 31, 2021.

All provisions of the original contract not expressly amended hereby shall remain in full force and effect.

Approved: Version 1
IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective authorized officials on the date first above written.

CITY OF KNOXVILLE
STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION

By: 

Indya Kincannon
Mayor

Date

By: 

Clay Bright
Commissioner

Date

APPROVED AS TO FORM AND LEGALITY

APPROVED AS TO FORM AND LEGALITY

By: 

Charles Swanson
Attorney

Date

By: 

John Reinbold
General Counsel

Date

Approved: Version 1
EXHIBIT “A” for Amendment 5

**Contract No.: 050113**
**Project Identification No.: 106077.00**
**Federal Identification No.: BRZE-9109(103)**
**State Project Number: 47953-3592-94**

**Project Description:** Jackson Ave. Bridges over Ramp to Gay Street in Knoxville (IA). Bridge replacement or possible rehab of two ramp structures leading from Jackson Ave to Gay Street.

**Change in Cost:** Cost hereunder is controlled by the availability of funding thru the Surface Transportation Program, Off-Systems Bridge Replacement Program, the IMPROVE Act of 2017 and the High Priority Bridge Replacement Program (HPBRP).

**Type of Work:** Bridge Replacement

<table>
<thead>
<tr>
<th>Phase</th>
<th>Funding Source</th>
<th>Fed %</th>
<th>State %</th>
<th>Local %</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE-NEPA</td>
<td>BRR-L</td>
<td>80%</td>
<td>0%</td>
<td>20%</td>
<td>$271,000.00</td>
</tr>
<tr>
<td>PE-Design</td>
<td>BRR-L</td>
<td>80%</td>
<td>0%</td>
<td>20%</td>
<td>$600,000.00</td>
</tr>
<tr>
<td>ROW</td>
<td>BRR-L</td>
<td>80%</td>
<td>0%</td>
<td>20%</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>CONST</td>
<td>TDOTES</td>
<td>80%</td>
<td>20%</td>
<td>0%</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>CONST</td>
<td>L-STP</td>
<td>80%</td>
<td>20%</td>
<td>0%</td>
<td>$3,257,127.00</td>
</tr>
<tr>
<td>CONST</td>
<td>BRR-L</td>
<td>80%</td>
<td>20%</td>
<td>0%</td>
<td>$3,700,500.00</td>
</tr>
<tr>
<td>CONST</td>
<td>CEI</td>
<td>80%</td>
<td>20%</td>
<td>0%</td>
<td>$537,915.00</td>
</tr>
</tbody>
</table>

**Liability:** The Agency understands the estimated cost of the Project is $9,775,240.00. The Agency will pay for 20% of the actual cost for the developmental phases authorized prior to this amendment. Inclusion in the IMPROVE Act and the HPBRP allows the 20% match for the Construction Phase to be covered by the Department. Any additional costs for the project exceeding the maximum liability shall be the responsibility of the Department. The Agency shall be responsible for all cost associated with non-participating items as deemed by the Department.

**Ineligible Cost:** One hundred percent (100%) of the actual cost will be paid from Agency funds if the use of said state or federal funds is ruled ineligible at any time by the Federal Highway Administration.

**Legislative Authority:** STBG: 23 U.S.C.A, Section 144, Highway Bridge Replacement and Rehabilitation Program Funds (BRZ), Section 133, Surface Transportation Program, TN Code Ann. § 67-3-912 (IMPROVE ACT of 2017), TN Code Ann. § 54-4-601 et seq. for HPBRP. For federal funds included in this contract, the CFDA Number is 20.205, Highway Planning and Construction funding provided through an allocation from the US Department of Transportation.

**Note:** The Agency further understands that funding for all phases for the herein-described project is subject to the 80% Federal and 20% State funding split. The State Split for Construction will be HPBRP funding 455G/220SAH (20%).
AGENDA SUMMARY A Resolution authorizing the Mayor to execute an agreement with Design and Construction Services, Inc. for construction of the Waterfront Drive Roadway Improvements Project for an amount not to exceed $733,262.85.

COUNCIL DISTRICT(S) AFFECTED

1st District (Tommy Smith)

BACKGROUND

The City of Knoxville has allocated capital funds to develop the roadway connections between Langford and Waterfront Drives near Suttree Landing Park with the intent to provide for the construction of roadways, drainage systems, curb lines, sidewalks and certain public utilities. The City has previously engaged Fulghum MacIndoe & Associates to provide construction plans and specifications for the construction of these improvements.

The City issued an Invitation to Bid for the construction of the connections for Empire and Dixie Streets between Langford and Waterfront Drives. Design and Construction Services, Inc. submitted the lowest, most responsive bid and has the necessary experience and qualifications for this project.

The remaining connections for Claude, and Barber Streets will be undertaken as funding becomes available to complete this roadway set.

OPTIONS

Approve or Deny.

RECOMMENDATION

Approve.

ESTIMATED PROJECT SCHEDULE

Contracted work must be completed within 180 days from the issuance of the Notice to Proceed.

PRIOR ACTION/REVIEW
None

**FISCAL INFORMATION**

This project is funded by the Waterfront Drive Redevelopment project in the FY20/21 Capital Improvement Budget.

AIS Prepared by: Shawn Fitzpatrick, Civil Engineering Division, 215-6131.

**ATTACHMENTS:**

- resolution, Design & Construction Svs, Waterfront Drive Roadway Improvements Project (DOC)
- agreement, Design&Construction Services, Waterfront Drive Roadway Improvements (DOCX)
- Waterfront Drive, Location Map (PDF)
- Memo to Purchasing - Waterfront Drive Roadway Improvements (PDF)
- Waterfront Drive Roadway Improvements Bid Summary (PDF)
RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH DESIGN AND CONSTRUCTION SERVICES, INC. FOR THE CONSTRUCTION OF THE WATERFRONT DRIVE ROADWAY IMPROVEMENTS PROJECT FOR AN AMOUNT NOT TO EXCEED $733,262.85.

WHEREAS, the City of Knoxville (the “City”) has allocated capital funds to develop the roadway connections between Langford and Waterfront Drives near Suttree Landing Park with the intent to provide for the construction of roadways, drainage systems, curb lines, sidewalks and certain public utilities; and

WHEREAS, the Purchasing Agent for the City advertised for competitive sealed bids for the Waterfront Drive Roadway Improvements Project (the “Project”); and

RESOLUTION NO: _________________
REQUESTED BY: Engineering Dept.
PREPARED BY: Law Dept.
APPROVED: ______________________
APPROVED AS AN EMERGENCY MEASURE: _________________________
MINUTE BOOK: _______ PAGE _____
WHEREAS, the Project will include construction of roadway improvements including drainage, curbs, sidewalk, and streetlights along portions of Waterfront Drive, Langford Avenue, Dixie and Empire Streets; and

WHEREAS, Design and Construction Services, Inc. submitted the lowest qualified bid of $733,262.85; and

WHEREAS, the Department of Engineering recommends this project be awarded to Design and Construction Services, Inc., which has the necessary qualifications and experience to perform the work.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville is hereby authorized to execute an agreement with Design and Construction Services, Inc., in substantially the same form as the agreement attached hereto, for construction of the Waterfront Drive Roadway Improvements Project, for an amount not to exceed $733,262.85.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________________________
Presiding Officer of the Council

__________________________________________
Recorder
AGREEMENT

This Agreement is made by and between the City of Knoxville, a municipal corporation organized and existing under the laws of the State of Tennessee, 400 Main Avenue, P.O. Box 1631, Knoxville, Tennessee 37901 (“City”), and Design and Construction Services, Inc., a Tennessee corporation, 6020 Industrial Heights Drive, Knoxville, Tennessee 37909 (“Contractor”).

WITNESSETH:

WHEREAS, the City advertised for bids for the Waterfront Drive Roadway Improvements Project, No. 20T-R-0669 (“Project”); and

WHEREAS, Contractor submitted the lowest, most responsive bid for said Project in the amount of Seven Hundred Thirty-Three Thousand Two Hundred Sixty-Two and 85/100 Dollars ($733,262.85); and

WHEREAS, Contractor has the necessary qualifications and expertise to perform said work and the Department of Engineering recommends that contract be awarded to it; and

WHEREAS, City Council by Resolution No. _____________ on March 9, 2021, authorized the Mayor of the City of Knoxville to execute this Agreement on behalf of the City.

NOW, THEREFORE, the City and Contractor, for the mutual considerations and promises stated herein, agree as follows:

1. Scope of Work. Contractor will provide all supervision, technical personnel, equipment, labor, and materials, and perform and complete all work in a satisfactory manner necessary to construct roadway improvements including drainage, curbs, sidewalk, and streetlights along portions of Waterfront Drive, Langford Avenue, Dixie and Empire Streets, and perform
other work as necessary to complete the Project all in strict accordance with the contract documents and specifications for the Waterfront Drive Roadway Improvements Project, No. 20T-R-0669, prepared by the City of Knoxville Engineering Department.

2. **Contract Documents.** The executed Contract Documents will consist of the following:

   (a) This Agreement
   (b) Invitation for Bids and any Addenda thereto
   (c) Instructions to Bidders
   (d) Signed copy of Bid and Proposal
   (e) General Conditions
   (f) Supplemental General Conditions
   (g) Special Conditions
   (h) Technical Specifications
   (i) Drawings

Contract documents not appended to this agreement are located in the City of Knoxville Engineering Department Library at 3131 Morris Avenue, Knoxville, Tennessee. To the extent there is a conflict between the terms of any of the documents that constitute this Agreement, the terms that provide the greater benefit to the City and/or impose the greater obligation on Contractor shall control.

3. **Termination.** The City may terminate this Agreement at any time, with or without cause, by written notice of termination to Contractor. If the City terminates this Agreement, and such termination is not a result of a default by Contractor, Contractor shall be entitled to receive as its sole and exclusive remedy just compensation for all satisfactory, authorized services completed prior to the effective date.

4. **Term and Liquidated Damages.** The date of beginning and the time for completion of the work are essential conditions of this Agreement, and the work embraced shall be commenced on the date specified in a written Notice to Proceed. Contractor shall perform the
work with due and reasonable diligence and fully complete the Project within one hundred eighty (180) days from the issuance of the Notice to Proceed. Contractor further agrees to pay liquidated damages to the City in the sum of Four Hundred Twenty and 00/100 Dollars ($420.00) for each consecutive day thereafter as provided in the General Conditions.

5. **Contract Price.** The City shall pay to Contractor for the satisfactory performance of the contract subject to additions and deductions and in accordance with the bid as provided in the contract documents, unless modified by a Contract Change Order, an amount not to exceed Seven Hundred Thirty-Three Thousand Two Hundred Sixty-Two and 85/100 Dollars ($733,262.85).

Contractor shall submit invoices for services rendered to the City in a form approved by the City, shall indicate the time period during which the services were provided and shall be signed by Contractor to certify its accuracy.

The City will pay Contractor for services satisfactorily rendered within thirty (30) days of the receipt of Contractor’s undisputed invoice. Payment for services rendered does not indicate the City’s acceptance of such services as being fully in accord with all the provisions of this Agreement.

6. **Retainage.** The City will retain five percent (5%) of payment for all work covered by the contract documents. Upon completion of all work covered by the contract documents to the final satisfaction of the City, the retainage balance will be paid to the contractor.

7. **Changes in the Work.** The City may at any time, if the need arises, order changes within the scope of the services without invalidating the Agreement. If such changes increase or decrease the amount due under the Agreement, or in the time required for performance of the
services, an equitable adjustment shall be authorized by Change Order or Amendment. All Change Orders must be approved and signed by the City and Contractor.

8. **Notices.** Any notice required or permitted under this Agreement will be directed to the following representatives or such other address as either party may designate by written notice to the other:

**City of Knoxville:**
- Penny Owens, Purchasing Agent
- P.O. Box 1631
- Knoxville, TN 37901
- (865) 215-2070

**Contractor:**
- Ron L. Coggins, President
- Design and Construction Services, Inc.
- 6020 Industrial Heights Drive
- Knoxville, TN 37909
- (865) 523-9730

**cc:** Thomas V. Clabo, P.E.
- Department of Engineering
- City of Knoxville
- P.O. Box 1631
- Knoxville, TN 37901
- (865) 215-6100

Notices shall be in writing and shall be effective when actually delivered in person, received via facsimile transmission, or private carrier with signature confirmation, or when received in the U.S. Mail, certified with return receipt requested, postage pre-paid and addressed to the party as stated above.

9. **Indemnification.** Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.
Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

10. **Insurance.** Contractor shall at its sole expense obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better.

(a) Commercial General and Umbrella Liability Insurance; occurrence version commercial general liability insurance, and if necessary umbrella liability
insurance, with a limit of not less than $2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than $3,000,000.

Such insurance shall:

(1) Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.

(2) For any claims related to this project, Contractor’s insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Contractor’s insurance and shall not contribute with it.

(3) At the sole discretion of the City, dedicated limits of liability for this specific project may be required.
(b) Automobile Liability Insurance; including vehicles owned, hired, and non-owned, with a combined single limit of not less than $1,000,000 each accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of Contractor.

(c) Workers’ Compensation Insurance. Contractor shall maintain workers’ compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers’ liability insurance with limits of not less than $500,000. Contractor shall require each of its subcontractors to provide Workers’ Compensation for all of the latter’s employees to be engaged in such work unless such employees are covered by contractor’s workers’ compensation insurance coverage.

(d) Other Insurance Requirements. Contractor shall:

(1) Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days’ prior written notice to the City Attorney of Knoxville, P.O. Box 1631, Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.
Upon the City’s request, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance. Copies of policies will only be requested when contracts are deemed to be extremely or uniquely hazardous, include a dollar amount that is significant to the overall budget of the City or a City Department, or the coverage(s) may not follow standard insurance forms. A policy will only be requested after the City’s Risk Manager has reviewed the contract and proof of coverage has been provided. Should the certificate of insurance refer to specific coverage wording or endorsement(s), proof of such policy wording or endorsement(s) will be required.

Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.

Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.

If Contractor cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, Contractor may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than A. Modification of this standard may be considered upon appeal to the City Law Director.
(6) Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers’ Compensation/Employer’s Liability insurance (unless subcontractor’s employees are covered by Contractor’s insurance) in the same manner as specified for Contractor. Contractor shall furnish subcontractors’ certificates of insurance to the City without expense immediately upon request.

(7) **Large Deductibles: Self-Insured Retentions.** Any deductibles and/or self-insured retentions greater than $50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by the City.

(8) **Waiver of Subrogation Required.** The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by Contractor for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.

(9) **Occurrence Basis Requirement.** All general liability policies must be written on an occurrence basis unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made basis must
be approved by the Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.

(10) **Completed Operations Insurance.** Contractor shall procure and shall maintain liability coverage that shall include completed operations coverage, and Contractor shall maintain such coverage for a period of two (2) years from the date of the City’s final acceptance of the project.

(e) **Excess Liability Insurance.** Contractor shall maintain excess liability insurance in addition to the insurance specified above with a limit of not less than $2,000,000.00 each occurrence. This coverage shall be on a follow form basis.

11. **Non-Discrimination.** Contractor:

(a) will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, disability, familial status or national origin;

(b) will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, disability or familial status or national origin:
(c) will, in all solicitations or advertisements for employees placed by or on behalf of itself, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, disability, familial status or national origin; and

(d) will include these provisions in every subcontract or sublease let by or for it.

12. **Ethical Standards.** Contractor hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

(a) **Sec. 2-1048. Conflict of Interest.**

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee’s knowledge there is a financial interest possessed by:

(1) The employee or the employee’s immediate family;

(2) A business other than a public agency in which the employee or a member of the employee’s immediate family serves as an officer, director, trustee, partner or employee; or
(3) Any other person or business with whom the employee or a member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment.

(b) Sec. 2-1049. Receipt of Benefits from City Contracts by Councilmembers, Employees and Officers of the City.

It shall be unlawful for any member of Council, member of the Board of Education, officer or employee of the City to have or hold any interest in the profits for emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the City in which any member of Council, member of the Board of Education, officer or employee has or holds any such interest is void.

(c) Sec. 2-1050. Gratuities and Kickbacks Prohibited.

Gratuities. It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

(1) An official action taken, or to be taken, or which could be taken;

(2) A legal duty performed, or to be performed, or which could be performed; or

(3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.
Anything of nominal value shall be presumed not to constitute a gratuity under this section.

Kickbacks. It is unlawful for any payment, gratuity or benefit to be made by or on behalf of a subcontractor or any person associate therewith as an inducement for the award of a subcontract or order.

(d) Sec. 2-1051. Covenant Relating to Contingent Fees.

(a) Representation of Contractor. Every person, before being awarded a contract in excess of ten thousand dollars ($10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) Intentional violation unlawful. The intentional violation of the representation specified in subsection (a) of this section is unlawful.

(e) Sec. 2-1052. Restrictions on Employment of Present and Former City Employees.

Contemporaneous employment prohibited. It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.
(f) Remedies for Violations. For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

1. Oral or written warnings or reprimands;
2. Cancellation of transactions; and
3. Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

13. ADA Compliance. With regard to the services performed under this Agreement, Contractor will comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., (“ADA”). Contractor agrees that it will defend, indemnify and hold the City harmless against any and all claims, demands, suits or causes of action which arise out of any negligent and/or intentional act or omission by Contractor, its employees, agents or representatives which violates the ADA. Contractor agrees that the City will not be responsible for any costs or expenses arising from Contractor’s failure to comply with the ADA.

14. Independent Contractor. Contractor and its agents and employees shall perform all work and render all services as an independent contractor; neither it nor its employees shall be considered employees, partners or agents of the City, nor shall it or its employees be entitled to any benefits, insurance, pension, or workers’ compensation as an employee of the City.
15. **Assignment.** The Contractor shall not assign or transfer any interest in this Agreement without obtaining the prior written approval of the City.

16. **Subcontractors.** Contractor shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.

17. **Written Amendments.** This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of this Agreement.

18. **Required Approvals.** Neither Contractor nor the City is bound by this Agreement until it is approved by the appropriate officials shown on the signature page of this Agreement.

19. **Article Captions.** The captions appearing in this Agreement are for convenience only and are not a part of this Agreement; they do not in any way limit or amplify the provisions of this Agreement.

20. **Severability.** If any provision of this Agreement is determined to be unenforceable or invalid, such determination will not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

21. **Federal, State and Local Requirements.** Contractor is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations.

22. **No Benefit for Third Parties.** The services to be performed by the Contractor pursuant to this agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to this Agreement. No such person or entity shall be entitled to
rely on the Contractor’s performance of its services hereunder, and no right to assert a claim against
the City or the contractor, its officers, employees, agents or contractors shall accrue to the
Contractor or to any subcontractors, independently retained professional consultant, supplier,
fabricator, manufacturer, lender, tenant, insurer, surety or any other third party as a result of this
Agreement or the performance or non-performance of the Contractor’s services hereunder.

23. **Non-Reliance of Parties.** Parties explicitly agree that they have not relied upon
any earlier or outside representations other than what has been included in this
Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything
other than the specific written terms set forth herein.

24. **Force Majeure.** Neither party shall be liable to the other for any delay or failure
to perform any of the services or obligations set forth in this Agreement due to causes beyond its
reasonable control, and performance times shall be considered extended for a period of time
equivalent to the time lost because of such delay plus a reasonable period of time to allow the
parties to recommence performance of their respective obligations hereunder. Should a
circumstance of force majeure last more than ninety (90) days, either party may by written notice
to the other terminate this Agreement. The term “force majeure” as used herein shall mean the
following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies;
orders or restraints of any kind of the government of the United States or of the State or any of
their departments, agencies or officials, or any civil or military authority; insurrections, riots,
landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or
accident to machinery, transmission pipes or canals; or any other cause or event not reasonably
within the control of either party.
25. **EEO/AA.** The City of Knoxville is an EEO/AA/Title VI/Section 504/ADA/ADEA Employer.

26. **Governing Law and Venue.** This Agreement will be governed and construed in accordance with the laws of the State of Tennessee. Any action for breach of this Agreement or to enforce or nullify any provision of this Agreement shall be instituted only in a court of appropriate jurisdiction in Knox County, Tennessee.

27. **Entire Agreement.** This Agreement forms the entire Agreement between the City and Contractor. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, will be of no force or effect.

**IN WITNESS WHEREOF,** the City and Contractor have executed this Agreement in two (2) copies as of the below-written date.

**APPROVED AS TO FORM:**

---

**CITY OF KNOXVILLE**

BY: _____________________________

INDYA KINCANNON
MAYOR

DATE: ____________________________

**FUNDS CERTIFIED:**

---

**DESIGN AND CONSTRUCTION SERVICES, INC.**

BY: ____________________________

TITLE: ____________________________

---

SUSAN A. GENNOE
FINANCE DIRECTOR
Required Documents:
Certificate of Insurance
Performance Bond
Payment Bond
The Engineering Department has reviewed the bids for the above referenced Project and recommends that the Project be awarded to Design & Construction Services, Inc. The lowest responsive bid was $733,262.85.

Please request that a contract for $733,262.85 be placed on the next Council Agenda.

If you need additional information please contact me.

Thomas V. Clabo, P.E.
Chief Civil Engineer

Attachment
TVC:jkh

cc: Project File
## CITY OF KNOXVILLE

### BID SCHEDULE

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>QUANTITY</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Mobilization of Forces, Supplies, and Equipment</td>
<td>LS</td>
<td>1</td>
<td>20,000.00</td>
<td>20,000.00</td>
<td>30,000.00</td>
<td>30,000.00</td>
<td>22,000.00</td>
<td>22,000.00</td>
<td>20,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>3.1</td>
<td>Removal of Structures and Obstructions</td>
<td>LS</td>
<td>1</td>
<td>16,500.00</td>
<td>16,500.00</td>
<td>29,500.00</td>
<td>29,500.00</td>
<td>48,210.00</td>
<td>48,210.00</td>
<td>60,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>4.1</td>
<td>Excavation (Unclassified)</td>
<td>CY</td>
<td>650</td>
<td>8.00</td>
<td>5,200.00</td>
<td>21.00</td>
<td>13,650.00</td>
<td>15.00</td>
<td>9,750.00</td>
<td>28.43</td>
<td>18,481.01</td>
</tr>
<tr>
<td>4.2</td>
<td>Excavation (Borrow)</td>
<td>CY</td>
<td>2,960</td>
<td>20.00</td>
<td>59,200.00</td>
<td>34.75</td>
<td>102,860.00</td>
<td>29.00</td>
<td>85,842.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1</td>
<td>Mineral Aggregate Base (Class A, Grading D)</td>
<td>TON</td>
<td>666</td>
<td>60,606.00</td>
<td>35.00</td>
<td>23,310.00</td>
<td>28.75</td>
<td>19,147.50</td>
<td>43.00</td>
<td>28,638.00</td>
<td>80.37</td>
</tr>
<tr>
<td>7.1</td>
<td>Tack Coat</td>
<td>GAL</td>
<td>55</td>
<td>8.00</td>
<td>440.00</td>
<td>11.00</td>
<td>605.00</td>
<td>20.00</td>
<td>1,100.00</td>
<td>5.63</td>
<td>309.63</td>
</tr>
<tr>
<td>9.1</td>
<td>Bituminous Plant Mix Base, Grading B</td>
<td>TON</td>
<td>224</td>
<td>41,440.00</td>
<td>246.00</td>
<td>55,104.00</td>
<td>170.50</td>
<td>38,192.00</td>
<td>190.00</td>
<td>42,560.00</td>
<td>168.05</td>
</tr>
<tr>
<td>10.1</td>
<td>Asphalt Surface (PG-64-22) Grade D</td>
<td>TON</td>
<td>16</td>
<td>465.00</td>
<td>7,440.00</td>
<td>434.00</td>
<td>6,944.00</td>
<td>330.00</td>
<td>5,280.00</td>
<td>250.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td>12.1</td>
<td>Concrete Curb</td>
<td>LF</td>
<td>1,710</td>
<td>35.00</td>
<td>59,850.00</td>
<td>41.00</td>
<td>70,110.00</td>
<td>35.25</td>
<td>60,277.50</td>
<td>24.00</td>
<td>41,040.00</td>
</tr>
<tr>
<td>12.2</td>
<td>Concrete Gutter</td>
<td>LF</td>
<td>236</td>
<td>50.00</td>
<td>11,800.00</td>
<td>50.00</td>
<td>11,800.00</td>
<td>44.00</td>
<td>10,384.00</td>
<td>50.00</td>
<td>11,800.00</td>
</tr>
</tbody>
</table>

### CITY OF KNOXVILLE

DEPARTMENT OF ENGINEERING

### SUMMARY OF BIDS

<table>
<thead>
<tr>
<th>SERVICES, INC.</th>
<th>WHALEY CONSTRUCTION, LLC</th>
<th>THE FRANKLIN GROUP, LLC</th>
<th>CHARLES BLALOCK &amp; SONS, INC.</th>
<th>MERIT CONSTRUCTION, INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ITEM NO.</strong></td>
<td><strong>DESCRIPTION</strong></td>
<td><strong>PRICE</strong></td>
<td><strong>AMOUNT</strong></td>
<td><strong>PRICE</strong></td>
</tr>
<tr>
<td>1.1</td>
<td>Mobilization of Forces, Supplies, and Equipment</td>
<td>20,000.00</td>
<td>20,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>3.1</td>
<td>Removal of Structures and Obstructions</td>
<td>16,500.00</td>
<td>16,500.00</td>
<td>29,500.00</td>
</tr>
<tr>
<td>4.1</td>
<td>Excavation (Unclassified)</td>
<td>8.00</td>
<td>5,200.00</td>
<td>21.00</td>
</tr>
<tr>
<td>4.2</td>
<td>Excavation (Borrow)</td>
<td>20.00</td>
<td>59,200.00</td>
<td>34.75</td>
</tr>
<tr>
<td>5.1</td>
<td>Mineral Aggregate Base (Class A, Grading D)</td>
<td>60,606.00</td>
<td>35.00</td>
<td>23,310.00</td>
</tr>
<tr>
<td>7.1</td>
<td>Tack Coat</td>
<td>8.00</td>
<td>440.00</td>
<td>11.00</td>
</tr>
<tr>
<td>9.1</td>
<td>Bituminous Plant Mix Base, Grading B</td>
<td>41,440.00</td>
<td>246.00</td>
<td>55,104.00</td>
</tr>
<tr>
<td>10.1</td>
<td>Asphalt Surface (PG-64-22) Grade D</td>
<td>465.00</td>
<td>7,440.00</td>
<td>434.00</td>
</tr>
<tr>
<td>12.1</td>
<td>Concrete Curb</td>
<td>35.00</td>
<td>59,850.00</td>
<td>41.00</td>
</tr>
<tr>
<td>12.2</td>
<td>Concrete Gutter</td>
<td>50.00</td>
<td>11,800.00</td>
<td>50.00</td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>DESCRIPTION</td>
<td>UNIT</td>
<td>QUANTITY</td>
<td>PRICE</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>------</td>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td>13.1</td>
<td>Concrete Sidewalks</td>
<td>SF</td>
<td>8,930</td>
<td>10.50</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.2</td>
<td>Concrete Driveway</td>
<td>SF</td>
<td>1,464</td>
<td>12.00</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.3</td>
<td>Tactile Warning System, Cast-in-Place</td>
<td>SF</td>
<td>128</td>
<td>18.00</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.1</td>
<td>15&quot; RCP (Class III)</td>
<td>LF</td>
<td>879</td>
<td>75.00</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.2</td>
<td>18&quot; RCP (Class III)</td>
<td>LF</td>
<td>40</td>
<td>85.00</td>
</tr>
<tr>
<td>20.3</td>
<td>30&quot; RCP (Class III)</td>
<td>LF</td>
<td>154</td>
<td>150.00</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.12</td>
<td>No. 12LP Catch Basin (4'-8')</td>
<td>EA</td>
<td>7</td>
<td>3,200.00</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.12</td>
<td>No. 12P Catch Basin (4'-8')</td>
<td>EA</td>
<td>2</td>
<td>4,400.00</td>
</tr>
<tr>
<td>22.12</td>
<td>No. 12RA Catch Basin (4'-8')</td>
<td>EA</td>
<td>3</td>
<td>2,900.00</td>
</tr>
<tr>
<td>22.12</td>
<td>No. 12RA Catch Basin (8'-12')</td>
<td>EA</td>
<td>1</td>
<td>4,900.00</td>
</tr>
<tr>
<td>22.12</td>
<td>No. 12RB Catch Basin (4'-8')</td>
<td>EA</td>
<td>4</td>
<td>3,300.00</td>
</tr>
<tr>
<td><em>Correction</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### SUMMARY OF BIDS

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT QUANTITY</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.12.06</td>
<td>Catch Basin Frame, Grate, Precast Cover</td>
<td>EA 2</td>
<td>900.00</td>
<td>1,800.00</td>
<td>1,200.00</td>
<td>2,400.00</td>
<td>825.00</td>
<td>1,650.00</td>
<td>1,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td>22.13.01</td>
<td>No. 13RA Catch Basin (4'-8')</td>
<td>EA 1</td>
<td>4,400.00</td>
<td>4,400.00</td>
<td>3,431.00</td>
<td>3,431.00</td>
<td>2,200.00</td>
<td>2,200.00</td>
<td>4,600.00</td>
<td>4,600.00</td>
</tr>
<tr>
<td>23.1</td>
<td>Adjust Storm Sewer Frame</td>
<td>EA 3</td>
<td>800.00</td>
<td>2,400.00</td>
<td>1,500.00</td>
<td>4,500.00</td>
<td>550.00</td>
<td>1,650.00</td>
<td>450.00</td>
<td>1,350.00</td>
</tr>
<tr>
<td>26.1</td>
<td>Topsoil</td>
<td>CY 537</td>
<td>60.00</td>
<td>32,220.00</td>
<td>55.00</td>
<td>29,535.00</td>
<td>33.00</td>
<td>17,721.00</td>
<td>34.00</td>
<td>18,258.00</td>
</tr>
<tr>
<td>27.1</td>
<td>Seeding</td>
<td>SY 3,224</td>
<td>0.60</td>
<td>1,934.40</td>
<td>1.00</td>
<td>3,224.00</td>
<td>2.25</td>
<td>7,254.00</td>
<td>1.00</td>
<td>3,224.00</td>
</tr>
<tr>
<td>31.1</td>
<td>Temporary Erosion Prevention and Sediment Control</td>
<td>LS 1</td>
<td>9,900.00</td>
<td>9,900.00</td>
<td>19,500.00</td>
<td>19,500.00</td>
<td>15,750.00</td>
<td>15,750.00</td>
<td>32,500.00</td>
<td>32,500.00</td>
</tr>
<tr>
<td>34.1</td>
<td>Construction Area Traffic Control</td>
<td>LS 1</td>
<td>4,900.00</td>
<td>4,900.00</td>
<td>25,000.00</td>
<td>25,000.00</td>
<td>18,940.00</td>
<td>18,940.00</td>
<td>9,700.00</td>
<td>9,700.00</td>
</tr>
<tr>
<td>35.1</td>
<td>Electric Duct Bank - (2) 4&quot; Conduit, Concrete Encased</td>
<td>LF 325</td>
<td>56.42</td>
<td>18,336.50</td>
<td>48.00</td>
<td>15,600.00</td>
<td>47.75</td>
<td>15,518.75</td>
<td>48.00</td>
<td>15,600.00</td>
</tr>
<tr>
<td>35.2</td>
<td>Electric Handhole - 4'Wx8'Lx4'D (Provided by KUB)</td>
<td>EA 2</td>
<td>4,675.00</td>
<td>9,350.00</td>
<td>3,955.00</td>
<td>7,910.00</td>
<td>3,954.50</td>
<td>7,909.00</td>
<td>2,500.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>35.3</td>
<td>Lighting Standard &quot;B&quot;</td>
<td>EA 6</td>
<td>5,909.00</td>
<td>35,454.00</td>
<td>5,001.00</td>
<td>30,006.00</td>
<td>5,000.00</td>
<td>30,000.00</td>
<td>5,400.00</td>
<td>32,400.00</td>
</tr>
<tr>
<td>35.4</td>
<td>Lighting Duct Bank - (2) 2&quot; Conduit</td>
<td>LF 812</td>
<td>30.50</td>
<td>24,766.00</td>
<td>26.00</td>
<td>21,112.00</td>
<td>25.75</td>
<td>20,909.00</td>
<td>17.00</td>
<td>13,804.00</td>
</tr>
</tbody>
</table>

*Correction*
## CITY OF KNOXVILLE
### DEPARTMENT OF ENGINEERING

**Project:** Waterfront Drive Roadway Improvements  
**Project No:** 20T-R-0669  
**Date:** February 12, 2021  
**Time:** 11:00 a.m.

### CITY OF KNOXVILLE
#### BID SCHEDULE

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>QUANTITY</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.5</td>
<td>Lighting Duct Bank - (2) 2&quot; Conduit, Concrete Encased</td>
<td>LF</td>
<td>104</td>
<td>38.35</td>
<td>3,988.40</td>
<td>32.50</td>
<td>3,380.00</td>
<td>32.50</td>
<td>3,380.00</td>
<td>35.00</td>
<td>3,640.00</td>
<td>33.55</td>
<td>3,489.21</td>
</tr>
<tr>
<td>35.6</td>
<td>Lighting Conductor - (3) #10 AWG Copper</td>
<td>LF</td>
<td>488</td>
<td>3.70</td>
<td>1,805.60</td>
<td>3.15</td>
<td>1,537.20</td>
<td>3.25</td>
<td>1,586.00</td>
<td>5.00</td>
<td>2,440.00</td>
<td>3.24</td>
<td>1,581.75</td>
</tr>
<tr>
<td>35.7</td>
<td>Lighting Conductor - (3) #6 AWG Copper</td>
<td>LF</td>
<td>450</td>
<td>5.90</td>
<td>2,655.00</td>
<td>5.00</td>
<td>2,250.00</td>
<td>5.00</td>
<td>2,250.00</td>
<td>5.00</td>
<td>2,250.00</td>
<td>5.16</td>
<td>2,323.49</td>
</tr>
<tr>
<td>35.8</td>
<td>Lighting Pullbox</td>
<td>EA</td>
<td>2</td>
<td>747.50</td>
<td>1,495.00</td>
<td>567.00</td>
<td>1,134.00</td>
<td>566.50</td>
<td>1,133.00</td>
<td>1,000.00</td>
<td>2,000.00</td>
<td>585.71</td>
<td>1,171.41</td>
</tr>
<tr>
<td>35.9</td>
<td>Final Connections at Lighting Control Center</td>
<td>LS</td>
<td>1</td>
<td>2,444.00</td>
<td>2,444.00</td>
<td>2,046.00</td>
<td>2,046.00</td>
<td>4,750.00</td>
<td>4,750.00</td>
<td>1,000.00</td>
<td>2,115,360</td>
<td>2,115.36</td>
<td></td>
</tr>
<tr>
<td>38.1</td>
<td>Surface Milling</td>
<td>TON</td>
<td>49</td>
<td>244.00</td>
<td>11,956.00</td>
<td>130.00</td>
<td>6,370.00</td>
<td>165.00</td>
<td>8,085.00</td>
<td>25.00</td>
<td>1,225.00</td>
<td>277.50</td>
<td>13,997.47</td>
</tr>
<tr>
<td>39.1</td>
<td>Street Print Repair</td>
<td>SF</td>
<td>16</td>
<td>40.00</td>
<td>640.00</td>
<td>22.00</td>
<td>352.00</td>
<td>19.75</td>
<td>316.00</td>
<td>100.00</td>
<td>1,600.00</td>
<td>41.80</td>
<td>668.73</td>
</tr>
<tr>
<td>39.2</td>
<td>Pavement Marking - Line (Plastic)</td>
<td>LF</td>
<td>88</td>
<td>10.00</td>
<td>880.00</td>
<td>5.50</td>
<td>484.00</td>
<td>5.50</td>
<td>484.00</td>
<td>10.00</td>
<td>880.00</td>
<td>5.69</td>
<td>500.41</td>
</tr>
<tr>
<td>39.3</td>
<td>Pavement Marking - Handicap Symbols and Striping (Plastic)</td>
<td>EA</td>
<td>2</td>
<td>520.00</td>
<td>1,040.00</td>
<td>550.00</td>
<td>1,100.00</td>
<td>550.00</td>
<td>1,100.00</td>
<td>600.00</td>
<td>1,200.00</td>
<td>454.92</td>
<td>909.83</td>
</tr>
<tr>
<td>39.4</td>
<td>Pavement Marking - Line (Paint)</td>
<td>LF</td>
<td>558</td>
<td>5.20</td>
<td>2,901.60</td>
<td>2.50</td>
<td>1,395.00</td>
<td>2.50</td>
<td>1,395.00</td>
<td>5.00</td>
<td>2,790.00</td>
<td>4.55</td>
<td>2,538.44</td>
</tr>
</tbody>
</table>

*Correction*
## CITY OF KNOXVILLE
### DEPARTMENT OF ENGINEERING

**Project:** Waterfront Drive Roadway Improvements  
**Project No:** 20T-R-0669  
**Opened in Knoxville, TN**  
**Date:** February 12, 2021  
**Time:** 11:00 a.m.

**BID SCHEDULE**

**CITY OF KNOXVILLE**  
**DEPARTMENT OF ENGINEERING**

**Design & Construction Services, Inc.**  
**Whaley Construction, LLC**  
**The Franklin Group, LLC**  
**Charles Blalock & Sons, Inc.**  
**Merit Construction, Inc.**

### SUMMARY OF BIDS

| ITEM NO. | DESCRIPTION                          | UNIT | TOTAL QUANTITY | DESCRIPTION | UNIT | TOTAL QUANTITY | PRICE  | AMOUNT  | PRICE  | AMOUNT  | PRICE  | AMOUNT  | PRICE  | AMOUNT  | PRICE  | AMOUNT  | PRICE  | AMOUNT  |PRICE  | AMOUNT  | AMOUNT  |
|----------|--------------------------------------|------|----------------|-------------|------|----------------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|
| 39.5     | Pavement Marking - Crosswalk Striping (Paint) | LF   | 221            | Pavement Marking - Stop Line (Paint) | LF   | 44             | 9.75   | 429.00   | 16.50  | 726.00   | 20.00  | 880.00   | 8.53   | 375.31   | 8.5298 |
| 70.1     | Handrail                             | LS   | 1              |             |      |                | 8,300.00 | 8,300.00 | 9,125.00 | 14,650.00 | 10,000.00 | 5,686.46 | 5,686.46 |                  |

**TOTAL BID**

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>733,262.85</td>
<td>$743,159.70</td>
</tr>
<tr>
<td></td>
<td>811,407.75</td>
<td>$821,082.00</td>
</tr>
<tr>
<td></td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

**$821,757.00**

---

* Corrected Amount

---

**Tabulated by:**  
Jeannine K. Hager

**Certified Correct:**  
Amanda O. Koenig

**Approved By:**  
[Signature]

**Date:**

- **Checked By:**  
Shawn Fitzpatrick  
- **Date:** 2/18/2021  
- **Date:** 2/18/2021
AGENDA SUMMARY  A Resolution authorizing the Mayor to amend Contract No. C-12-0153 with CDM Smith, Inc. for the Washington Pike Roadway Improvements Project, increasing the contract amount by $693,000.00 for a new contract total of $1,948,600.00, and extending the date of completion to March 31, 2025.

COUNCIL DISTRICT (S) AFFECTED
4th District (Lauren Rider)

BACKGROUND
The purpose of this project is to improve Washington Pike from I-640 to Murphy Road so that this corridor is capable of handling the existing and future traffic volumes. These improvements are expected to relieve existing traffic congestion, support economic development in the area and provide alternative modes of transportation. The existing two-lane roadway will be widened to four lanes, with a median and turn lanes at side streets. This project will also add 10-foot-wide shared-use paths to either side of the roadway, which does not currently have sidewalks or bike lanes. These alternate transportation routes will serve the surrounding neighborhoods and enhance the value of the existing transportation system by minimizing conflicts between pedestrians, bicyclists, and vehicles along this busy corridor.

The design plans for this project were previously completed up to the right-of-way acquisition phase. This change order will allow CDM Smith to update the right-of-way plans to reflect additional safety features in the “typical section” design, complete the final construction plans, and thereafter assist with project bidding as this project is advertised and let for construction.

Construction Engineering & Inspection (CEI) Services, Construction Testing and Shop Drawing Reviews for the project are not included in the current scope of services and fee. These construction phase services will be detailed and a fee negotiated at the completion of the final project design and will be incorporated into the contract through a future contract amendment.

OPTIONS
Approve or deny the Change Order.

RECOMMENDATION
Approve the Change Order.

ESTIMATED PROJECT SCHEDULE
This professional services contract will be complete by March 31, 2025.

Updated: 1/15/2021 4:17 PM
**PRIOR ACTION/REVIEW**

None

**FISCAL INFORMATION**

The Knoxville Regional Transportation Planning Organization FY 2020-2023 Transportation Improvement Plan (TIP) has programmed this project, with 80% provided from federal funds and a 20% local match. The City’s 20% match is budgeted under the SAFETEA-LU Match line item in the Capital Improvements Budget.

AIS Prepared by: Karen J. McKeehan, Civil Engineering Division, 215-6125

**ATTACHMENTS:**

- resolution, CDM Smith, CO2, Washington Pike Roadway Improvements (DOC)
- Washington CDM Smith CO 2 (C-12-0153) (PDF)
- CDM Smith_Supp2_Washington Pk_12-28-2020 (PDF)

**HISTORY:**

01/26/21 City Council POSTPONED

Next: 03/09/21

Council Member Rider moved to postpone resolution 11-c for six weeks, and Council Member Thomas seconded the motion. On unanimous roll-call vote, the motion carried.
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO AMEND CONTRACT NO. C-12-0153 WITH CDM SMITH, INC. FOR THE WASHINGTON PIKE ROADWAY IMPROVEMENTS PROJECT, INCREASING THE CONTRACT AMOUNT BY $693,000.00 FOR A NEW CONTRACT TOTAL OF $1,948,600.00 AND EXTENDING THE COMPLETION DATE TO MARCH 31, 2025.

WHEREAS, the City of Knoxville (the “City”) has contracted with CDM Smith, Inc. for the Washington Pike Roadway Improvements Project, Contract No. C-12-0153; and

WHEREAS, the project includes the improvement of the Washington Pike Corridor from I-640 to Murphy Road with a four-lane median divided roadway and will include turn lanes at side streets and shared use paths to either side of the roadway; and
WHEREAS, the City wishes to amend Contract No. C-12-0153 by increasing the amount by $693,000.00 for a new contract total of $1,948,600.00 and extend the date of completion to March 31, 2025; and

WHEREAS, this amendment will allow CDM Smith, Inc. to update the right-of-way plans to reflect additional safety features in the typical section design, complete the final construction plans, and assist with project bidding in order for the project to be advertised and let for construction.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville is hereby authorized to amend Contract No. C-12-0153, in substantially the same form as the one attached hereto, between the City of Knoxville and CDM Smith, Inc. for the Washington Pike Roadway Improvements Project, increasing the current contract price by $693,000.00 for a new contract total of $1,948,600.00 and extending the completion date to March 31, 2025.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

___________________________________
Presiding Officer of the Council

___________________________
Recorder
CHANGE ORDER

Order No. __________ 2 __________

Date: __________ January 4, 2021 __________

NAME OF PROJECT: __________ Washington Pike Roadway Improvements __________

OWNER: __________ City of Knoxville, Tennessee __________

CONTRACTOR: __________ CDM Smith, Inc. __________

THE FOLLOWING CHANGES ARE HEREBY MADE TO THE CONTRACT DOCUMENTS:

JUSTIFICATION: Additional design services as detailed in the attached December 28, 2020 correspondence from CDM Smith, Inc.

CHANGE TO CONTRACT PRICE:

Original Contract Price $ 1,255,600.00

The Contract Price due to this Change Order will be increased by: $ 693,000.00.

The new Contract Price including this Change Order will be $ 1,948,600.00.

CHANGE TO CONTRACT TIME:

The date for completion of all work will be March 31, 2025.

All other provisions of document number C-12-0153 shall remain in full force and effect.

Requested by (Civil Engineering Chief) ________________________________

Accepted by (Consultant) ________________________________

Approved by (Director of Engineering) ________________________________

Approved by (Director of Finance) ________________________________

Approved as to form (Director of Law) ________________________________

Ordered by (Mayor) ________________________________
December 28, 2020

Mr. Thomas V. Clabo, PE  
Chief Civil Engineer  
City of Knoxville, Tennessee  
3131 Morris Avenue  
Knoxville, TN 37909

RE: City Contract No C-12-0153; TDOT PIN 043090.00;  
Washington Pk Complete Street; Contract Amendment #2, Redesign for change in typical section

Dear Mr. Clabo:

CDM Smith is pleased to submit this proposal for contract amendment #2 for the Washington Pike Complete Streets project. CDM Smith was selected by the City of Knoxville in 2011 to provide NEPA documentation, roadway design, and CEI services for improvements to approximately 1.7 miles of Washington Pike, from the I-640 WB ramps to Murphy Road. This project is being developed through TDOT’s Locally Managed process. CDM Smith’s contract was signed in January 2012 for the NEPA and Design phases with subconsultants for landscaping and roadway lighting. This original contract was executed with the understanding that CEI would be submitted under a future supplemental agreement. The NEPA document was completed and approved in June 2014, and CDM Smith began work on the design phase of the project. The survey, mapping, geotechnical investigation, preliminary plans, and right-of-way plans were then completed. In 2018, the project was put on hold because of funding constraints.

In recent months, the city requested that CDM Smith perform an analysis of the proposed Washington Pike project limits with a specific focus on traffic and pedestrian safety. The results from this analysis were presented to city administration, and the city’s decision moving forward is to modify the typical section and complete the final design plans. Note, the NEPA document is currently in the process of being updated because of the passage of time and to reflect the modified typical section. This amendment is to update the right-of-way plans to reflect the modified typical section, complete the final construction plans, and assist with project bidding so that the project can be advertised and let for construction. Following is a detailed scope of work:

**Survey Update**

The following private development has been constructed along the Washington Pike corridor since the plans were put on hold.

- New Dollar General Store – northwest corner of Washington Pk / Murphy Rd intersection.
- Self-storage facility near Pullman Road – south of the Murphy Rd / Washington Pk intersection.
- New private side road opposite Edmonson Dr – access for Lifespring Church & assisted living.
The following survey tasks will be completed:
- Locate and refresh survey control with new paint markings.
- Perform as-built field survey of driveways and parking lots that serve new developments.
- Update mapping file to reflect as-built survey information.
- Update plans and acquisition table to reflect current property owner names.
- Prepare legal descriptions and exhibit drawings for an assumed 46 tracts.
- During ROW negotiations with property owners, CDM Smith will assist the city by providing ROW and easement staking for up to 23 tracts. This assumes that half of the total 46 tracts will required ROW staking assistance.
- After construction, CDM Smith survey crews will set iron pins along the right-of-way at right-of-way break points and side property lines, and re-set existing property corners removed during construction. Assume a total of 108 iron pins.

**Typical Section / ROW Plans Update**

The current roadway typical section includes two through traffic lanes in each direction, turn lanes at the major intersections, 4’ wide striped bike lanes on the roadway, curb & gutter, 5’ sidewalk on the right, and 10’ shared use path on the left. As a result of the corridor safety analysis, the city elected to modify the typical section to remove the bike lanes from the roadway and build 10’ wide shared use paths on both sides of the road in order to safely serve bikes and pedestrians along the corridor. This change to typical section will require the following updates to the ROW plans:
- Eliminate the bike lane; shift curb & gutter 4’ on both sides of road for entire project length.
- Update typical sections in ROW plans.
- Evaluate roadway centerline in areas where ROW is narrow (including area alongside NS Railroad), and in areas where retaining walls are required.
- When possible, shift centerline to reduce ROW impacts and reduce the size of retaining walls.
- Update proposed design line work to reflect shifted centerline and new typical section.
- Update roadway profile to align with new centerline.
- Use TDOT’s new method for calculating superelevation, and recalculate transitions based on revised centerline.
- Update roadway cross sections to reflect new alignment and typical section.
- Update slope and construction easement linework to reflect new cross sections.
- Update proposed grading to reflect alignment and cross section changes.
- Adjust locations of all catch basins and analyze closed system drainage per the new location of the curb and gutter.
- Update plans for 8 retaining walls. It is assumed the TDOT wall policy will be used where an alignment, profile, typical section, acceptable wall types, and design parameters are provided to the contractor for bidding. It is assumed that additional geotech work will not be needed.
- Update profiles for 14 side roads
- Update profiles for 50 private driveways.
- Update preliminary Erosion Control plans to reflect new alignment.
- Update preliminary Traffic Control plans to reflect new alignment.
- During the ROW plans update, CDM Smith will also update the plans to comply with TDOT’s current roadway design checklist and standard drawings as of December 2020. TDOT’s design guidelines and standard drawings have been changed and/or updated in recent years, including a new set of multi-modal and guardrail standards that will apply to this project.
Utility Coordination Letters
While coordination with all existing utilities within the project corridor has previously occurred and impacts have been determined, the utility coordination process must be updated because of the passage of time and the change to the roadway typical section. The utility coordination process will be followed per TDOT Local Programs rules.

- CDM Smith will submit utility coordination letters to all utility owners in Knox County per TDOT Local Programs requirements.
- Proof of delivery of email or certified mail will be recorded for each utility owner.
- Each utility will have 60 days to respond. If no response is received, a second letter is sent.
- CDM Smith proposes coordination with 40 utility facilities within Knox County, with the tasks to include submittal of letters, plan maps and drawings, and review of responses to determine if there are any impacts.
- All letters, responses, and subsequent coordination documentation will be included as part of the utility certification request to meet TDOT’s current requirement.

Final Construction Plans
Upon approval of updated ROW plans, CDM Smith will develop Final Construction Plans in accordance with TDOT’s current standards. Final construction plans will build upon the previously approved ROW plans and will include TDOT standard drawings as appropriate, estimated quantities, tabulated quantities, final details for traffic control, and final details for erosion control plans. The construction plans will include the following sheets:

- Title Sheet
- Index and Standard Drawings
- Estimated Quantities
- Typical Sections
- General Notes and Special Notes
- Tabulated Quantities
- Construction Details (7 first flush drainage ponds)
- Construction Details (greenway alignment details)
- Property Maps and Acquisition Table
- Present Layouts
- Proposed Layouts, including signing and striping plan
- Proposed Profiles (as needed, including business entrances/private drives)
- Erosion Control Plans
- Signing and Pavement Marking Plans
- Maintenance of Traffic and Phasing Plans
- Traffic Signal Modification Plans (4 existing signalized intersections)
  - Washington Pike with I-640 WB ramps, Greenway Drive, Mill Road, Murphy Road
- Roadway Cross-Sections
- Retaining Wall Plans (8 walls)
- Upon completion of the Final Construction plans, CDM Smith will submit a construction estimate in TDOT format to the local programs office for review concurrence.
Bridge Superstructure Modification Plans
CDM Smith will prepare design plans to modify the center median, add sidewalks, replace the existing bridge rail with a pedestrian rail, and add a pedestrian fence over the railroad (as required by NS railroad) for the existing Washington Pike bridge over NS Railroad.

- CDM Smith will analyze the existing bridge girders to evaluate the impact of additional dead load for the sidewalks.
- Bridge plans will be developed to include details for connection of the median, sidewalks, and new pedestrian rails to the existing deck.
- The bridge plans will include a phased construction plan to keep the bridge open to traffic during construction.
- CDM Smith will coordinate with NS Railroad to utilize the appropriate details for a pedestrian bridge crossing over their tracks. Time is included to prepare a railroad air rights easement exhibit per NS Railroad standards.
- The bridge modification plan will only involve work on the superstructure. Time is not included for inspection or design of components for the bridge substructure. It is our understanding from previous TDOT projects over railroads that this type of project will not require modification to the substructure or crash walls under the bridge.

Lighting Plans (Cannon & Cannon – Subconsultant)
CDM Smith will utilize Cannon & Cannon, Inc. to provide lighting design for the project. The lighting plans will consist of roadway lighting for the 1.65 mile project length of Washington Pike, from the I-640 westbound ramps to Murphy Road. Lighting plans will be incorporated into the overall roadway construction plans. The proposed street lighting will utilize the current City LED luminaire, existing and/or proposed utility poles, and traffic signal poles (where available), and an overhead electrical service system.

- Preliminary Photometric Plans
  - Prepare a photometric plan to include point-by-point illumination values shown on plan layout sheets with supporting photometric input and output files, luminaire and pole schedules, and resulting photometric criteria and design values. Photometric plans will be submitted to the City for review and approval prior to development of construction plans.

- Lighting Construction Plans
  - Prepare final construction plans to include proposed lighting layout sheets, electrical and lighting details, estimated lighting quantities, notes and standard drawings. The proposed lighting sheets will include locations of each lighting standard, all conduit and wiring, and details. Lighting plans will be prepared in accordance with City of Knoxville and TDOT standards. Pole foundation design is not included in the scope. It is assumed that pole foundation design will be provided by the contractor / pole manufacturer during the shop drawing review process.

- Meetings and Utility Coordination
  - Attend up to 3 design review and utility coordination meetings during the development of design plans.
Landscape Plans (Hedstrom – Subconsultant)

CDM Smith will utilize Hedstrom Landscape Architecture to develop landscape plans for the project. The scope for landscape treatment consists of all areas between the back of roadway curb and the right-of-way limits. The work will include planting within the ROW for approximately (5) five open stormwater detention areas and (9) areas with potential for pedestrian enhancement, listed below:

- East and West of Washington Pike South of the Target intersection,
- Two drainage areas East and West of Lexington Simmons, LLC,
- The area in front of Zion Church,
- The drainage area East of Mill Road,
- The drainage area East of the new Babelay Road alignment,
- The area West of the new Trestle Way roundabout between the new residential access road and Washington Pike,
- The area surrounding the entrance to the Fair Fax development.

The Landscape plans will be developed as follows:

- A preliminary landscape plan will be prepared at the roadway ROW plans stage.
  - Plans will be no less than 1”=50’ scale, schematic plans, including plant massing, pedestrian signage locations, site furnishings, and enhancements to lighting, walls or fencing.
  - Preliminary landscape plans will include up to 4 enlargements, selected from the pedestrian opportunity areas.
  - Hedstrom will attend up to 3 coordination meetings during preliminary plans development with City Urban Forestry & Horticulture, stormwater and/or engineering.
  - Hedstrom will attend an additional meeting with property owners at the preliminary stage concerning landscape improvements to impacted properties.

- Final landscape plans will be developed as follows and incorporated into the final roadway construction plans.
  - Final plans will build upon the approved preliminary landscape plans.
  - Details for planting and soils will be included in the final plans.
  - Details for hardscape materials will be included (material patterns, site furnishings, landscape walls or boulders, and lighting selection).
  - Technical specifications will be prepared for planting, planting soils, and landscape elements such as boulder, fencing, and site furnishings.
  - Final plans will include a schedule for plant count and a planting key.
  - Hedstrom will attend up to 6 project coordination meetings during development of the final plans.
  - A final estimate will be prepared and included with the roadway estimate for submittal to TDOT local programs construction office for review and approval.

Permitting

CDM Smith will coordinate with TDEC to obtain a project SWPPP since greater than one acre of land is expected to be disturbed. This proposal assumes the fee for the SWPPP will be $1,000 and this permit fee has been included in the contract proposal. This scope assumes there are no streams, creeks, or wetlands that will require additional permitting by TDEC or the ACOE.
TDOT & Agency Coordination / Meetings with City Staff
This proposal includes time for the following coordination and meetings:
  o Up to 5 coordination meetings with property owners related to access.
  o Coordination with City of Knoxville staff related to roadway design. This proposal assumes 3 coordination and progress meetings with the City staff during each phase of the project (ROW and Construction Plans), for a total of six meetings. CDM Smith will prepare meeting minutes and distribute to all attendees.
  o CDM Smith will coordinate with TDOT Region 1 for approval of the plans.

Bid Documents
CDM Smith will provide the following bidding assistance services to the City:
  o Construction Bid Documents
  o CDM Smith will prepare the Bid Document Book to meet the TDOT Local Programs guidelines and requirements and submit to TDOT for their review and approval.
  o Pre-Bid Meeting
  o CDM Smith will coordinate and attend a pre-bid meeting and assist the City with responses to prospective bidder questions during the bid process.
  o Bid Review
  o This proposal assumes that the City staff will review and tabulate all received bids and ensure their compliance with TDOT policies and requirements.
  o Pre-Construction Meeting
  o CDM Smith will attend a pre-construction meeting, if the City determines one is needed.

Not included in this Scope of Services
This scope of work does not include the following services; however, if requested by the City, CDM Smith can furnish these services as part of a supplemental agreement.

  • Construction Engineering Inspection (CEI) – (to be included with a future supplement)
  • Design Construction Assistance – to be included along with CEI in future supplement
  • Structural design of retaining walls
  • Rendering/visualization
  • Utility Relocation Design
  • Right of Way Acquisition Services
  • Establishing a DBE goal for the project – (to be performed by city staff)
  • Construction Staking Plans
  • As-Built Plans

Schedule
We anticipate 6 to 7 months from Notice To Proceed (NTP) will be needed to update the ROW Plans. The final Right of Way Plans will be submitted to TDOT Local Programs for review and approval. Upon receiving the NTP for Right-of-Way Acquisition, coordination with affected utility companies will occur and Utility/Railroad certification obtained from TDOT, permits will be acquired and submitted to TDOT for concurrence, and the Construction Plans and bid documents will be finalized and submitted to TDOT for review and approval. ROW acquisition (handled
separately by the City) can commence once the ROW Plans are complete. Upon ROW Plans approval, we anticipate an additional 4 to 5 months will be needed to complete Construction Plans.

**Contractual:**

CDM Smith proposes to complete this supplemental assignment under a per diem hourly rate basis contract with a budget of **$693,000** which is inclusive of direct expenses and subcontracts. This budget will not be exceeded without your written approval. This fee proposal for additional services includes the following detailed breakdown:

Survey Tasks
- Field Survey Updated ................................................................. $23,300
- Legal Descriptions & Exhibits (46 tracts) ........................................... $81,400
- Set Property Corners (after construction – assume 108 pins) ........ $13,300
- ROW Staking (up to 23 tracts) ....................................................... $19,400

ROW Plans Updates ........................................................................ $165,300

Utility/Railroad Coordination ................................................... $14,500

Final Construction Plans
- Roadway Plans ................................................................. $89,200
- Retaining Wall Plans (8 walls) .................................................... $16,800
- Signal Modification Plans (4 signals) ........................................ $27,300
- Bridge Superstructure Modification Plans (bridge over NS Railroad) ........... $37,400
- Lighting Plans (C&C) .............................................................. $27,300
- Landscape Plans (Hedstrom) ...................................................... $120,000

Permits ......................................................................................... $9,800

Bidding Assistance ........................................................................ $9,400

Project Administration / Coordination / Meetings ................... $29,900

**TOTAL** .................................................................................... $693,000

We anticipate that this letter proposal will be included as an exhibit of the City of Knoxville prepared Contract Agreement for Engineering Services. These documents together shall serve as an amendment to our current contract for engineering services for the Washington Pike Complete Street Improvement Project. We appreciate the opportunity to present this supplement proposal and look forward to continuing to work with you and the City of Knoxville staff to develop this project. Please advise if additional information or explanation is required at this time.

Sincerely,

CDM Smith, Inc.

Jeff Mize, PE
Associate
AGENDA SUMMARY  A Resolution authorizing the Mayor to amend Contract No C-20-0052 with Hedstrom Landscape Architecture to provide design services for the Fort Kid Playground Project, increasing the contract amount by $38,600.00 for a new total contract amount of $68,200.00 and extending the date of completion to December 31, 2021.

COUNCIL DISTRICT(S) AFFECTED
1st District (Tommy Smith)

BACKGROUND
The scope of the original professional service contract for this project was to design a new playground at Fort Kid and a connection to World’s Fair Park Drive with a total budget for the playground project of $300,000. As the project design was developing, additional funding was allocated and an expanded scope of design services is required to include an additional 10,000 square foot area and sloped connections. Also, the connection between Fort Kid and World’s Fair Park Drive along with Knoxville Museum of Art will be designed to be fully accessible and enhanced to connect the community to these City assets.

The design team will need to provide additional design services to develop the unique playground with the enhanced, accessible connection between Fort Kid and KMA, consistent with the expectations associated with the additional project funding.

OPTIONS
Approve or deny the Amendment.

RECOMMENDATION
Approve the Amendment.

ESTIMATED PROJECT SCHEDULE
All work shall be complete by December 31, 2021.

PRIOR ACTION/REVIEW
The resolution for the original design contract was approved by City Council on 8/27/19.
FISCAL INFORMATION

This project is funded from Fort Kid Renovation Capital Project REC204403.

AIS Prepared by: Shawn Fitzpatrick, Civil Engineering Division, 215-6131.

ATTACHMENTS:

- resolution, Hedstrom Landscape Architecture, Fort Kid Amd (DOC)
- CO 1 Fort Kid - Hedstrom (DOC)
- Fort Kid Amendment Proposal (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO AMEND CONTRACT NO. C-20-0052 WITH HEDSTROM LANDSCAPE ARCHITECTURE TO PROVIDE DESIGN SERVICES FOR THE FORT KID PLAYGROUND PROJECT, INCREASING THE CONTRACT AMOUNT BY $38,600.00 FOR A NEW CONTRACT TOTAL OF $68,200.00 AND EXTENDING THE COMPLETION DATE TO DECEMBER 31, 2021.

RESOLUTION NO: _________________
REQUESTED BY: Engineering Dept.
PREPARED BY: Law Dept.
APPROVED: _________________
APPROVED AS AN EMERGENCY MEASURE: _________________
MINUTE BOOK: _______ PAGE _____

WHEREAS, the City of Knoxville (the “City”) has contracted with Hedstrom Landscape Architecture to design a new playground at Fort Kid and a connection to World’s Fair Park Drive, Contract No. C-20-0052; and

WHEREAS, as the design was developing, additional funding was allocated and an expanded scope of services is required; and
WHEREAS, the City wishes to amend Contract No. C-20-0052 by increasing the amount by $38,600.00 for a new contract total of $68,200.00 and extend the date of completion to December 31, 2021; and

WHEREAS, this amendment will allow for additional design services for an expanded area and an enhanced, accessible connection between Fort Kid and the Knoxville Museum of Art.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville is hereby authorized to amend Contract No. C-20-0052, in substantially the same form as the one attached hereto, between the City of Knoxville and Hedstrom Landscape Architecture to provide additional design services for the Fort Kid Playground Project, increasing the current contract price by $38,600.00 for a new contract total of $68,200.00 and extending the completion date to December 31, 2021.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

___________________________________
Presiding Officer of the Council

___________________________
Recorder
CHANGE ORDER

Order No. 1

Date: February 19, 2021

NAME OF PROJECT: Fort Kid Playground

OWNER: City of Knoxville, Tennessee

CONTRACTOR: Hedstrom Landscape Architecture

THE FOLLOWING CHANGES ARE HEREBY MADE TO THE CONTRACT DOCUMENTS:


CHANGE TO CONTRACT PRICE:

Original Contract Price $29,600.00

The Contract Price due to this Change Order will be increased by: $38,600.00.

The new Contract Price including this Change Order will be $68,200.00.

CHANGE TO CONTRACT TIME:

The date for completion of all work will be December 31, 2021.

All other provisions of document number C-20-0052 shall remain in full force and effect.

Requested by (Civil Engineering Chief) ____________________________________________

Accepted by (Contractor) __________________________________________________________

Approved by (Director of Parks & Recreation) ______________________________________

Approved by (Director of Engineering) ____________________________________________

Approved by (Director of Finance) ________________________________________________

Approved as to form (Director of Law) ____________________________________________

Ordered by (Mayor) _______________________________________________________________
July 26, 2019  REV, February 15, 2021

Mr. David Brace  
Deputy to the Mayor/COO  
City of Knoxville  
400 Main Street, Room 681  
Knoxville, TN 37902  

via email: dbrace@knoxvilletn.gov  
cc: sfitzpat@knoxvilletn.gov, cbarry@knoxvilletn.gov

RE: Fort Kid Renovation

Dear David,

Thank you for the opportunity to submit this contract amendment proposal for additional design services at the Fort Kid playground.

THE PROJECT
The additional work covered in this proposal is as follows:

- Assist in the selection of a playground manufacturer for the Fort Kid playground.
- Prepare design drawings for an additional 10,000 s.f. of area to include:
  - An accessible ramp connecting the Fort Kid playground to Worlds Fair Park Drive in front of the Knoxville Museum of Art (KMA).
- The selection of future play components that connect the ramp to Fort Kid and designing the ramp to receive the future play components (if the components cannot fit into the allocated budget).
- The selection of future play components for the sloped area between Fort Kid playground and Worlds Fair Park drive and designing the site to receive the components in the future (if the components cannot fit into the allocated budget).
- Planting design for the additional area.
- Design of any fencing for the additional area.

The design for the slope will be based on the selected play structure and our study sketch of a ramp connecting the Fort Kid playground to the front of the KMA at World’s Fair Park Drive, depicted in the attached “Fort Kid: Slope Site Plan, dated 9/2/2020”.

Please see below for a description of work and the associated fees.

PRE-DESIGN
Provide input and technical support to City Staff for the review of Fort Kid Playground proposals.
SCHEMATIC DESIGN
We will prepare a schematic design for the ramp connection to the Worlds Fair Park Drive in front of the KMA.

Deliverables
- Receive the as-built survey and prepare our project base plan.
- Coordinate with the selected playground manufacturer regarding the play structure components (these may not be funded but we want to show as an add-alternate in case they can be added in a future phase).
- Attend a design meeting with you to kick-off the project.
- Prepare a schematic design plan for your review that includes the play structure and components and the surrounding playground area, the ramp connection to the KMA in the slope, and play elements within the slope (these may not be funded but we want to show as an add-alternate in case they can be added in a future phase).
- Meet with you to present the schematic design plans and receive your feedback.

DESIGN DEVELOPMENT
Upon approval of the schematic design plan, we will prepare a Design Development plan to include:

Deliverables
- Prepare a draft materials plan.
- Prepare a draft layout plan.
- Prepare a draft grading plan.
- Prepare a draft planting plan.
- Prepare draft technical specifications.
- Solicit bids from sub-consultants if needed (such as a structural engineer).
- Coordinate with the play structure manufacturer.
- Meet with you twice to review the progress of the design development set.

CONSTRUCTION DOCUMENTS
Upon approval of the final design option, we will prepare construction drawings and a bid packet.

Deliverables
- Prepare a site protection and demolition plan.
- Prepare a materials plan, layout plan, and grading plan.
- Prepare a planting plan, planting notes, and planting details.
- Prepare technical specifications for site furnishings.
• Prepare technical specifications for paving and walls.
• Prepare technical specifications for planting and soils.
• Attend up to (3) meetings with you to review progress and obtain progress approval.
• Prepare a bid packet for your use.
• Project construction staking points provided by Vaughn & Melton (V&M), consulting engineers.

BIDDING
We will attend the pre-bid meeting scheduled by the City and assist the City in answering questions from the bidders, and reviewing project bid proposals.

CONSTRUCTION ADMINISTRATION
The City performs their own construction administration. We have included an allowance for a day of principal time and a day of staff time to assist the City as needed.

PUBLIC MEETING
We will attend and prepare an illustrative plan and a perspective of the Fort Kid playground for presentation at a public meeting.

FEES
The design fee is hourly not to exceed.

| Hourly Fee: Pre-Design, SD, DD, CD Bidding change order: | $30,200.00 |
| Public meeting change order amount:                     | $3,400.00 |
| Construction Administration change order allowance:    | $2,500.00 |
| Construction staking provided by V&M                    | $2,500.00 |

APPLICABLE HOURLY RATES
Principal: $175.00 - $205.00
Project Manager: $105.00 - $150.00
Project Designer: $85.00 - $105.00
Project Assistant: $60.00 - $75.00

ASSUMPTIONS
1. We will receive an electronic 1’ contour survey of the site prior to beginning work.
2. Playground equipment will be selected from currently manufactured products.
3. Site furnishings will be selected from currently manufactured products.
4. All public meetings will be announced and advertised by others.
5. Comments from the public meetings will be assembled and distributed by others.
6. Plumbing, electrical, civil, and structural engineering will be provided by others if needed and the services and fees for engineering consultants or any other consultants are not included in this proposal.
7. All walls over 4’ height must be designed by a structural engineer and structural engineering services or costs are not included in this proposal.
8. Renderings will be produced by hand or digitally, whichever is the most efficient way to communicate the design intent.
9. The costs to print the drawings for the public meetings will be covered by you.
10. Graphic design for signage will be by others.

INVOICES, DISBURSEMENTS, AND EXPENSES
Our invoices are issued monthly for the percentage of work complete to date and are due within thirty days of presentation unless otherwise agreed upon. Direct project expenses such as custom printing for public meetings will be invoiced as incurred.

Thank you for the opportunity to continue to work with you on this important project.

Best regards,

Sara Hedstrom Pinnell, ASLA
President

ACCEPTED BY:

DATE
AGENDA DATE: March 9, 2021
DEPARTMENT: Engineering
DIRECTOR: Harold Cannon

AGENDA SUMMARY A Resolution authorizing the Mayor to execute an agreement with Morgan Contracting Inc. for the Cured-In-Place Pipe (CIPP) Phase 3 Project for an amount not to exceed $668,938.00.

COUNCIL DISTRICT(S) AFFECTED
1st District (Tommy Smith), 4th District (Lauren Rider), 6th District (Gwen McKenzie)

BACKGROUND
This project will rehabilitate approximately 2000 linear feet of stormwater drainage pipe at various locations in the City using the cured-in-place pipe method. The pipe segments in this project have been deemed in ‘poor’ condition by the Engineering Department and given a high priority to rehabilitate or replace to prevent more serious problems from further degradation or total pipe failure.

OPTIONS
Approve or deny.

RECOMMENDATION
Approve.

ESTIMATED PROJECT SCHEDULE
All construction work shall be completed 180 days after the notice to proceed is issued.

PRIOR ACTION/REVIEW
None

FISCAL INFORMATION
This project will be funded through the Dilapidated Pipe Remediation Fund, ENG214303.

Updated: 3/2/2021 4:36 PM
ATTACHMENTS:

- resolution, Morgan Contracting, CIPP Phase 3 Project  (DOC)
- agreement, Morgan Contracting, CIPP phase 3 project  (DOCX)
- CIPP maps  (PDF)
- CIPP Phase 3 - Memo to Purchasing  (PDF)
- CIPP Phase 3 - Bid Summary  (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH MORGAN CONTRACTING, INC. FOR THE CURED-IN-PLACE PIPE (CIPP) PHASE 3 PROJECT FOR AN AMOUNT NOT TO EXCEED $668,938.00.

WHEREAS, the Purchasing Agent for the City of Knoxville (the “City”) advertised for competitive sealed bids for the Cured-In-Place Pipe (CIPP) Phase 3 Project (the “Project”); and

WHEREAS, the Project will include rehabilitation of approximately 2,000 linear feet of stormwater drainage pipe deemed in poor condition by the City Engineering Department at various locations in the City using the CIPP method; and
WHEREAS, Morgan Contracting, Inc. submitted the lowest qualified bid of $668,938.00; and

WHEREAS, the Department of Engineering recommends this project be awarded to Morgan Contracting, Inc., which has the necessary qualifications and experience to perform the work.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville is hereby authorized to execute an agreement with Morgan Contracting, Inc., in substantially the same form as the agreement attached hereto, for the Cured-In-Place Pipe (CIPP) Phase 3 Project, for an amount not to exceed $668,938.00.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

_________________________________
Presiding Officer of the Council

_________________________________
Recorder
AGREEMENT

This Agreement is made by and between the City of Knoxville, a municipal corporation organized and existing under the laws of the State of Tennessee, 400 Main Avenue, P.O. Box 1631, Knoxville, Tennessee 37901 (“City”), and Morgan Contracting, Inc., a Florida corporation licensed to do business in the State of Tennessee, 900 Dutch Valley Drive, Knoxville, Tennessee 37918 (“Contractor”).

WITNESSETH:

WHEREAS, the City advertised for bids for the Cured-In-Place Pipe (CIPP) Phase 3 Project, No. SW2019-07 (“Project”); and

WHEREAS, Contractor submitted the lowest, most responsive bid for said Project in the amount of Six Hundred Sixty-Eight Thousand Nine Hundred Thirty-Eight and 00/100 Dollars ($668,938.00); and

WHEREAS, Contractor has the necessary qualifications and expertise to perform said work and the Department of Engineering recommends that contract be awarded to it; and

WHEREAS, City Council by Resolution No. ____________ on March 9, 2021, authorized the Mayor of the City of Knoxville to execute this Agreement on behalf of the City.

NOW, THEREFORE, the City and Contractor, for the mutual considerations and promises stated herein, agree as follows:

1. **Scope of Work.** Contractor will provide all supervision, technical personnel, equipment, labor, and materials, and perform and complete all work in a satisfactory manner necessary to rehabilitate approximately 2,000 linear feet of drainage pipe using the cured-in-place...
pipe method, and perform other work as necessary to complete the Project all in strict accordance with the contract documents and specifications for the Cured-In-Place Pipe (CIPP) Phase 3 Project, No. SW2019-07, prepared by the City of Knoxville Engineering Department.

2. **Contract Documents.** The executed Contract Documents will consist of the following:

   (a) This Agreement
   (b) Invitation for Bids and any Addenda thereto
   (c) Instructions to Bidders
   (d) Signed copy of Bid and Proposal
   (e) General Conditions
   (f) Supplemental General Conditions
   (g) Special Conditions
   (h) Technical Specifications
   (i) Drawings

Contract documents not appended to this agreement are located in the City of Knoxville Engineering Department. To the extent there is a conflict between the terms of any of the documents that constitute this Agreement, the terms that provide the greater benefit to the City and/or impose the greater obligation on Contractor shall control.

3. **Termination.** The City may terminate this Agreement at any time, with or without cause, by written notice of termination to Contractor. If the City terminates this Agreement, and such termination is not a result of a default by Contractor, Contractor shall be entitled to receive as its sole and exclusive remedy just compensation for all satisfactory, authorized services completed prior to the effective date.

4. **Term and Liquidated Damages.** The date of beginning and the time for completion of the work are essential conditions of this Agreement, and the work embraced shall be commenced on the date specified in a written Notice to Proceed. Contractor shall perform the work with due and reasonable diligence and fully complete the Project within one hundred eighty
(180) days from the issuance of the Notice to Proceed. Contractor further agrees to pay liquidated damages to the City in the sum of Four Hundred Twenty and 00/100 Dollars ($420.00) for each consecutive day thereafter as provided in the General Conditions.

5. **Contract Price.** The City shall pay to Contractor for the satisfactory performance of the contract subject to additions and deductions and in accordance with the bid as provided in the contract documents, unless modified by a Contract Change Order, an amount not to exceed Six Hundred Sixty-Eight Thousand Nine Hundred Thirty-Eight and 00/100 Dollars ($668,938.00).

   Contractor shall submit invoices for services rendered to the City in a form approved by the City, shall indicate the time period during which the services were provided and shall be signed by Contractor to certify its accuracy.

   The City will pay Contractor for services satisfactorily rendered within thirty (30) days of the receipt of Contractor’s undisputed invoice. Payment for services rendered does not indicate the City’s acceptance of such services as being fully in accord with all the provisions of this Agreement.

6. **Retainage.** The City will retain five percent (5%) of payment for all work covered by the contract documents. Upon completion of all work covered by the contract documents to the final satisfaction of the City, the retainage balance will be paid to the contractor.

7. **Changes in the Work.** The City may at any time, if the need arises, order changes within the scope of the services without invalidating the Agreement. If such changes increase or decrease the amount due under the Agreement, or in the time required for performance of the services, an equitable adjustment shall be authorized by Change Order or Amendment. All Change Orders must be approved and signed by the City and Contractor.
8. **Notices.** Any notice required or permitted under this Agreement will be directed to the following representatives or such other address as either party may designate by written notice to the other:

**City of Knoxville:**
Penny Owens, Purchasing Agent
P.O. Box 1631
Knoxville, TN 37901
(865) 215-2070

**Contractor:**
Morgan Contracting, Inc.
900 Dutch Valley Drive
Knoxville, TN 37918
(865) 249-8640

cc: Chris Howley, P.E., Engineering Planning Chief
Department of Engineering
City of Knoxville
P.O. Box 1631
Knoxville, TN 37901
(865) 215-2148

Notices shall be in writing and shall be effective when actually delivered in person, received via facsimile transmission, or private carrier with signature confirmation, or when received in the U.S. Mail, certified with return receipt requested, postage pre-paid and addressed to the party as stated above.

9. **Indemnification.** Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability
referred to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

10. Insurance. Contractor shall at its sole expense obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better.

(a) Commercial General and Umbrella Liability Insurance; occurrence version commercial general liability insurance, and if necessary umbrella liability insurance, with a limit of not less than $2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and
completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than $3,000,000.

Such insurance shall:

(1) Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.

(2) For any claims related to this project, Contractor’s insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Contractor’s insurance and shall not contribute with it.

(3) At the sole discretion of the City, dedicated limits of liability for this specific project may be required.

(b) Automobile Liability Insurance; including vehicles owned, hired, and non-owned, with a combined single limit of not less than $1,000,000 each
accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of Contractor.

(c) Workers’ Compensation Insurance. Contractor shall maintain workers’ compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers’ liability insurance with limits of not less than $500,000. Contractor shall require each of its subcontractors to provide Workers’ Compensation for all of the latter’s employees to be engaged in such work unless such employees are covered by contractor’s workers’ compensation insurance coverage.

(d) Other Insurance Requirements. Contractor shall:

(1) Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days’ prior written notice to the City Attorney of Knoxville, P.O. Box 1631, Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.

(2) Upon the City’s request, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance. Copies of policies will only be requested when contracts are deemed
to be extremely or uniquely hazardous, include a dollar amount that is significant to the overall budget of the City or a City Department, or the coverage(s) may not follow standard insurance forms. A policy will only be requested after the City’s Risk Manager has reviewed the contract and proof of coverage has been provided. Should the certificate of insurance refer to specific coverage wording or endorsement(s), proof of such policy wording or endorsement(s) will be required.

(3) Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.

(4) Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.

(5) If Contractor cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, Contractor may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than A. Modification of this standard may be considered upon appeal to the City Law Director.

(6) Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers’
Compensation/Employer’s Liability insurance (unless subcontractor’s employees are covered by Contractor’s insurance) in the same manner as specified for Contractor. Contractor shall furnish subcontractors’ certificates of insurance to the City without expense immediately upon request.

(7) **Large Deductibles: Self-Insured Retentions.** Any deductibles and/or self-insured retentions greater than $50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by the City.

(8) **Waiver of Subrogation Required.** The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by Contractor for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.

(9) **Occurrence Basis Requirement.** All general liability policies must be written on an occurrence basis unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made basis must be approved by the Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and
Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.

(10) **Completed Operations Insurance.** Contractor shall procure and shall maintain liability coverage that shall include completed operations coverage, and Contractor shall maintain such coverage for a period of two (2) years from the date of the City’s final acceptance of the project.

(e) Excess Liability Insurance. Contractor shall maintain excess liability insurance in addition to the insurance specified above with a limit of not less than $2,000,000.00 each occurrence. This coverage shall be on a follow form basis.

### 11. Non-Discrimination. Contractor:

(a) will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, disability, familial status or national origin;

(b) will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, disability or familial status or national origin;

(c) will, in all solicitations or advertisements for employees placed by or on behalf of itself, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, disability, familial status or national origin; and
(d) will include these provisions in every subcontract or sublease let by or for it.

12. Ethical Standards. Contractor hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

(a) Sec. 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee’s knowledge there is a financial interest possessed by:

(1) The employee or the employee’s immediate family;

(2) A business other than a public agency in which the employee or a member of the employee’s immediate family serves as an officer, director, trustee, partner or employee; or

(3) Any other person or business with whom the employee or a member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment.

(b) Sec. 2-1049. Receipt of Benefits from City Contracts by Councilmembers, Employees and Officers of the City.
It shall be unlawful for any member of Council, member of the Board of Education, officer or employee of the City to have or hold any interest in the profits for emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the City in which any member of Council, member of the Board of Education, officer or employee has or holds any such interest is void.

(c) Sec. 2-1050. Gratuities and Kickbacks Prohibited.

Gratuities. It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

(1) An official action taken, or to be taken, or which could be taken;
(2) A legal duty performed, or to be performed, or which could be performed; or
(3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

Kickbacks. It is unlawful for any payment, gratuity or benefit to be made by or on behalf of a subcontractor or any person associate therewith as an inducement for the award of a subcontract or order.

(d) Sec. 2-1051. Covenant Relating to Contingent Fees.
(a) Representation of Contractor. Every person, before being awarded a contract in excess of ten thousand dollars ($10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) Intentional violation unlawful. The intentional violation of the representation specified in subsection (a) of this section is unlawful.

(e) Sec. 2-1052. Restrictions on Employment of Present and Former City Employees.

Contemporaneous employment prohibited. It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

(f) Remedies for Violations. For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

(1) Oral or written warnings or reprimands;

(2) Cancellation of transactions; and

(3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.
The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

13. **ADA Compliance.** With regard to the services performed under this Agreement, Contractor will comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., (“ADA”). Contractor agrees that it will defend, indemnify and hold the City harmless against any and all claims, demands, suits or causes of action which arise out of any negligent and/or intentional act or omission by Contractor, its employees, agents or representatives which violates the ADA. Contractor agrees that the City will not be responsible for any costs or expenses arising from Contractor’s failure to comply with the ADA.

14. **Independent Contractor.** Contractor and its agents and employees shall perform all work and render all services as an independent contractor; neither it nor its employees shall be considered employees, partners or agents of the City, nor shall it or its employees be entitled to any benefits, insurance, pension, or workers’ compensation as an employee of the City.

15. **Assignment.** The Contractor shall not assign or transfer any interest in this Agreement without obtaining the prior written approval of the City.

16. **Subcontractors.** Contractor shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.
17. **Written Amendments.** This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of this Agreement.

18. **Required Approvals.** Neither Contractor nor the City is bound by this Agreement until it is approved by the appropriate officials shown on the signature page of this Agreement.

19. **Article Captions.** The captions appearing in this Agreement are for convenience only and are not a part of this Agreement; they do not in any way limit or amplify the provisions of this Agreement.

20. **Severability.** If any provision of this Agreement is determined to be unenforceable or invalid, such determination will not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

21. **Federal, State and Local Requirements.** Contractor is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations.

22. **No Benefit for Third Parties.** The services to be performed by the Contractor pursuant to this agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on the Contractor’s performance of its services hereunder, and no right to assert a claim against the City or the contractor, its officers, employees, agents or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier,
fabricator, manufacturer, lender, tenant, insurer, surety or any other third party as a result of this Agreement or the performance or non-performance of the Contractor’s services hereunder.

23. **Non-Reliance of Parties.** Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in this Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.

24. **Force Majeure.** Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term “force majeure” as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

25. **EEO/AA.** The City of Knoxville is an EEO/AA/Title VI/Section 504/ADA/ADEA Employer.

26. **Governing Law and Venue.** This Agreement will be governed and construed in accordance with the laws of the State of Tennessee. Any action for breach of this Agreement or
to enforce or nullify any provision of this Agreement shall be instituted only in a court of appropriate jurisdiction in Knox County, Tennessee.

27. **Entire Agreement.** This Agreement forms the entire Agreement between the City and Contractor. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, will be of no force or effect.

**IN WITNESS WHEREOF,** the City and Contractor have executed this Agreement in two (2) copies as of the below-written date.

**APPROVED AS TO FORM:**

____________________________
CHARLES W. SWANSON
LAW DIRECTOR

____________________________
BY: ________________
INDYA KINCANNON
MAYOR

DATE: _______________________

**Funds Certified:**

____________________________
SUSAN A. GENNOE
FINANCE DIRECTOR

____________________________
BY: ________________
MORGAN CONTRACTING, INC.

TITLE: ______________________

**Required Documents:**
Certificate of Insurance ______
Performance Bond ______
Payment Bond ______
Attachment: CIPP maps (8145 : Cured-In-Place Pipe (CIPP) Phase 3 Project)
DATE:            February 18, 2021

TO:              Penny Owens, Purchasing Agent

FROM:            Chris Howley, P.E., Stormwater Engineering Planning Chief

SUBJECT:         Cured-In-Place Pipe (CIPP) Phase 3 Project

PROJECT NO.  SW2019-07

The Engineering Department reviewed the bids for the above referenced project and recommends that the Project be awarded to Morgan Contracting Inc. The lowest responsive bid was $668,938.00.

Please request that a contract for $668,938.00 be placed on the next Council Agenda.

If you need additional information, please contact me.

Chris Howley

Chris Howley, P.E.
Stormwater Engineering Planning Chief

Attachment

CSH:rew

cc: Project File
# CITY OF KNOXVILLE BID SCHEDULE

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>QUANTITY</th>
<th>PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.40</td>
<td>No. 57 Stone</td>
<td>TON</td>
<td>10</td>
<td>49.00</td>
<td>490.00</td>
</tr>
<tr>
<td>14.10</td>
<td>Flowable Fill (Flowable Mortar)</td>
<td>C.Y.</td>
<td>10</td>
<td>415.00</td>
<td>4,150.00</td>
</tr>
<tr>
<td>23.20</td>
<td>Excavation and Restoration of Storm Catch Basin</td>
<td>EA</td>
<td>1</td>
<td>22,620.00</td>
<td>22,620.00</td>
</tr>
<tr>
<td>23.30</td>
<td>Excavation and Restoration of Storm Manhole</td>
<td>EA</td>
<td>2</td>
<td>36,892.00</td>
<td>73,784.00</td>
</tr>
<tr>
<td>70.20</td>
<td>Point Repair - 24&quot; C.M.P. Worlds Fair Park Segment B-F</td>
<td>L.F.</td>
<td>15</td>
<td>3,530.00</td>
<td>52,950.00</td>
</tr>
<tr>
<td>70.30</td>
<td>Point Repair - 42&quot; C.M.P. Worlds Fair Park Segment A-B</td>
<td>L.F.</td>
<td>10</td>
<td>7,895.00</td>
<td>78,950.00</td>
</tr>
<tr>
<td>71.10</td>
<td>Gratz St A-B; 12&quot; Diam. Water Cured CIPP 7MM (UV 8MM)</td>
<td>L.F.</td>
<td>137</td>
<td>96.00</td>
<td>13,152.00</td>
</tr>
<tr>
<td>71.11</td>
<td>Gratz St B-C; 12&quot; Diam. Water Cured CIPP 7MM (UV 8MM)</td>
<td>L.F.</td>
<td>30</td>
<td>334.00</td>
<td>10,020.00</td>
</tr>
<tr>
<td>71.12</td>
<td>Gratz St C-D; 12&quot; Diam. Water Cured CIPP 7MM (UV 8MM)</td>
<td>L.F.</td>
<td>147</td>
<td>90.00</td>
<td>13,230.00</td>
</tr>
<tr>
<td>71.20</td>
<td>Washington Ave A-B; 15&quot; Diam. Water Cured CIPP 8MM (UV 7MM)</td>
<td>L.F.</td>
<td>176</td>
<td>72.00</td>
<td>12,672.00</td>
</tr>
<tr>
<td>71.21</td>
<td>Washington Ave B-C; 15&quot; Diam. Water Cured CIPP 8MM (UV 7MM)</td>
<td>I.F.</td>
<td>39</td>
<td>212.00</td>
<td>8,268.00</td>
</tr>
<tr>
<td>71.30</td>
<td>N Central St A-B; 15&quot; Diam. Water Cured CIPP 8MM (UV 7MM)</td>
<td>L.F.</td>
<td>192</td>
<td>92.00</td>
<td>17,664.00</td>
</tr>
<tr>
<td>71.40</td>
<td>Fern St B-C; 24&quot; Diam. Water Cured CIPP 14.5MM (UV 12MM)</td>
<td>L.F.</td>
<td>126</td>
<td>168.00</td>
<td>20,916.00</td>
</tr>
<tr>
<td>71.41</td>
<td>Fern St C-D; 24&quot; Diam. Water Cured CIPP 14.5MM (UV 12MM)</td>
<td>L.F.</td>
<td>208</td>
<td>127.00</td>
<td>26,416.00</td>
</tr>
<tr>
<td>71.50</td>
<td>Summer Pl A-B; 30&quot; Diam. Water Cured CIPP 21MM (UV 18MM)</td>
<td>L.F.</td>
<td>121</td>
<td>490.00</td>
<td>59,290.00</td>
</tr>
<tr>
<td>71.60</td>
<td>WFP#1 A-B; 18.5-24&quot; Diam. Water Cured CIPP 14.5MM (UV 12MM)</td>
<td>L.F.</td>
<td>133</td>
<td>239.00</td>
<td>31,787.00</td>
</tr>
</tbody>
</table>
# CITY OF KNOXVILLE
## DEPARTMENT OF ENGINEERING

### CITY OF KNOXVILLE
#### BID SCHEDULE

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>TOTAL QUANTITY</th>
<th>PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.70</td>
<td>WFP#2 B-H; 24&quot; Diam. Water Cured CIPP 14.5MM (UV 12MM)</td>
<td>L.F.</td>
<td>415</td>
<td>126.00</td>
<td>52,290.00</td>
</tr>
<tr>
<td>71.80</td>
<td>WFP#3 D-C; 42&quot; Diam. Water Cured CIPP 20MM (UV 18MM)</td>
<td>L.F.</td>
<td>103</td>
<td>351.00</td>
<td>36,153.00</td>
</tr>
<tr>
<td>71.81</td>
<td>WFP#3 C-B; 42&quot; Diam. Water Cured CIPP 23MM (UV 20MM)</td>
<td>L.F.</td>
<td>104</td>
<td>553.00</td>
<td>57,512.00</td>
</tr>
<tr>
<td>71.82</td>
<td>WFP#3 B-A; 42&quot; Diam. Water Cured CIPP 26MM (UV 22MM)</td>
<td>L.F.</td>
<td>119</td>
<td>306.00</td>
<td>36,652.00</td>
</tr>
<tr>
<td>71.83</td>
<td>WFP#3 A-Box; 42&quot; Diam. Water Cured CIPP 26MM (UV 22MM)</td>
<td>L.F.</td>
<td>33</td>
<td>698.00</td>
<td>23,034.00</td>
</tr>
<tr>
<td>72.10</td>
<td>Heavy Cleaning of Storm Sewers</td>
<td>L.F.</td>
<td>1,000</td>
<td>13.00</td>
<td>13,000.00</td>
</tr>
<tr>
<td>73.10</td>
<td>CIPP Lab Testing Services</td>
<td>L.S.</td>
<td>1</td>
<td>3,938.00</td>
<td>3,938.00</td>
</tr>
</tbody>
</table>

**TOTAL BID**

**$668,938.00**

---

**Tabulated by:**

Randall Whitehead

**Checked By:**

Robert D. Taylor, III

**Signature:** Chris Howley

**Email:** chowley@knoxvilletn.gov

**Certified Correct:**

David McGinley

**Date:** 2/18/2021

**Approved By:**

Chris Howley

**Date:** Feb 19, 2021

**NON RESPONSIVE**
March 2, 2021

City Council Members
City of Knoxville
P.O. Box 1631
Knoxville, Tennessee 37901

Council Members:

KUB has five resolutions on the City Council agenda for March 9, 2021, one resolution for the approval of electric and gas tax equivalent payments for the fiscal year beginning July 1, 2020, and four resolutions related to the refinancing of outstanding bonds.

**Electric and Gas Tax Equivalent Payments**
The KUB Board of Commissioners adopted Resolution No. 1427 on December 17, 2020 requesting City Council pass a resolution setting the annual tax equivalent amounts for KUB’s electric and gas systems for the fiscal year beginning July 1, 2020.

In accordance with state law, City Council is required to pass a resolution setting the annual tax equivalent payments of the electric and gas systems of KUB and providing for the allocation and distribution of the payments to the various taxing jurisdictions.

The total amount of electric and gas system tax equivalents for the fiscal year beginning July 1, 2020 is $24,057,808, including $16,891,189 for the electric system and $7,166,619 for the gas system.

The total amount of $24,057,808 includes $12,592,530 to the City of Knoxville, $10,467,779 to Knox County, and $997,499 to the remaining tax jurisdictions. Payments will be made on the last business day of June 2021.

KUB also makes annual tax equivalent payments to the City for its water and wastewater systems. For this fiscal year, KUB has paid the City $8,411,295 in tax equivalents for its water and wastewater systems. The payments were made on February 25, 2021, pursuant to the City Charter.

Total payments to the City of Knoxville for fiscal year 2021 are $21,003,825.
Revenue Refunding Bonds
KUB has identified an opportunity to refinance $415.2 million in outstanding bonds for all four utility systems at lower interest rates providing a significant debt service savings over the life of the bonds. Based on current market performance, the projected savings is approximately $69 million, net of issuance costs and underwriter fees.

On February 18, 2021, the KUB Board adopted Resolution 1431, requesting City Council authorize the issuance of not to exceed $87,500,000 in Electric System Revenue Refunding Bonds, $49,500,000 in Gas System Revenue Refunding Bonds, $41,500,000 in Water System Revenue Refunding Bonds, and $241,000,000 in Wastewater System Revenue Refunding Bonds.

If authorized by City Council, the proceeds of the bonds would be used to refund certain outstanding bonds sold in the years 2010 through 2014 and pay all issuance costs and underwriter fees related to the sale of the refunding bonds. The maturities of the outstanding bonds would not be extended with the new revenue refunding bonds.

The proposed refunding bonds would be sold through competitive public sale. The bonds would be rated by Moody’s Investors Service and Standard & Poor’s. KUB’s existing bond ratings reflect high-quality credit ratings. Electric system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Gas system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Water system bonds are rated AAA by Standard & Poor’s and Aa1 by Moody’s. Wastewater system bonds are rated AA+ by Standard & Poor’s and Aa2 by Moody’s.

While City Council authorization is required for the issuance of the refunding bonds, the bonds would be secured solely by each system’s revenues. The bondholders would have no recourse to the taxation power of the City.

An overview of each proposed refunding issue is set forth below for your information.

Electric System Refunding Bonds
The issuance of up to $87,500,000 in Electric System Revenue Refunding Bonds would be used to refund certain Electric System Revenue Bonds sold in 2012, 2013, and 2014, and cover the cost of issuance and underwriter fees related to the sale of the refunding bonds.

Based on current bond market rates, the proposed refunding would result in a debt service savings of $11,407,000, net of issuance costs and fees, which represents 13.2% of the refunded principal. The projected savings is $9,231,000 on a net present value basis.

Gas System Refunding Bonds
The issuance of up to $49,500,000 in Gas System Revenue Refunding Bonds would be used to refund certain Gas System Revenue Bonds sold in 2012 and 2013 and cover the cost of issuance and underwriter fees related to the sale of the refunding bonds.
Based on current bond market rates, the proposed refunding would result in a debt service savings of $7,427,000, net of issuance costs and fees, which represents 15.1% of the refunded principal. The projected debt service savings is $6,503,000 on a net present value basis.

**Water System Refunding Bonds**
The issuance of up to $41,500,000 in Water System Revenue Refunding Bonds would be used to refund certain Water System Revenue Bonds sold in 2012, 2013, and 2014, and cover the cost of issuance and underwriter fees related to the sale of the refunding bonds.

Based on current bond market rates, the proposed refunding would result in a debt service savings of $9,939,000, net of issuance costs and fees, which represents 24.1% of the refunded principal. The projected debt service savings is $7,892,000 on a net present value basis.

**Wastewater System Refunding Bonds**
The issuance of up to $241,000,000 in Wastewater System Revenue Refunding Bonds would be used to refund certain Wastewater System Revenue Bonds sold in 2010, 2012, 2013, and 2014, and cover the cost of issuance and underwriter fees related to the sale of the refunding bonds.

Based on current bond market rates, the proposed refunding would result in a debt service savings of $40,547,000, which represents 17% of the refunded principal. The projected debt service savings is $33,605,000 on a net present value basis.

As required by state law, KUB submitted a plan of refunding for each series of proposed refunding bonds to the Division of Local Government Finance. The report from the Division of Local Government Finance on the refunding plans was provided to the City Law Director’s Office for inclusion in your Council agenda packets.

We appreciate City Council’s consideration of these resolutions at your March 9, 2021 meeting. If you have any questions, please do not hesitate to contact me or Mark Walker, Senior Vice President and CFO, at 594-7531.

Sincerely,

[Signature]

Gabriel J. Bolas II
President
Knoxville Utilities Board

Cc: Honorable Indya Kincannon, Mayor
    Mr. Will Johnson, City Recorder
    Mr. Mark Mamantov, Bass, Berry & Sims
    Mr. Joe Ayres, Cumberland Securities
AGENDA DATE: March 9, 2021
DEPARTMENT: Finance
DIRECTOR: Susan Gennoe

AGENDA SUMMARY
A Resolution setting the in lieu of tax payments for the electric and gas systems of the Knoxville Utilities Board for the fiscal year beginning July 1, 2020 and providing for the allocation and distribution of such payments to the affected taxing jurisdictions.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND
Tennessee state law requires that the municipality’s governing body (City Council) set the amount and provide for the allocation and distribution of the payments in lieu of taxes for the municipality’s electric and gas systems (operated by KUB).

On December 17, 2020, the KUB Board of Commissioners approved Resolution 1427, requesting City Council to set the amount and allocation of the in lieu of tax payments for KUB’s electric and gas systems for the fiscal year beginning July 1, 2020.

Total electric and gas in lieu of tax payments for the fiscal year beginning July 1, 2020 are $24,057,808.

OPTIONS

RECOMMENDATION
Approval

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION
ATTACHMENTS:

- City Council Summary for Electric and Gas Tax Equivalents (DOCX)
- City Council Resolution, electric and gas tax equivalents (DOC)
- KUB Resolution 1427, in lieu of tax payments for electric and gas systems (PDF)
Knoxville Utilities Board  
Electric and Gas System Tax Equivalent Payments

- In accordance with state law (TCA Sections 7-52-301 et seq. and TCA Sections 7-39-401 et seq.) City Council is required to pass a resolution setting the annual tax equivalent payments of the electric and gas systems of the Knoxville Utilities Board (“KUB”) and providing for the allocation and distribution of the payments to the various taxing jurisdictions.

- The KUB Board of Commissioners adopted Resolution No. 1427 on December 17, 2020 requesting City Council pass a resolution setting the annual tax equivalent amounts for KUB’s electric and gas systems for the fiscal year beginning July 1, 2020 and providing for the allocation and distribution of the payments.

- The amounts of the respective electric and gas tax equivalent payments and the allocation of the payments to the various taxing jurisdictions have been determined in accordance with state law. The total electric and gas tax equivalents payments set forth in KUB Resolution No. 1427 are the maximum amounts permitted under state law.

- The amounts of the electric and gas tax equivalent payments and the allocation of the payments to the various taxing jurisdictions were provided to the City’s Chief Financial Officer for review prior to the adoption of KUB Resolution No. 1427 by the KUB Board of Commissioners.

- The total amount of electric and gas system tax equivalents for the fiscal year beginning July 1, 2020 is $24,057,808, including $16,891,189 for the electric system and $7,166,619 for the gas system.

- The total amount of $24,057,808 includes $12,592,530 to the City of Knoxville, $10,467,779 to Knox County, and $997,499 to the remaining tax jurisdictions.

- The total amount of $24,057,808 in electric and gas tax equivalents for fiscal year 2021 represents an increase of $1,162,497 or 5.1 percent over payments for the previous fiscal year.

- The payments to the various taxing jurisdictions will be made on June 30, 2021.

- KUB previously paid its water and wastewater tax equivalents to the City on February 26, 2021 in the total amount of $8,411,295.

- Total payments to the City for fiscal year 2021 (including electric, gas, water, and wastewater) are $21,003,825.
RESOLUTION NO: __________________

REQUESTED BY: Finance

PREPARED BY: KUB

APPROVED: _____________________

APPROVED AS AN EMERGENCY

MEASURE: ______________________

MINUTE BOOK: _______ PAGE ______

RESOLUTION


Whereas, under the state of Tennessee electric and gas tax equivalent statutes (TCA Section 7-52-301 et seq. and Section 7-39-401 et seq.), the Council of the City of Knoxville, after consultation with the Knoxville Utilities Board (hereinafter referred to as “KUB”), may cause to be paid from KUB’s Electric and Gas Divisions an amount for payments in lieu of taxes (hereinafter referred to as “Tax Equivalents”) on KUB’s electric and gas systems and operations which, in the judgment of City Council, shall represent the fair cost of government properly to be borne thereby; and

Whereas, the amount of Tax Equivalents that may be set by City Council is to be in lieu of all state, county, city and other local taxes or charges imposed on KUB’s Electric and Gas Divisions for the fiscal year by the various taxing jurisdictions in which the properties of the electric and gas systems are situated, said amount being subject to a maximum limitation that may be paid for a fiscal year; and

Whereas, the Tax Equivalents are to be distributed to the respective taxing jurisdictions in accordance with a mandatory distribution formula or under established arrangements with taxing jurisdictions in effect immediately prior to the adoption of the statutes, both as provided for in the statutes; and

Whereas, KUB had established arrangements in place with taxing jurisdictions for the allocation and distribution of in lieu of tax payments on KUB’s electric and gas systems immediately prior to the adoption of the statutes; and
Whereas, KUB, by its passage of Resolution No. 1427 on December 17, 2020, and the delivery of same to City Council, has requested City Council pass a resolution setting the Tax Equivalents for the fiscal year beginning July 1, 2020, and providing for the allocation and distribution of the Tax Equivalents to the affected taxing jurisdictions (hereinafter referred to as “Proposed Resolution”); and

Whereas, City Council, having consulted with KUB regarding the setting of the Tax Equivalents and the allocation and distribution thereof to the affected taxing jurisdictions, hereby finds that KUB’s Proposed Resolution is in the best interests of the City of Knoxville and KUB.

NOW THEREFORE BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE:

Section 1. That pursuant to T.C.A. Sections 7-52-301 et seq. and Sections 7-39-401 et seq., the Council of the City of Knoxville hereby sets the Tax Equivalents for KUB’s electric and gas systems for the fiscal year beginning July 1, 2020, at a total of $24,057,808, representing $16,891,189 in electric Tax Equivalents and $7,166,619 in gas Tax Equivalents, said amounts being the maximum amount of Tax Equivalents that may be paid from KUB’s Electric and Gas Divisions under law.

Section 2. That the aforesaid Tax Equivalents be distributed in accordance with law to the following taxing jurisdictions in the amounts specified below:

<table>
<thead>
<tr>
<th>Taxing Jurisdiction</th>
<th>Electric Tax Equivalents</th>
<th>Gas Tax Equivalents</th>
<th>Total Tax Equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Knoxville</td>
<td>$8,594,084</td>
<td>$3,998,446</td>
<td>$12,592,530</td>
</tr>
<tr>
<td>Knox County</td>
<td>7,304,219</td>
<td>3,163,560</td>
<td>10,467,779</td>
</tr>
<tr>
<td>Union County</td>
<td>381,883</td>
<td></td>
<td>381,883</td>
</tr>
<tr>
<td>Sevier County</td>
<td>318,398</td>
<td></td>
<td>318,398</td>
</tr>
<tr>
<td>Grainger County</td>
<td>174,002</td>
<td></td>
<td>174,002</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>95,058</td>
<td></td>
<td>95,058</td>
</tr>
<tr>
<td>Blount County</td>
<td>15,107</td>
<td></td>
<td>15,107</td>
</tr>
<tr>
<td>Anderson County</td>
<td>8,438</td>
<td>3,077</td>
<td>11,515</td>
</tr>
<tr>
<td>Loudon County</td>
<td></td>
<td>1,536</td>
<td>1,536</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,891,189</strong></td>
<td><strong>$7,166,619</strong></td>
<td><strong>$24,057,808</strong></td>
</tr>
</tbody>
</table>

Section 3. That the statutory obligation for City Council to consult with the supervisory body (KUB) was satisfied by the delivery of KUB Resolution No. 1427 to City Council.
Section 4. That KUB be and hereby is authorized and directed to aforesaid amounts of Tax Equivalents to the respective taxing jurisdictions specified above; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by law.

Section 5. That this resolution shall take effect immediately upon its passage, the public welfare requiring it, and a certified copy hereof shall be delivered to the President and Chief Executive Officer of KUB as formal evidence of this Council’s action in connection therewith.

_________________________
Mayor

_________________________
City Recorder
RESOLUTION NO. 1427

A Resolution Requesting the City Council of the City of Knoxville to Adopt a Resolution Setting the Tax Equivalent Payments for the Electric and Gas Systems for the Fiscal Year Beginning July 1, 2020 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions

Whereas, in accordance with Section 1101 of the Charter of the City of Knoxville, the purchase, sale, and distribution of electric and gas services by the City of Knoxville are under the jurisdiction, control, and management of the Knoxville Utilities Board ("KUB"); and

Whereas, the statute of Tennessee adopted electric and gas tax equivalent statutes in 1987 (TCA Sections 7-52-301 et seq. and Sections 7-39-401 et seq.) in order to gain uniformity with respect to payments in lieu of taxes on the property and operations of all electric and gas systems owned and operated by incorporated cities or towns, by counties, and by metropolitan governments in the state of Tennessee; and

Whereas, the statutes provide that every municipality may cause an amount to be paid from its electric and/or gas system revenues for tax equivalents which, in the judgment of the municipality's governing body (i.e. City Council of Knoxville), after consultation with the supervisory body (i.e. KUB), represents the fair share cost of government to be borne by the electric system and/or gas system; and

Whereas, the statutes include formulas which establish the maximum annual tax equivalent payment for electric and gas systems; and

Whereas, the statutes provide the basis for the allocation and distribution of tax equivalent payments to the various taxing jurisdictions, except to the extent any such payments were allocated and distributed under established arrangements in existence immediately prior to the adoption of the statutes; and

Whereas, KUB had an established arrangement for the allocation and distribution of electric and gas system tax equivalent payments, as defined by the statutes, in existence immediately prior to the adoption of said statutes; and

Whereas, KUB has prepared a proposed resolution for passage by the City Council of Knoxville, a copy of which resolution is attached hereto and made a part hereof (hereinafter referred to as the "Proposed Resolution").

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:
Section 1. That the KUB Board of Commissioners (the "Board"), after due consideration, finds that it is in the best interest of KUB and the City of Knoxville to make electric and gas tax equivalent payments for the fiscal year beginning July 1, 2020, totaling $16,891,189 for the electric system and $7,166,619 for the gas system (hereinafter referred to as "Tax Equivalents"), with the aforesaid Tax Equivalents being the maximum amounts permitted by law.

Section 2. That this Board, after due consideration, finds that the following allocation and distribution of the aforesaid Tax Equivalents to the following taxing jurisdictions is required under the applicable statutes:

<table>
<thead>
<tr>
<th></th>
<th>Electric Tax Equivalents</th>
<th>Gas Tax Equivalents</th>
<th>Total Tax Equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Knoxville</td>
<td>$8,594,084</td>
<td>$3,998,446</td>
<td>$12,592,530</td>
</tr>
<tr>
<td>Knox County</td>
<td>7,304,219</td>
<td>3,163,560</td>
<td>10,467,779</td>
</tr>
<tr>
<td>Union County</td>
<td>381,883</td>
<td></td>
<td>381,883</td>
</tr>
<tr>
<td>Sevier County</td>
<td>318,398</td>
<td></td>
<td>318,398</td>
</tr>
<tr>
<td>Grainger County</td>
<td>174,002</td>
<td></td>
<td>174,002</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>95,058</td>
<td></td>
<td>95,058</td>
</tr>
<tr>
<td>Blount County</td>
<td>15,107</td>
<td></td>
<td>15,107</td>
</tr>
<tr>
<td>Anderson County</td>
<td>8,438</td>
<td>3,077</td>
<td>11,515</td>
</tr>
<tr>
<td>Loudon County</td>
<td></td>
<td>1,536</td>
<td>1,536</td>
</tr>
<tr>
<td>Total</td>
<td>$16,891,189</td>
<td>$7,166,619</td>
<td>$24,057,808</td>
</tr>
</tbody>
</table>

Section 3. That this Board hereby formally requests City Council to pass the Proposed Resolution, and this Board does hereby adopt, ratify, approve, consent and agree to each and every recital and provision contained in the Proposed Resolution.

Section 4. That this Board finds that the statutory obligation for consultation with the supervisory body (KUB) will be fulfilled by the delivery of this resolution to City Council.

Section 5. That upon City Council's passage of the Proposed Resolution, the President and Chief Executive Officer, or the Chief Financial Officer, is hereby authorized and directed to distribute the Tax Equivalents to the respective taxing jurisdictions in accordance with the Proposed Resolution; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction specified in the Proposed Resolution shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by the statutes.

Section 6. That the President and Chief Executive Officer is authorized to deliver copies of this Resolution to the Mayor and City Council as formal evidence of this Board's action in connection therewith.
Section 7. BE IT FURTHER RESOLVED that this Resolution shall take effect from and after its passage.

__________________________
Kathy Hamilton
Kathy Hamilton, Chair

__________________________
Mark Walker
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 12-17-20
EFFECTIVE DATE: 12-17-20
MINUTE BOOK 43 PAGE [0337-1034]
RESOLUTION

A Resolution of the Council of the City of Knoxville Setting the In Lieu of Tax Payments for the Electric and Gas Systems of the Knoxville Utilities Board for the Fiscal Year Beginning July 1, 2020 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions

Whereas, under the state of Tennessee electric and gas tax equivalent statutes (TCA Section 7-52-301 et seq. and Section 7-39-401 et seq.), the Council of the City of Knoxville, after consultation with the Knoxville Utilities Board (hereinafter referred to as "KUB"), may cause to be paid from KUB’s Electric and Gas Divisions an amount for payments in lieu of taxes (hereinafter referred to as "Tax Equivalents") on KUB’s electric and gas systems and operations which, in the judgment of City Council, shall represent the fair cost of government properly to be borne thereby; and

Whereas, the amount of Tax Equivalents that may be set by City Council is to be in lieu of all state, county, city and other local taxes or charges imposed on KUB’s Electric and Gas Divisions for the fiscal year by the various taxing jurisdictions in which the properties of the electric and gas systems are situated, said amount being subject to a maximum limitation that may be paid for a fiscal year; and

Whereas, the Tax Equivalents are to be distributed to the respective taxing jurisdictions in accordance with a mandatory distribution formula or under established arrangements with taxing jurisdictions in effect immediately prior to the adoption of the statutes, both as provided for in the statutes; and

Whereas, KUB had established arrangements in place with taxing jurisdictions for the allocation and distribution of in lieu of tax payments on KUB’s electric and gas systems immediately prior to the adoption of the statutes; and

Whereas, KUB, by its passage of Resolution No. 1427 on December 17, 2020, and the delivery of same to City Council, has requested City Council pass a resolution setting the Tax Equivalents for the fiscal year beginning July 1, 2020, and providing for the allocation and distribution of the Tax Equivalents to the affected taxing jurisdictions (hereinafter referred to as "Proposed Resolution"); and

Whereas, City Council, having consulted with KUB regarding the setting of the Tax Equivalents and the allocation and distribution thereof to the affected taxing jurisdictions, hereby finds that KUB’s Proposed Resolution is in the best interests of the City of Knoxville and KUB.

NOW THEREFORE BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE:
Section 1. That pursuant to T.C.A. Sections 7-52-301 et seq. and Sections 7-39-401 et seq., the Council of the City of Knoxville hereby sets the Tax Equivalents for KUB’s electric and gas systems for the fiscal year beginning July 1, 2020, at a total of $24,057,808, representing $16,891,189 in electric Tax Equivalents and $7,166,619 in gas Tax Equivalents, said amounts being the maximum amount of Tax Equivalents that may be paid from KUB’s Electric and Gas Divisions under law.

Section 2. That the aforesaid Tax Equivalents be distributed in accordance with law to the following taxing jurisdictions in the amounts specified below:

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tax Equivalents</td>
<td>Tax Equivalents</td>
<td>Tax Equivalents</td>
</tr>
<tr>
<td>City of Knoxville</td>
<td>$8,594,084</td>
<td>$3,998,446</td>
<td>$12,592,530</td>
</tr>
<tr>
<td>Knox County</td>
<td>7,304,219</td>
<td>3,163,560</td>
<td>10,467,779</td>
</tr>
<tr>
<td>Union County</td>
<td>381,883</td>
<td>381,883</td>
<td>763,766</td>
</tr>
<tr>
<td>Sevier County</td>
<td>318,398</td>
<td>318,398</td>
<td>636,786</td>
</tr>
<tr>
<td>Grainger County</td>
<td>174,002</td>
<td>174,002</td>
<td>348,004</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>95,058</td>
<td>95,058</td>
<td>190,116</td>
</tr>
<tr>
<td>Blount County</td>
<td>15,107</td>
<td>15,107</td>
<td>30,214</td>
</tr>
<tr>
<td>Anderson County</td>
<td>8,438</td>
<td>3,077</td>
<td>11,515</td>
</tr>
<tr>
<td>Loudon County</td>
<td></td>
<td>1,536</td>
<td>1,536</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,891,189</strong></td>
<td><strong>$7,166,619</strong></td>
<td><strong>$24,057,808</strong></td>
</tr>
</tbody>
</table>

Section 3. That the statutory obligation for City Council to consult with the supervisory body (KUB) was satisfied by the delivery of KUB Resolution No. 1427 to City Council.

Section 4. That KUB be and hereby is authorized and directed to aforesaid amounts of Tax Equivalents to the respective taxing jurisdictions specified above; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by law.

Section 5. That this resolution shall take effect immediately upon its passage, the public welfare requiring it, and a certified copy hereof shall be delivered to the President and Chief Executive Officer of KUB as formal evidence of this Council’s action in connection therewith.

______________________________
Mayor

______________________________
City Recorder
AGENDA SUMMARY  A Resolution supplementing Resolution No. 1644 adopted by the City Council of the City of Knoxville, Tennessee on January 4, 1949 entitled "A Resolution providing for the issuance of Electric System Revenue Refunding Bonds" so as to provide for the issuance of not to exceed Eighty-Seven Million Five Hundred Thousand and no/100 Dollars ($87,500,000.00) of Electric System Revenue Refunding Bonds, Series LL-2021.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

Tennessee state law requires the municipality’s governing body (City Council) to authorize all debt issues with maturities of 5 years or greater. On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431, requesting City Council provide for the issuance of not to exceed $87,500,000 in Electric System Revenue Refunding Bonds.

The proceeds of the bonds will be used to refinance certain outstanding Electric System Revenue Bonds and Revenue Refunding Bonds issued in 2012, 2013, and 2014, maturing 2022 through 2044, and provide for costs of issuance and other fees. Based on current market performance, projected debt service savings are $11.4 million ($9.2 million on a net present value basis).

OPTIONS

RECOMMENDATION

Approval needed to proceed with the issuance of the refunding bonds.

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION

Updated: 2/22/2021 1:16 PM
The bonds will be secured solely by KUB electric system revenues. The bondholders will have no recourse to the taxation power of the City.

**ATTACHMENTS:**

- KUB Summary Sheet for City Council for Refinancing Outstanding Electric Gas Water and Wastewater Bonds  
  (DOCX)
- City Council Resolution - Electric System Refunding Bonds  
  (DOCX)
- KUB Resolution 1431 for refunding bonds  
  (PDF)
- Electric Refunding Bonds - Series LL-2021 - Report from Division of Local Government Finance  
  (PDF)
Knoxville Utilities Board

Request for Authorization to Issue Revenue Refunding Bonds for the Purpose of Refinancing Outstanding Electric, Gas, Water and Wastewater System Bonds at Lower Interest Rates

- KUB has identified an opportunity to refinance $415,200,000 in outstanding bonds for all four utility systems at lower interest rates that would result in projected debt service savings, based on current market rates, of approximately $69,300,000 ($57,200,000 on an net present value basis) over the life of the bonds, net of issuance costs and underwriter fees.

- The bonds to be refinanced were sold in the years 2010 through 2014. The maturities of the outstanding bonds will not be extended with the new revenue refunding bonds.

- On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431 requesting City Council authorize the issuance of not to exceed $87,500,000 in Electric System Revenue Refunding Bonds, $49,500,000 in Gas System Revenue Refunding Bonds, $41,500,000 in Water System Revenue Refunding Bonds, and $241,000,000 in Wastewater System Revenue Refunding Bonds.

- If approved by City Council, the proceeds of the bonds will be used to refund the outstanding bonds and pay all issuance costs and underwriter fees related to the sale of the refunding bonds.

- The proposed refunding bonds will be sold through competitive, public sale. The bonds will be rated by Moody’s Investors Service and Standard & Poor’s. KUB’s existing bond ratings reflect high-quality credit ratings. Electric system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Gas system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Water system bonds are rated AAA by Standard & Poor’s and Aa1 by Moody’s. Wastewater system bonds are rated AA+ by Standard & Poor’s and Aa2 by Moody’s.

- Based on current bond market performance, the refunding bonds would result in total debt service savings of approximately $69,300,000 over the life of the bonds, net of all issuance costs and fees, including $11,400,000 for the electric system, $7,400,000 for the gas system, $9,900,000 for the water system, and $40,600,000 for the wastewater system.
The proposed bonds would be secured solely by KUB system revenues. The bondholders would have no recourse against the City for the repayment of the bonds.
A RESOLUTION SUPPLEMENTING RESOLUTION NO. 1644 ADOPTED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE, TENNESSEE ON JANUARY 4, 1949 ENTITLED “A RESOLUTION PROVIDING FOR THE ISSUANCE OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS” SO AS TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED EIGHTY-SEVEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($87,500,000.00) OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES LL-2021.

RESOLUTION NO: _________________
REQUESTED BY: Finance & Accountability
PREPARED BY: KUB
APPROVED: _______________________
APPROVED AS AN EMERGENCY MEASURE: _______________________
MINUTE BOOK: ______ PAGE _____
WHEREAS, the City of Knoxville (the "City"), pursuant to a resolution entitled "A Resolution Providing for the Issuance of Electric System Revenue Bonds," being Resolution No. 1644 of the City Council adopted January 4, 1949 (which resolution as heretofore amended is hereinafter sometimes referred to as the "1949 Resolution"), authorized an issue of Electric System Revenue Bonds; and

WHEREAS, pursuant to the 1949 Resolution, and for the purpose of financing the cost of the extensions and improvements of the City's electrical power distribution system (hereinafter sometimes referred to as the "System") and the refinancing of indebtedness issued for that purpose, the City issued Electric System Revenue Bonds, the series of which, the amount issued, and the amount outstanding as of March 1, 2021, are as follows:

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount Issued</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA-2012</td>
<td>$36,815,000</td>
<td>$19,780,000</td>
</tr>
<tr>
<td>BB-2012</td>
<td>$35,000,000</td>
<td>$29,575,000</td>
</tr>
<tr>
<td>CC-2013</td>
<td>$ 9,660,000</td>
<td>$ 7,070,000</td>
</tr>
<tr>
<td>DD-2014</td>
<td>$40,000,000</td>
<td>$35,500,000</td>
</tr>
<tr>
<td>EE-2015</td>
<td>$28,550,000</td>
<td>$23,765,000</td>
</tr>
<tr>
<td>FF-2015</td>
<td>$35,000,000</td>
<td>$31,375,000</td>
</tr>
<tr>
<td>GG-2016</td>
<td>$40,000,000</td>
<td>$36,650,000</td>
</tr>
<tr>
<td>HH-2017</td>
<td>$23,445,000</td>
<td>$17,420,000</td>
</tr>
<tr>
<td>II-2017</td>
<td>$40,000,000</td>
<td>$37,730,000</td>
</tr>
<tr>
<td>JJ-2018</td>
<td>$39,995,000</td>
<td>$38,405,000</td>
</tr>
<tr>
<td>KK-2020</td>
<td>$14,380,000</td>
<td>$14,380,000</td>
</tr>
</tbody>
</table>

WHEREAS, it is desirable that an additional series of bonds be issued to refinance the outstanding principal amount of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Refunding Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 (the "DD-2014 Bonds" and together with the AA-2012 Bonds, the BB-2012 Bonds and the CC-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the bonds, pursuant to the authority of the 1949 Resolution and pursuant to the authority of this resolution; and

WHEREAS, the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB") has duly adopted a resolution requesting the City Council of the City to adopt this resolution authorizing the issuance of bonds for the purposes and in the manner hereinafter more fully stated; and

WHEREAS, the plan of refunding for the Refunded Bonds has been submitted to the State Director of the Division of Local Government Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and she has acknowledged receipt thereof to the City and KUB and submitted her report thereon to the City and KUB, and such report has been provided to members of the City Council of the City; and

WHEREAS, it is the intention of the City Council of the City to adopt this resolution for the purpose of authorizing not to exceed $87,500,000 in aggregate principal amount of electric system revenue refunding bonds for the purposes described above, establishing the terms of such bonds, providing for the issuance, sale and payment of the bonds and disposition of proceeds therefrom, and collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds.
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Knoxville, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used herein and not defined in this Section 2 shall have the meanings ascribed to them in the 1949 Resolution (as hereinbelow defined). The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise.

(a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;

(b) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Series LL-2021 Bonds, entered into by and between KUB and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 10 hereof, as approved by the President and Chief Executive Officer of KUB, consistent with the terms of this resolution;

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

(d) "City" shall mean the City of Knoxville, Tennessee;

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder;

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

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

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

(i) "Governing Body" shall mean the City Council of the City;

(j) "KUB" shall mean the Knoxville Utilities Board;

(k) "1949 Resolution" shall mean Resolution No. 1644 of the Governing Body, adopted January 4, 1949, as amended and supplemented by Resolution No. 2171, Resolution No. 3491, Resolution No. R-317-90, Resolution No. R-422-98, Resolution No. R-149-01, Resolution No. R-332-2010 and Resolution R-230-2018 and as otherwise supplemented prior to the date hereof;

(l) "Outstanding Bonds" shall mean the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2021 and thereafter to the extent,

(m) "Parity Bonds" shall mean any bonds issued on a parity with the Series LL-2021 Bonds and the Outstanding Bonds pursuant to the 1949 Resolution;

(n) "Refunded Bonds" shall mean those portions of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 that are selected for refunding pursuant to Section 10 hereof;

(o) "Refunding Escrow Agent" shall mean the refunding escrow agent under the Refunding Escrow Agreement as shall be designated by the President and Chief Executive Officer of KUB, or any successor thereunder pursuant to the terms thereof;

(p) "Refunding Escrow Agreement" shall mean the Refunding Escrow Agreement, dated as of the date of the Series LL-2021 Bonds that is authorized to be entered into by and between KUB and the Refunding Escrow Agent in substantially the form attached hereto as Exhibit B, subject to such changes therein as shall be permitted by Section 13 hereof;

(q) "Registration Agent" shall mean the registration and paying agent for the Series LL-2021 Bonds designated by the President and Chief Executive Officer of KUB, or any successor as designated by the Board;

(r) "Series LL-2021 Bonds" shall mean the City's Electric System Revenue Refunding Bonds, Series LL-2021, dated the date of their issuance or such other date as shall be determined by the Board pursuant to Section 10 hereof, authorized to be issued by the 1949 Resolution and this resolution in an aggregate principal amount not to exceed $87,500,000;

(s) "State" shall mean the State of Tennessee; and

(t) "Underwriter" shall mean an investment banking firm qualified to underwrite bonds such as the Series LL-2021 Bonds in the State of Tennessee selected by the President and Chief Executive Officer of KUB.
Section 3. Declarations. It is hereby determined that all requirements of the 1949 Resolution have been or will have been met upon the issuance of the Series LL-2021 Bonds so that the Series LL-2021 Bonds will be issued as Parity Bonds.

Section 4. Findings of the Governing Body. It is hereby found and determined by the Governing Body as follows:

(a) The refunding of the Refunded Bonds as set forth herein through the issuance of the Series LL-2021 Bonds will result in a reduction in debt service payable by the City and KUB over the term of the Refunded Bonds, thereby effecting a cost savings to the System; and

(b) It is advantageous to the City and KUB to deposit a portion of the proceeds from the sale of the Series LL-2021 Bonds and other funds of KUB, if any, with the Refunding Escrow Agent pursuant to the Refunding Escrow Agreement which, together with investment income thereon, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds, provided, that KUB may dispense with the use of a Refunding Escrow Agreement to the extent permitted by Section 13 hereof.

Section 5. Authorization and Terms of the Series LL-2021 Bonds. (a) For the purpose of providing funds for the payment of principal of and premium and interest on the Refunded Bonds to the earliest practicable optional redemption date thereof, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Series LL-2021 Bonds as more fully set out in Section 10 hereof, there are hereby authorized to be issued revenue bonds of the City in the aggregate principal amount of not to exceed $87,500,000. The Series LL-2021 Bonds shall be issued in fully registered form, without coupons, shall be known as "Electric System Revenue Refunding Bonds, Series LL-2021" and shall be dated the date of their issuance or such other date as shall be determined by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10 hereof. The Series LL-2021 Bonds shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, payable semi-annually on January 1 and July 1 in each year, commencing January 1, 2022 or such later date as is permitted pursuant to Section 10 hereof. The Series LL-2021 Bonds shall be initially issued in $5,000 denominations or integral multiples thereof as shall be requested by the purchaser thereof. The Series LL-2021 Bonds shall mature and be payable either serially or through mandatory redemption on each July 1 in such years as is established by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10, provided that the final maturity date shall not be later than July 1, 2044. The final maturity schedule shall be established by the award resolution or certificate awarding the Series LL-2021 Bonds to the successful purchaser thereof or in the Bond Purchase Agreement provided for in Section 10 if the Series LL-2021 Bonds are sold by negotiated sale.

(b) Subject to adjustment pursuant to Section 10 hereof, the Series LL-2021 Bonds maturing on or before July 1, 2030 shall mature without option of prior redemption, and the Series LL-2021 Bonds maturing on July 1, 2031 and thereafter (if any) shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after July 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

If less than all the Series LL-2021 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all the Series LL-2021 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series LL-2021 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series LL-2021 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
(ii) if the Series LL-2021 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series LL-2021 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 10 hereof, KUB is authorized to sell the Series LL-2021 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by KUB. In the event any or all the Series LL-2021 Bonds are sold as term bonds, KUB shall redeem such term bonds on redemption dates corresponding to the maturity dates set forth in the award resolution or certificate awarding the Series LL-2021 Bonds, in amounts so as to achieve an amortization of the indebtedness approved by the Board or the President and Chief Executive Officer of KUB as its designee. DTC, as Depository for the Series LL-2021 Bonds, or any successor Depository for the Series LL-2021 Bonds, shall determine the interest of each Participant in the Series LL-2021 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as Depository for the Series LL-2021 Bonds, the Series LL-2021 Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, KUB may (i) deliver to the Registration Agent for cancellation Series LL-2021 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series LL-2021 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series LL-2021 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series LL-2021 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series LL-2021 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series LL-2021 Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series LL-2021 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series LL-2021 Bonds, as and when above provided, and neither KUB, the City, nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Series LL-2021 Bonds and, in the case of optional redemption, as and when directed by the Board pursuant to written instructions.
from an authorized representative of the Board given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series LL-2021 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Series LL-2021 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Chair of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

(f) The City hereby authorizes and directs the Board to appoint a Registration Agent and paying agent for the Series LL-2021 Bonds, and the Registration Agent so appointed is authorized and directed to maintain Bond registration records with respect to the Series LL-2021 Bonds, to authenticate and deliver the Series LL-2021 Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Board, to effect transfers of the Series LL-2021 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series LL-2021 Bonds as provided herein, to cancel and destroy Series LL-2021 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish KUB at least annually a certificate of destruction with respect to Series LL-2021 Bonds canceled and destroyed, and to furnish KUB at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Series LL-2021 Bonds. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Board hereby delegates to the President and Chief Executive Officer of KUB the authority to select and appoint the Registration Agent and any paying agents for the Series LL-2021 Bonds and to select and appoint the Refunding Escrow Agent (as well as any successors to any of the foregoing). The Chair of the Board is hereby authorized to execute and the Secretary of the Board is hereby authorized to attest such written agreement between KUB and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent.

(g) The Series LL-2021 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the designated trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Series LL-2021 Bonds, and all such payments shall discharge the obligations of KUB in respect of such Series LL-2021 Bonds to the extent of the payments so made. Payment of principal of the Series LL-2021 Bonds shall be made upon presentation and surrender of such Series LL-2021 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Series LL-2021 Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Series LL-2021 Bonds, payment of interest on such Series LL-2021 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(h) Any interest on any Series LL-2021 Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to
be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid to the persons in whose names the Series LL-2021 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: KUB shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series LL-2021 Bond and the date of the proposed payment, and at the same time KUB shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify KUB of such Special Record Date and, in the name and at the expense of KUB, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series LL-2021 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of KUB to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series LL-2021 Bonds when due.

(i) The Series LL-2021 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series LL-2021 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series LL-2021 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series LL-2021 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series LL-2021 Bond or Series LL-2021 Bonds to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series LL-2021 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series LL-2021 Bond, nor to transfer or exchange any Series LL-2021 Bond after notice calling such Series LL-2021 Bond for redemption has been made, nor to transfer or exchange any Series LL-2021 Bond during the period following the receipt of instructions from KUB to call such Series LL-2021 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series LL-2021 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series LL-2021 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series LL-2021 Bonds shall be overdue. Series LL-2021 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series LL-2021 Bonds of the same maturity in any authorized denomination or denominations. This subsection shall be applicable only if the Series LL-2021 Bonds are no longer held by a Depository, and as long as the Series LL-2021 Bonds are held by a Depository, transfers of ownership interests in the Series LL-2021 Bonds shall be governed by the rules of the Depository.

(j) Except as otherwise authorized herein, the Series LL-2021 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as the Depository for the Series LL-2021 Bonds except as otherwise provided herein. References in this Section to a Series LL-2021 Bond or the Series LL-2021 Bonds shall be construed to mean the Series LL-2021 Bond or the Series LL-2021 Bonds that are held under the Book-Entry System. One Series LL-2021 Bond for each maturity of the Series LL-2021 Bonds shall be held under the Book-Entry System.
Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Series LL-2021 Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series LL-2021 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant’s interest in the Series LL-2021 Bonds. Beneficial ownership interests in the Series LL-2021 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series LL-2021 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series LL-2021 Bonds. Transfers of ownership interests in the Series LL-2021 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES LL-2021 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES LL-2021 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES LL-2021 BONDS, RECEIPT OF NOTICES, VOTING AND TAKING OR NOT TAKING, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series LL-2021 Bonds, so long as DTC is the only owner of the Series LL-2021 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series LL-2021 Bonds from the City, acting by and through KUB, and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City, KUB nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as Depository for the Series LL-2021 Bonds or (2) to the extent permitted by the rules of DTC, the Board determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Series LL-2021 Bonds in the form of fully registered Series LL-2021 Bonds to each Beneficial Owner.

NEITHER THE CITY, KUB NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES LL-2021 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES LL-2021 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES LL-2021 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.
If the purchaser or Underwriter certifies that it intends to hold the Series LL-2021 Bonds for its own account, then the City may issue, acting by and through KUB, certificated Bonds without the utilization of DTC and the Book-Entry System.

(k) In case any Series LL-2021 Bond shall become mutilated, or be lost, stolen, or destroyed, the City, acting by and through KUB, in its discretion, shall issue, and the Registration Agent, upon written direction from KUB, shall authenticate and deliver, a new Series LL-2021 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series LL-2021 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series LL-2021 Bond, or if any such Series LL-2021 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series LL-2021 Bond KUB may pay or authorize payment of such Series LL-2021 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to KUB and the Registration Agent of the destruction, theft or loss of such Series LL-2021 Bond, and indemnity satisfactory to KUB and the Registration Agent; and KUB may charge the applicant for the issue of such new Series LL-2021 Bond an amount sufficient to reimburse KUB for the expense incurred by it in the issue thereof.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Series LL-2021 Bonds to DTC, on behalf of the initial purchaser thereof, or an agent of DTC, upon receipt by KUB of the proceeds of the sale thereof, subject to the rules of the depository, and to authenticate and deliver Series LL-2021 Bonds in exchange for Series LL-2021 Bonds of the same principal amount delivered for transfer upon receipt of the Series LL-2021 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series LL-2021 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an authorized representative thereof on the certificate set forth herein on the Series LL-2021 Bond form.

(m) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series LL-2021 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series LL-2021 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series LL-2021 Bonds and provision of notices with respect to Series LL-2021 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Beneficial Owners of the Series LL-2021 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 6. Source of Payment. The Series LL-2021 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the System as hereinafter provided and as provided in the 1949 Resolution on a parity and equality of lien with the Outstanding Bonds. The punctual payment of principal of and interest on the Series LL-2021 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System, without priority by reason of series, number or time of sale and delivery. The owners of the Series LL-2021 Bonds shall have no recourse to the power of taxation of the City.

Section 7. Form of Series LL-2021 Bonds. The Series LL-2021 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series LL-2021 Bonds are prepared and delivered:

(Form of Series LL-2021 Bond)

REGISTERED
Number ______

UNITED STATES OF AMERICA

REGISTERED
$_________
STATE OF TENNESSEE  
COUNTY OF KNOX  
CITY OF KNOXVILLE  

ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES LL-2021

<table>
<thead>
<tr>
<th>Interest Rate:</th>
<th>Maturity Date:</th>
<th>Date of Bond:</th>
<th>CUSIP No.:</th>
</tr>
</thead>
</table>

Registered Owner:  
Principal Amount:  

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Knoxville, a municipal corporation lawfully organized and existing in Knox County, Tennessee (the "City"), acting by and through the Knoxville Utilities Board ("KUB"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, or upon earlier redemption, as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on January 1, 2022, and semi-annually thereafter on the first day of January and July in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the designated trust office of _________________________, _________, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond by check or draft on each interest payment date directly to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the day which is the fifteenth (15th) day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City and KUB to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on the Bonds shall be made when due upon presentation and surrender of this Bond to the Registration Agent.  

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

The Bonds of the issue of which this Bond is one maturing on or before July 1, 2030 shall mature without option of prior redemption. The Bonds maturing on July 1, 2031 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after July 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

[If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

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

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Redemption Date</th>
<th>Principal Amount of Bonds to be Redeemed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City, acting through KUB, may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under the mandatory redemption provision for any Bonds to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under the mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption, whether optional or mandatory shall be given by the Registration Agent on behalf of the City, but only upon direction of the Board, not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly given as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

The Bonds of the issue of which this Bond is one are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars ($5,000) or any authorized integral multiple thereof. At the designated trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for the Book-Entry System of DTC. Except as otherwise provided in this paragraph and the Resolution, as hereinafter defined, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Board may discontinue use of DTC for Bonds at any time upon determination by the Board that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Upon such determination, registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent, and the Bonds may be delivered in physical form to the following:

i. any successor of DTC or its nominee;
ii. any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Board that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or

iii. any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Board of the use of DTC (or substitute depository or its successor).

In the event that this Bond is no longer held in a Book-Entry System by DTC, this Bond shall be transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Board to call such Bond for redemption.

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the electrical power distribution system of the City (the "System"), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 (the "DD-2014 Bonds" and together with the AA-2012 Bonds, the BB-2012 Bonds and the CC-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and costs incident to the issuance of the Bonds, under and in full compliance with the Constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Section 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution No. 1644 duly adopted by the City Council of the City on January 4, 1949, as supplemented and amended by Resolution No. 2171, Resolution No. 3491, Resolution No. R-317-90, Resolution No. R-422-98, Resolution No. R-149-01, Resolution No. R-332-2010 and Resolution R-230-2018, and as otherwise supplemented prior to the date hereof (as supplemented and amended, the "Resolution").

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the electrical power distribution system of the City (the "System"), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2021 and thereafter to the extent, if any, not refunded with
the proceeds of the Series LL-2021 Bonds, the City's outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2021 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2021 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2021 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Electric System Revenue Refunding Bonds, Series EE-2015, dated May 1, 2015, maturing July 1, 2021 and thereafter, the City's outstanding Electric System Revenue Bonds, Series FF-2015, dated May 20, 2015, maturing July 1, 2021 and thereafter, the City's outstanding Electric System Revenue Bonds, Series GG-2016, dated August 5, 2016, maturing July 1, 2021 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series HH-2017, dated April 7, 2017, maturing July 1, 2021 and thereafter, the City's outstanding Electric System Revenue Bonds, Series II-2017, dated September 15, 2017, maturing July 1, 2021 and thereafter, the City's outstanding Electric System Revenue Bonds, Series JJ-2018, dated September 14, 2018, maturing July 1, 2021 and thereafter, and the City's outstanding Electric System Revenue Refunding Bonds, Series KK-2020, dated May 22, 2020, maturing July 1, 2021 and thereafter (collectively, the "Outstanding Bonds"). As provided in the Resolution, the punctual payment of principal of, premium, if any, and interest on the series of Bonds of which this Bond is one, the Outstanding Bonds, and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The owner of this Bond shall have no recourse to the power of taxation of the City. The Board has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part, as each payment becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

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

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

IN WITNESS WHEREOF, the City acting by and through the Board has caused this Bond to be signed by the Chair of the Board by his manual or facsimile signature and attested by the Secretary of the Board by his manual or facsimile signature, all as of the date hereinabove set forth.
CITY OF KNOXVILLE
by and through the
KNOXVILLE UTILITIES BOARD

By: __________________________________________
   Chair

ATTESTED:

________________________
Secretary

Transferable and payable at the
designated trust office of:

________________________
   ________________, Tennessee

Date of Registration: ________________

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

________________________
Registration Agent

By: _________________________
   Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto
__________________________, [Please insert Federal Tax Identification Number or Social Security
Number of Assignee __________] whose address is ____________________________, the within bond of the City of Knoxville, Tennessee, and does hereby irrevocably constitute and appoint ____________________________, ________________, Tennessee, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.
Dated: ____________

**NOTICE:** The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

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

---

**Section 8. Equality of Lien; Pledge of Net Revenues.** The punctual payment of principal of, premium, if any, and interest on the Series LL-2021 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or execution or delivery, and the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

**Section 9. Applicability of the 1949 Resolution.** The Series LL-2021 Bonds are issued in compliance with the 1949 Resolution so as to be on a parity with the Outstanding Bonds, and, when duly delivered, the Series LL-2021 Bonds shall constitute a series of bonds issued under the authority of the 1949 Resolution. All recitals, provisions, covenants and agreements contained in the 1949 Resolution, as supplemented and amended herein (except insofar as any of said recitals, provisions, covenants and agreements necessarily relate exclusively to any series of the Outstanding Bonds) are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Series LL-2021 Bonds shall be outstanding and unpaid either as to principal or interest, or until discharge and satisfaction of the Series LL-2021 Bonds as provided in Section 12 hereof, shall be applicable to the Series LL-2021 Bonds, shall inure to the benefit of owners of the Series LL-2021 Bonds as if set out in full herein, and shall be fully enforceable by the owner of any Series LL-2021 Bond.

All references to "holder" or "holders" in the 1949 Resolution shall be deemed to include owners of the Series LL-2021 Bonds, and all references to "Bonds" in the 1949 Resolution shall be deemed to include the Series LL-2021 Bonds.

**Section 10. Sale of Series LL-2021 Bonds.**

(a) The Series LL-2021 Bonds or any emission thereof may be sold at negotiated sale to the Underwriter or at public sale as determined by the President and Chief Executive Officer of KUB at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest, if any, provided, however, that no emission of Series LL-2021 Bonds may be sold at negotiated sale unless the Audit and Finance Committee of the Board has previously approved the sale of such emission at negotiated sale. The sale of any emission of the Series LL-2021 Bonds to the Underwriter or by public sale shall be binding on the City and KUB, and no further action of the Board with respect thereto shall be required.

(b) The President and Chief Executive Officer of KUB, as the designee of the Board, is further authorized with respect to each emission of Series LL-2021 Bonds to:

1. change the dated date to a date other than the date of issuance;
(2) specify or change the series designation of the Series LL-2021 Bonds to a designation other than "Electric System Revenue Refunding Bonds";

(3) change the first interest payment date to a date other than July 1, 2021, provided that such date is not later than twelve months from the dated date of such emission of Series LL-2021 Bonds;

(4) establish and adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series LL-2021 Bonds or any emission thereof, provided that (A) the total principal amount of all emissions of the Series LL-2021 Bonds does not exceed the total amount of Series LL-2021 Bonds authorized herein; (B) the final maturity date of each emission shall be not later than July 1, 2044; and (C) the debt service schedule is substantially the same as what was presented to the State Director in connection with requesting a report on the refunding of the Refunded Bonds;

(5) modify or remove the optional redemption provisions contained herein, provided that the premium amount to be paid in connection with any redemption provision shall not exceed two percent (2%) of the principal amount thereof;

(6) sell the Series LL-2021 Bonds, or any emission thereof, or any maturities thereof as term bonds with mandatory redemption requirements as determined by the Board, as it shall deem most advantageous to KUB; and

(7) cause all or a portion of the Series LL-2021 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of KUB and to enter into agreements with such insurance company to the extent not inconsistent with this Resolution.

c) If any emission of Series LL-2021 Bonds is sold at negotiated sale, the President and Chief Executive Officer of KUB is authorized to execute a Bond Purchase Agreement with respect to such emission of Series LL-2021 Bonds, providing for the purchase and sale of the Series LL-2021 Bonds, or any emission thereof. Each Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes as the President and Chief Executive Officer deems necessary or advisable in connection with the sale of such Series LL-2021 Bonds, provided any such changes are not inconsistent with the terms of this Section. If the Underwriter does not intend to reoffer the Series LL-2021 Bonds to the public, then the Bond Purchase Agreement shall be conformed to reflect such intention. The form of the Series LL-2021 Bond set forth in Section 7 hereof shall be conformed to reflect any changes made pursuant to this Section 10.

d) The President and Chief Executive Officer and the Chief Financial Officer of KUB, or either of them, are authorized to cause the Series LL-2021 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the purchaser(s), and to execute, publish, and deliver all certificates and documents, including an official statement, the Bond Purchase Agreement and closing certificates, as they shall deem necessary in connection with the sale and delivery of each emission of the Bonds.

e) If the Series LL-2021 Bonds are sold at public sale, the Series LL-2021 Bonds shall be awarded by the President and Chief Executive Officer of KUB to the bidder that offers to purchase the Bonds for the lowest true interest cost to KUB.

Section 11. Disposition of Series LL-2021 Bond Proceeds. The proceeds of the sale of the Series LL-2021 Bonds shall be paid to KUB and used and applied by KUB as follows:
(a) All accrued interest, if any, shall be deposited to the Debt Service Fund created under the 1949 Resolution and used to pay interest on the Series LL-2021 Bonds on the first interest payment date following delivery of the Series LL-2021 Bonds;

(b) An amount, which together with investment earnings thereon and legally available funds of KUB, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds (subject to adjustments permitted by Section 10 above), shall be transferred to the Refunding Escrow Agent under the Refunding Escrow Agreement to be deposited to the Escrow Fund established thereunder to be held and applied as provided therein, or if no Refunding Escrow Agreement is utilized (as permitted by Section 13 hereof), such amount shall be applied by KUB directly to refund the Refunded Bonds; and

(c) The remainder shall be applied to the payment of costs of issuance relating to the Series LL-2021 Bonds. If there are any remaining proceeds of the Series LL-2021 Bonds after application as provided above, such remaining proceeds shall be used to pay principal and/or interest on the Series LL-2021 Bonds.

Section 12. Discharge and Satisfaction of Series LL-2021 Bonds. If KUB, on behalf of the City, shall pay and discharge the indebtedness evidenced by any of the Series LL-2021 Bonds or Parity Bonds (referred to hereinafter, collectively, in this Section as the "Bonds") in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any financial institution which has trust powers and which is regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency ("an Agent"; which Agent may be the Registration Agent), in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if KUB, on behalf of the City, shall also pay or cause to be paid all other sums payable hereunder by KUB or the City with respect to such Bonds or make adequate provision therefor, and by resolution of the Board instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, liens, pledges, agreements and obligations entered into, created, or imposed hereunder, including the pledge of and lien on the Net Revenues of the System set forth herein, shall be fully discharged and satisfied with respect to such Bonds and the owners thereof and shall thereupon cease, terminate and become void.

If KUB, on behalf of the City, shall pay and discharge or cause to be paid and discharged the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Agent pursuant to this Section nor principal or interest payments on any such Defeasance
Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to KUB as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments, to the extent not needed for the payment of such principal, premium and interest, shall be paid over to KUB, as received by the Agent. For the purposes of this Section, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

No redemption privilege shall be exercised with respect to the Series LL-2021 Bonds or any Parity Bonds except at the option and election of the Board. The right of redemption set forth herein shall not be exercised by any Registration Agent or Agent unless expressly so directed in writing by an authorized representative of the Board.

Section 13. Refunding Escrow Agreement. For the purpose of providing for the payment of the principal of, premium, if any, and interest on the Refunded Bonds, the President and Chief Executive Officer of KUB is hereby authorized and directed to execute and the Secretary of the Board to attest on behalf of KUB a Refunding Escrow Agreement with the Refunding Escrow Agent and to deposit with the Refunding Escrow Agent the amounts to be used by the Refunding Escrow Agent to purchase Defeasance Obligations as provided therein. The President and Chief Executive Officer of KUB and the Secretary of the Board are hereby authorized and directed to execute and deliver the Refunding Escrow Agreement on behalf of KUB in such form as is approved by the President and Chief Executive Officer of KUB and the Secretary of the Board, their execution thereof to constitute conclusive evidence of their approval of such form of the Refunding Escrow Agreement. The Refunding Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment when due of principal of and interest on the Refunded Bonds and to exercise such duties as set forth in the Refunding Escrow Agreement. Notwithstanding the foregoing, the Chief Financial Officer of KUB is authorized to dispense with the use of a Refunding Escrow Agreement and to apply proceeds of the Bonds directly to the redemption of the Refunded Bonds if the delivery date of the Bonds is not more than thirty (30) days prior to the redemption of the Refunded Bonds.

Section 14. Notice of Refunding. Prior to the issuance of the Series LL-2021 Bonds, notice of the City's intention to refund the Refunded Bonds, to the extent required by applicable law, shall be given by the registration agent for the Refunded Bonds to be mailed by first-class mail, postage prepaid, to the registered holders thereof, as of the date of the notice, as shown on the bond registration records maintained by such registration agent of said Refunded Bonds. The President and Chief Executive Officer of KUB and the Secretary of the Board, or either of them, is hereby authorized and directed to authorize the registration agent of said Refunded Bonds to give such notice on behalf of the City in accordance with this Section.

Section 15. Federal Tax Matters. The City and KUB recognize that the purchasers and owners of the Series LL-2021 Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series LL-2021 Bonds. In this connection, KUB, on behalf of the City, agrees that it shall take no action which may render the interest on any of the Series LL-2021 Bonds includable in gross income for purposes of federal income taxation. It is the reasonable
expectation of the City and KUB that the proceeds of the Series LL-2021 Bonds will not be used in a manner which will cause the Series LL-2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series LL-2021 Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the Series LL-2021 Bonds to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Series LL-2021 Bonds from becoming taxable. The Chair of the Board, the Secretary of the Board, the President and Chief Executive Officer of KUB and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City and KUB.

Section 16. Official Statement. The President and Chief Executive Officer of KUB, or his designee, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series LL-2021 Bonds. After the Series LL-2021 Bonds have been awarded, the President and Chief Executive Officer of KUB, or his designee, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Chief Executive Officer of KUB, or his designee, shall arrange for the delivery to the purchaser of the Series LL-2021 Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series LL-2021 Bonds have been awarded for subsequent delivery by the purchaser to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of his group initially sell the Series LL-2021 Bonds.

The President and Chief Executive Officer of KUB, or his designee is authorized, on behalf of the Board, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Board except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 17. Continuing Disclosure. The City hereby covenants and agrees that KUB will provide annual financial information and material event notices for the Series LL-2021 Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Chief Financial Officer of KUB is authorized to execute at the closing of the sale of the Series LL-2021 Bonds, an agreement for the benefit of and enforceable by the owners of the Series LL-2021 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of KUB to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause KUB to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 18. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 19. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.
Adopted and approved this 9th day of March, 2021.

________________________________________
Mayor

ATTEST:

_______________________________________
City Recorder
STATE OF TENNESSEE  
COUNTY OF KNOX

I, Will Johnson, hereby certify that I am the duly qualified and acting City Recorder of the City of Knoxville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City Council held on Tuesday, March 9, 2021; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original records relate to an amount not to exceed $87,500,000 Electric System Revenue Refunding Bonds, Series LL-2021.

WITNESS my official signature of the City of Knoxville, Tennessee, this ____ day of ________________, 2021.

City Recorder
EXHIBIT A

$87,500,000
CITY OF KNOXVILLE, TENNESSEE
ACTING ON BEHALF OF KNOXVILLE UTILITIES BOARD
ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES LL-2021

BOND PURCHASE AGREEMENT

__________, 2021

Knoxville Utilities Board
445 South Gay Street
Knoxville, Tennessee 37902

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this agreement with Knoxville Utilities Board ("KUB") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Eastern Standard Time, on __________, 2021.

1. **Purchase Price.**

Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from KUB, and KUB hereby agrees to sell to the Underwriter, all (but not less than all) of $87,500,000 aggregate principal amount of KUB's Electric System Revenue Refunding Bonds, Series LL-2021 (the "Bonds"). The purchase price is $__________ plus accrued interest and shall be paid in accordance with paragraph 6 hereof. The purchase price is equal to the par amount of the Bonds less $__________ original issue discount, less $__________ underwriter's discount and plus accrued interest. The Bonds are to be issued under and pursuant to, and are to be secured by the Resolution (the "Bond Resolution") adopted on March 9, 2021, by the City Council of the City of Knoxville (the "City") at the request of KUB. The Bonds shall mature on the dates and shall bear interest at the rates all as described in the Official Statement referred to in Section 3 hereof. The maturities, rates and discount at which the Bonds are being sold are more fully described on **Schedule I** attached hereto.

The Bonds are being issued to provide funds to refinance the outstanding principal amount of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 (the "DD-2014 Bonds" and together with the AA-2012 Bonds, the BB-2012 Bonds and the...
CC-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Bonds.

2. **Public Offering.**

The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market; and (ii) to discontinue such stabilizing, if commenced at any time without prior notice.

3. **Official Statement.**

   (a) KUB has provided the Underwriter with information that constitutes a "deemed final" official statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Concurrently with KUB's acceptance of this Bond Purchase Agreement, KUB shall deliver or cause to be delivered to the Underwriter two copies of the Official Statement (as hereinafter defined) relating to the Bonds dated the date hereof substantially in the same form as the Preliminary Official Statement with only such changes as shall have been accepted by the Underwriter.

   (b) Within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, KUB shall deliver to the Underwriter copies of the Official Statement of KUB, dated the date hereof, relating to the Bonds, in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and any applicable rules of the Municipal Securities Rulemaking Board, in substantially the form approved by KUB (which, together with the cover page, and all exhibits, appendices, and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"), executed on behalf of KUB by a duly authorized officer of KUB. You hereby authorize and approve the Official Statement and other pertinent documents referred to in Section 6 hereof to be lawfully used in connection with the offering and sale of the Bonds. You also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with a public offering of the Bonds.

   (c) If, prior to the Closing (as defined in Section 5 below) or within twenty-five (25) days subsequent to the end of the underwriting period as such term is used for purposes of Rule 15c2-12, any event shall occur with respect to KUB or KUB shall receive notice of the occurrence of any other event that might or would cause the information contained in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, KUB shall so notify the Underwriter. KUB agrees to amend or supplement the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required and to furnish the Underwriter with sufficient quantities of such amendment or supplement in order to permit the Underwriter to comply with Rule 15c2-12.

4. **Representations and Warranties.**

KUB hereby represents and warrants to the Underwriter that:
(a) KUB is duly existing pursuant to the Charter of the City and is authorized by such Charter to operate and manage the System. KUB has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; (iii) the execution, delivery and receipt of this Bond Purchase Agreement, the Bonds and any and all such other agreements and documents as may be required to be executed, delivered and received by KUB in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement and the Bond Resolution;

(b) When executed by the respective parties thereto, this Bond Purchase Agreement will constitute a legal, valid and binding obligation of KUB enforceable in accordance with its terms;

(c) The information and statements contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact which was necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(d) The information and statements contained in the Official Statement, as of its date and as of the Closing, are and will be correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state any material fact which is necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(e) KUB has complied, and will at the Closing be in compliance, in all respects with the obligations on its part contained in the Bond Resolution and the laws of the State of Tennessee (the "State"), including the Act;

(f) The City has duly adopted the Bond Resolution, and the City and KUB have (a) duly authorized and approved the distribution of the Preliminary Official Statement, (b) duly authorized and approved the execution and delivery of the Official Statement, (c) duly authorized and approved the execution and delivery of, and the performance by KUB of the obligations on its part contained in, the Bonds, the Bond Resolution and this Bond Purchase Agreement, and (d) duly authorized and approved the consummation by it of all other transactions contemplated by this Bond Purchase Agreement and the Official Statement;

(g) KUB is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner related to or affecting the transactions contemplated hereby or in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Bond Purchase Agreement, the Bonds and the adoption of the Bond Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject;

(h) Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction, which would constitute a condition precedent to the performance by KUB of its obligations hereunder and under the Bond Resolution and the Bonds, have been obtained;
(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity,
before or by any court, public board or body, pending or, to the knowledge of KUB, threatened against
KUB or others (a) affecting KUB or the corporate existence of KUB or the titles of its officers to their
respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or
the collection of Net Revenues pledged to pay the principal of and interest on the Bonds, or the pledge
thereof, (c) in any way contesting or affecting the transactions contemplated hereby or by the Official
Statement or by the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase
Agreement, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement
or the Official Statement, or (e) contesting the powers or authority of KUB for the issuance of the Bonds,
the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement;

(j) KUB will not take or omit to take any action that will in any way cause the
proceeds from the sale of the Bonds and other moneys of KUB to be transferred on the date of issuance of
the Bonds to be applied or result in such proceeds and other moneys being applied in a manner other than
as provided in or permitted by the Bond Resolution and consistent with the utilization described in the
Official Statement;

(k) KUB agrees reasonably to cooperate with the Underwriter and its counsel in any
endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such
jurisdictions of the United States as the Underwriter may request. KUB hereby consents to the use of the
Official Statement and the Bond Resolution by the Underwriter in obtaining any qualification required;

(l) If at any time from the date of this Bond Purchase Agreement through 25 days
following the "end of the underwriting period" (as defined in Rule 15c2-12 described below) any event
shall occur that might or would cause the Official Statement to contain any untrue statement of a material
fact or to omit to state any material fact necessary to make the statements therein, in light of the
circumstances under which they were made, not misleading, KUB shall notify the Underwriter and if, in
the opinion of the Underwriter, such event requires the preparation and publication of a supplement or
amendment to the Official Statement, KUB will supplement or amend the Official Statement in a form and
in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior
to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement
shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the
Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing,
the Underwriter may terminate this Bond Purchase Agreement by notification to KUB at any time prior to
the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a
material adverse effect on the marketability of the Bonds;

(m) KUB has duly authorized and approved the execution and delivery of this Bond
Purchase Agreement and the performance by KUB of the obligations on its part contained herein;

(n) KUB is not, nor has it at any time, been in default in the payment of principal of
or interest on any obligation issued or guaranteed by KUB;

(o) Any certificate signed by an authorized officer of KUB and delivered to the
Underwriter at or prior to the Closing shall be deemed a representation and warranty by KUB in connection
with this Bond Purchase Agreement to the Underwriter as to the statements made therein upon which the
Underwriter shall be entitled to rely. KUB covenants that between the date hereof and the Closing, it will
not take any action that will cause the representations and warranties made herein to be untrue as of the
Closing;
(p) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding special obligations of KUB entitled to the benefits of the Bond Resolution;

(q) KUB has lawful authority to operate the System, to consummate the transactions contemplated by the Official Statement and collect revenues, fees and other charges in connection with the System and through its Board of Commissioners, to fix the rates, fees and other charges with respect to the System; and

(r) KUB hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about KUB, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter. KUB represents that it has complied in all respects with its obligations to provide continuing disclosure of certain information as described in that certain Continuing Disclosure Certificate entered into in connection with the issuance of the Bonds.

5. Delivery of, and Payment for, the Bonds.

At 10:00 a.m. on or about __________, 2021, or at such other time or date as shall have been mutually agreed upon by KUB and the Underwriter, KUB will deliver, or cause to be delivered, to the Underwriter the other documents hereinafter mentioned and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest payable to the order of KUB, in federal funds or other immediately available funds by delivering to KUB such funds by wire transfer to KUB or its designated agent except that physical delivery of the Bonds shall be made through the facilities of the Depository Trust Company.

Payment for the Bonds shall be confirmed and delivery of the documents as aforesaid shall be made at the offices of KUB, or such other place as may be agreed upon by the Underwriter and KUB. Such payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds in such names and in such denominations as shall be designated in writing by the Underwriter to KUB at Closing.

6. Certain Conditions to Underwriter's Obligations.

The obligations of the Underwriter hereunder shall be subject to (i) the performance by KUB of its obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of KUB herein as of the date hereof and as of the date of the Closing, and (iii) to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, and (iii) KUB shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received an executed copy of each of the following documents:
(1) the approving opinion, dated the date of the Closing, of Bond Counsel addressed to KUB and the Underwriter, relating to, among other things, the validity of the Bonds [and the exclusion from gross income of the interest on the Bonds for federal and State of Tennessee income tax purposes,] in substantially the form set forth as Appendix _ to the Official Statement;

(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit A hereto;

(3) an opinion, dated the date of the Closing, of Hodges, Doughty & Carson, Knoxville, Tennessee, counsel to KUB, addressed to KUB, Bond Counsel and the Underwriter in substantially the form of Exhibit B hereto;

(4) a certificate of KUB, dated the date of the Closing and signed by a duly authorized officer of KUB and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) since the execution of the Bond Purchase Agreement no material and adverse change has occurred in the financial position of the System or results of operations of the System; (ii) KUB has not incurred any material liabilities secured by the Net Revenues of the System other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (iii) no event affecting KUB has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date of Closing;

(5) the Official Statement executed on behalf of KUB by a duly authorized officer thereof;

(6) the Bond Resolution and the Bonds;

(7) a certificate of a duly authorized officer of KUB, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the reasonable expectations of KUB as of such date as to the use of proceeds of the Bonds and of any other funds of KUB expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, KUB's expectations are reasonable;

(8) evidence indicating a rating on the Bonds of "___" by [rating agency];

(9) other certificates of KUB listed on a Closing Memorandum to be approved by counsel to KUB, Bond Counsel and counsel to the Underwriter, including any certificates or representations required in order for Bond Counsel to deliver the opinion referred to in Paragraph 6(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by KUB with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of KUB contained herein and the due performance or satisfaction by KUB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by KUB.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and counsel
to the Underwriter. KUB will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

(c) The Underwriter shall have received within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Official Statement in sufficient quantity as may be reasonably requested by the Underwriter in order to comply with Rule 15(c) 2-12.

7. Termination.

The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the Internal Revenue Code (which, if enacted, would take effect in whole or in part prior to the Closing) shall be filed in either house, or recommended for passage by the Congress by any joint or conference committee thereof, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of KUB and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Tennessee or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Tennessee or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the financial position of the System, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939,
as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If KUB shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor KUB shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 hereof, shall continue in full force and effect.

8. **Particular Covenants.**

KUB covenants and agrees with the Underwriter as follows:

(a) KUB shall use its best efforts to furnish or cause to be furnished to the Underwriter, without charge, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, KUB shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of KUB and the Underwriter a supplement or amendment to the Official Statement is required, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and its counsel.

9. **Survival of Representations.**

All representations, warranties and agreements of KUB hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds.

10. **Payment of Expenses.**

Whether or not the Bonds are sold to the Underwriter by KUB, KUB shall pay, but only out of the proceeds of the sale of the Bonds or other funds made available by KUB, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Official Statement and any supplements thereto, together with a number of copies which the Underwriter deems reasonable; (ii) the cost of the preparation and printing of the definitive Bonds; (iii) the rating agency fees; and (iv) the fees and disbursements of Counsel to KUB and Bond Counsel and any other experts or consultants retained by KUB.

Whether or not the Bonds are sold to the Underwriter, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the cost of preparing and printing the blue sky memorandum, if any, and filing fees in connection with the aforesaid blue sky memorandum other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the fees and expenses of the Underwriter's counsel.

11. **No Advisory or Fiduciary Role.**

KUB acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between KUB and the Underwriter,
(ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent, advisor or fiduciary of KUB. (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of KUB with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to KUB on other matters) and the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of KUB and (v) KUB has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

KUB and the Underwriter represent and warrant that no finder or other agent has been employed by either KUB or the Underwriter in connection with this transaction.


Any notice or other communication to be given to KUB under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to __________________________, __________________________.

13. Parties.

This Bond Purchase Agreement is made solely for the benefit of KUB and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.


This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

15. General.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

______________________________
By: ____________________________
Its: ____________________________

Accepted and agreed to as of the date first above written:
KNOXVILLE UTILITIES BOARD

By: ___________________________________________
    President and Chief Executive Officer
EXHIBIT A TO BOND PURCHASE AGREEMENT

[LETTERHEAD OF BASS, BERRY & SIMS PLC]

[Closing Date]

______________________________
______________________________
______________________________

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Paragraph 6(b)(2) of the Bond Purchase Agreement, dated __________, 2021 (the "Bond Purchase Agreement"), between _______________________________(the "Underwriter"), and Knoxville Utilities Board ("KUB"), relating to the sale by KUB of its Electric System Revenue Refunding Bonds, Series LL-2021, in the aggregate principal amount of $87,500,000 (the "Bonds"). Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Bonds and we have participated in conferences from time to time with counsel to KUB, representatives of the Underwriter and counsel to the Underwriter, relative to the Official Statement, dated __________, 2021, relating to the Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Bonds to the public do not require any registration under the Securities Act of 1933, as amended, and, in connection therewith, the Bond Resolution does not need to be qualified under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the captions "Introduction" to the extent the narrative thereunder purports to describe the terms of the Bonds and the legal authority by which they are issued, "The Bonds," and in Appendix A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, fairly summarize such provisions. The statements contained in the Official Statement under the caption "Opinion of Bond Counsel" are correct as to matters of law.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,
EXHIBIT B TO BOND PURCHASE AGREEMENT

____________, 2021

__________________________________________________

Bass, Berry & Sims
900 South Gay Street, Suite 1700
Knoxville, Tennessee  37902

Ladies and Gentlemen:

Re: City of Knoxville, Tennessee acting on behalf of the Knoxville Utilities Board $87,500,000 Electric System Revenue Refunding Bonds, Series LL-2021

Ladies and Gentlemen:

You have requested that the undersigned, General Counsel to the Knoxville Utilities Board of the City of Knoxville, Tennessee ("KUB"), render this opinion in connection with the execution, delivery and sale of the captioned bonds (the "Bonds"), the proceeds of which will be used to refinance a portion of the outstanding principal amount of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 (the "DD-2014 Bonds" and together with the AA-2012 Bonds, the BB-2012 Bonds and the CC-2013 Bonds, the "Refunded Bonds")

It is our opinion that KUB is duly established and validly existing pursuant to the Charter of the City of Knoxville, Tennessee (the "Municipality"), and, pursuant to said Charter, the electrical power distribution system of the Municipality (the "System") is under the jurisdiction, control and management of KUB.

The undersigned does hereby certify that no litigation of any nature is now pending or, to our knowledge, threatened

(1) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds;

(2) seeking to restrain or enjoin the charging of sufficient rates to pay the cost of operating, maintaining, repairing and insuring the System and to pay principal of and interest on the Bonds and all outstanding obligations payable from the revenues of the System;

(3) in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued or such rates are charged;
(4) in any manner questioning or relating to the validity of the Bonds;

(5) contesting in any way the completeness or accuracy of the Official Statement prepared and distributed in connection with the sale of the Bonds;

(6) in any way contesting the corporate existence or boundaries of the Municipality, except for various pending actions challenging past or present annexation efforts of the Municipality, which will have no material adverse effect on the revenues of the System;

(7) contesting the title of the present officers of KUB to their respective offices; or

(8) contesting the powers of KUB or the authority of KUB with respect to the Bonds, or proceedings authorizing the Bonds, or any act to be done or document or certificate to be executed or delivered in connection with the issuance and delivery of the Bonds.

Neither the voters of the Municipality nor its governing body nor the Board of Commissioners of KUB have approved any special, local or private act or legislation passed by the General Assembly of the State of Tennessee at its most recent session or any amendments to the Charter of the Municipality affecting the power of the Municipality to issue the Bonds or pay the principal of, premium, if any, and interest on the Bonds when due or affecting the power of the Board of Commissioners of KUB to manage and control the System.

I hereby certify that Jerry Askew and Mark Walker are the duly qualified, appointed and acting Chair and Secretary, respectively, of the Board of Commissioners of KUB with full power to act as such officers on behalf of KUB in connection with the execution and delivery of the Bonds.

Yours truly,
EXHIBIT B
FORM OF REFUNDING ESCROW AGREEMENT

CITY OF KNOXVILLE, TENNESSEE
ACTING ON BEHALF OF KNOXVILLE UTILITIES BOARD
$87,500,000 ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES LL-2021

REFUNDING ESCROW AGREEMENT

This Refunding Escrow Agreement is made and entered into as of the _____ day of _____________, 2021, by and between Knoxville Utilities Board ("KUB") acting on behalf of the City of Knoxville, Tennessee (the "City") and ____________________, ________, Tennessee (the "Agent").

WITNESSETH:

WHEREAS, the Board of Commissioners (the "Board") of KUB has determined to provide for payment of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 (the "DD-2014 Bonds", and together with the AA-2012 Bonds, the BB-2012 Bonds and the CC-2013 Bonds, the "Refunded Bonds") by depositing in escrow with the Agent funds that, with the investment income therefrom, will be sufficient to pay the principal of and interest on the portion of the Refunded Bonds set forth on Exhibit A hereto; and

WHEREAS, in order to obtain the funds needed to refund the Refunded Bonds, the City has authorized and issued its Electric System Revenue Refunding Bonds, Series LL-2021, dated _____________, 2021 (the "Refunding Bonds"); and

WHEREAS, a portion of the proceeds derived from the sale of the Refunding Bonds and certain funds of KUB, if any, will be deposited in escrow with the Agent hereunder and applied to the purchase of certain securities described herein, the principal amount thereof together with interest thereon to mature at such times and in such amounts as shall be sufficient to pay when due all of the principal of, premium, if any, and interest on the Refunded Bonds identified on Exhibit A; and

WHEREAS, in order to create the escrow hereinabove described, provide for the deposit of the proceeds of the Refunding Bonds and the application thereof, and provide for the payment of the Refunded Bonds, the parties hereto do hereby enter into this Agreement;

NOW, THEREFORE, KUB, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the Refunded Bonds according to their tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alien, pledge, set over and confirm, to the Agent, and to its successors hereunder, and to it and its assigns forever, in escrow, all and singular the property hereinafter described to wit:
DIVISION I

All right, title and interest of KUB and the City in and to $_____________ derived from the proceeds of the sale of the Refunding Bonds and $____________ derived from other funds of KUB.

DIVISION II

All right, title and interest of KUB and the City in and to the Government Securities purchased with the funds described in Division I hereof and to all income, earnings and increment derived from or accruing to the Government Securities.

DIVISION III

Any and all other cash or eligible investments from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred in escrow hereunder by KUB or by anyone in its behalf to the Agent, which is hereby authorized to receive the same at any time to be held in escrow hereunder.

DIVISION IV

Any other cash or eligible investments that is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subject to the pledge hereof, by KUB or by anyone in its behalf, and the Agent is hereby authorized to receive the same at any time to be held in escrow hereunder.

TO HAVE AND TO HOLD, all and singular, the escrowed property, including all additional property which by the terms hereof has or may become subject to this Agreement, unto the Agent, and its successors and assigns, forever.

The escrowed property shall be held in escrow for the benefit and security of the owners from time to time of the portion of the Refunded Bonds identified on Exhibit A; but if the principal of and interest on the portion of the Refunded Bonds identified on Exhibit A shall be fully and promptly paid when due in accordance with the terms hereof, then this Agreement shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, subject to the covenants and conditions hereinafter set forth.

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.1  Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Agent" means _________________________, ___________, Tennessee, its successors and assigns;

"Agreement" means this Refunding Escrow Agreement;

"Board" means the Board of Commissioners of KUB;
"City" means the City of Knoxville, Tennessee;

"Code" means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated thereunder;

"Escrow Fund" shall have the meaning ascribed to it in Section 2.1 hereof;

"Escrow Property," "escrow property" or "escrowed property" means the property, rights and interest of KUB that are described in Divisions I through IV of this Agreement and hereinabove conveyed in escrow to the Agent;

"Government Securities" means obligations and securities described in Section 9-21-1012, Tennessee Code Annotated that are purchased pursuant to the terms of the Escrow Reinvestment Agreement on this Agreement;

"KUB" means Knoxville Utilities Board, Knoxville, Tennessee;

"Refunded Bonds" means the City's Electric System Revenue Refunding Bonds, Series LL-2021, dated ______________, 2021;

"Refunding Bonds" means the City's Electric System Revenue Refunding Bonds, Series LL-2021, dated ______________, 2021;

"Written Request" means a request in writing signed by the President and Chief Executive Officer of KUB, the Chief Financial Officer of KUB or by any other officer or official of KUB duly authorized by KUB to act in their place.

SECTION 1.2 Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II
ESTABLISHMENT AND ADMINISTRATION OF FUNDS

SECTION 2.1 Creation of Escrow; Deposit of Funds. KUB hereby creates and establishes with the Agent a special and irrevocable escrow composed of the Escrowed Property and hereby deposits with the Agent and the Agent hereby acknowledges receipt of $____________ as described in Division I hereof. The monies so deposited, together with investment income therefrom, is herein referred to as the "Escrow Fund" and shall constitute a fund to be held by the Agent as a part of the Escrowed Property created, established, and governed by this Agreement.

SECTION 2.2 Investment of Funds. The monies described in Section 2.1 hereof shall be held or invested as follows:
(a) the amount of $________________ shall be used to purchase the Government Securities described on Exhibit B attached hereto; and

(b) the amount of $___________ shall be held as cash in a non-interest-bearing account.

Except as provided in Sections 2.4 and 2.6 hereof, the investment income from the Government Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Agent shall have no power or duty to invest any monies held hereunder or to make substitutions of Government Securities held hereunder or to sell, transfer, or otherwise dispose of the Government Securities acquired hereunder except as provided herein.

Section 2.3. Disposition of Escrow Funds. The Agent shall without further authorization or direction from KUB collect the principal and interest on the Government Securities promptly as the same shall fall due. From the Escrow Fund, to the extent that monies therein are sufficient for such purpose, the Agent shall make timely payments to the paying agent or its successor, for the Refunded Bonds of monies sufficient for the payment of the principal of and interest on the Refunded Bonds as the same shall become due and payable. Amounts and dates of principal and interest payments and the name and address of the paying agent with respect to the Refunded Bonds are set forth on Exhibit A. Payment on the dates and to the paying agent in accordance with Exhibit A shall constitute full performance by the Agent of its duties hereunder with respect to each respective payment. KUB represents and warrants that the Escrow Fund, if held, invested and disposed of by the Agent in accordance with the provisions of this Agreement, will be sufficient to make the foregoing payments. No paying agent fees, fees and expenses of the Agent, or any other costs and expenses associated with the Refunding Bonds or the Refunded Bonds shall be paid from the Escrow Fund, and KUB agrees to pay all such fees, expenses, and costs from its legally available funds as such payments become due. When the Agent has made all required payments of principal and interest on the Refunded Bonds to the paying agent as hereinabove provided, the Agent shall transfer any monies or Government Securities then held hereunder to KUB and this Agreement shall terminate.

Section 2.4. Excess Funds. Amounts held by the Agent, representing interest on the Government Securities in excess of the amount necessary to make the corresponding payment of principal and/or interest on the Refunded Bonds, shall be held by the Agent without interest and shall be applied before any other Escrow Fund monies to the payment of the next ensuing principal and/or interest payment on the Refunded Bonds. Upon retirement of all the Refunded Bonds, the Agent shall pay any excess amounts remaining in the Escrow Fund to KUB.

Section 2.5. Reports. The Escrow Agent shall deliver to KUB a monthly report summarizing all transactions relating to the Escrow Fund; and on or before the first day of August of each year shall deliver to the Chief Financial Officer of KUB a report current as of June 30 of that year, which shall summarize all transactions relating to the Escrow Fund effected during the immediately preceding fiscal year of KUB and which also shall set forth all assets in the Escrow Fund as of June 30 and set forth opening and closing balances thereof for that fiscal year.

Section 2.6 Investment of Moneys Remaining in Escrow Fund. The Agent may invest and reinvest any monies remaining from time to time in the Escrow Fund until such time as they are needed. Such monies shall be invested in Government Securities, maturing no later than the next interest payment date of the Refunded Bonds, or for such periods or at such interest rates as the Agent shall be directed by Written Request, provided, however, that KUB shall furnish the Agent, as a condition precedent to such investment, with an opinion from nationally recognized bond counsel stating that such reinvestment of such monies will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Refunding Bonds, cause the interest on the Refunding Bonds or the Refunded Bonds not to be excluded from gross income for federal income tax purposes and that such investment is not
inconsistent with the statutes and regulations applicable to the Refunding Bonds and Refunded Bonds. Any interest income resulting from reinvestment of monies pursuant to this Section 2.6 shall be applied first to the payment of principal of and interest on the Refunded Bonds to the extent the Escrow is or will be insufficient to retire the Refunded Bonds as set forth on Exhibit A and any excess shall be paid to KUB to be applied to the payment of the Refunding Bonds or the expenses of issuance thereof.

Section 2.7. Irrevocable Escrow Created. The deposit of monies, Government Securities, matured principal amounts thereof, and investment proceeds therefrom in the Escrow Fund shall constitute an irrevocable deposit of said monies and Government Securities for the benefit of the holders of the Refunded Bonds, except as provided herein with respect to amendments permitted under Section 4.1 hereof. All the funds and accounts created and established pursuant to this Agreement shall be and constitute escrow funds for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of KUB and the Agent and used only for the purposes and in the manner provided in this Agreement.

Section 2.8. Redemption of Refunded Bonds. The Refunded Bonds shall be redeemed as stated on Exhibit C attached hereto.

ARTICLE III
CONCERNING THE AGENT

SECTION 3.1 Appointment of Agent. KUB hereby appoints the Agent as escrow agent under this Agreement.

SECTION 3.2 Acceptance by Agent. By execution of this Agreement, the Agent accepts the duties and obligations as Agent hereunder. The Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the escrow hereby created.

SECTION 3.3 Liability of Agent. The Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by KUB or any paying agent of its obligations, or to protect any of KUB's rights under any bond proceedings or any of KUB's other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person. The Agent shall not be liable for any act done or step taken or omitted to be taken by it, or for any mistake of fact or law, or anything which it may do or refrain from doing, except for its own gross negligence or willful misconduct in the performance or nonperformance of any obligation imposed upon it hereunder. The Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein or in the Refunded Bonds or in the Refunding Bonds or in any proceedings taken in connection therewith, but they are made solely by KUB. The Agent shall have no lien whatsoever upon any of the monies or investments in the Escrow Fund for the payment of fees and expenses for services rendered by the Agent under this Agreement.

The Agent shall not be liable for the accuracy of the calculations as to the sufficiency of Escrow Fund monies and Government Securities and the earnings thereon to pay the Refunded Bonds. So long as the Agent applies any monies, the Government Securities and the interest earnings therefrom to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. The Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement and in full compliance with the provisions hereof.
In the event of the Agent’s failure to account for any of the Government Securities or monies received by it, said Government Securities or monies shall be and remain the property of KUB in escrow for the benefit of the holders of the Refunded Bonds, as herein provided, and if for any improper reason such Government Securities or monies are applied to purposes not provided for herein or misappropriated by the Agent, the assets of the Agent shall be impressed with a trust for the amount thereof until the required application of such funds shall be made or such funds shall be restored to the Escrow Fund.

SECTION 3.4 Permitted Acts. The Agent and its affiliates may become the owner of or may deal in the Refunding Bonds or Refunded Bonds as fully and with the same rights as if it were not the Agent.

SECTION 3.5 Exculpation of Funds of Agent. Except as set forth in Section 3.3, none of the provisions contained in this Agreement shall require the Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided.

SECTION 3.6 No Redemption or Acceleration of Maturity. The Agent will not pay any of the principal of or interest on the Refunded Bonds, except as provided in Exhibit A attached hereto and will not redeem or accelerate the maturity of any of the Refunded Bonds.

SECTION 3.7 Qualifications of Agent. There shall at all times be an Agent hereunder that shall be a corporation or banking association organized and doing business under the laws of the United States or any state, located in the State of Tennessee, authorized under the laws of its incorporation to exercise the powers herein granted, having a combined capital, surplus, and undivided profits of at least $75,000,000 and subject to supervision or examination by federal or state authority. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus, and undivided profits of such corporation or association shall be deemed to be its combined capital, surplus, and undivided profits as set forth in its most recent report of condition as published. In case at any time the Agent shall cease to be eligible in accordance with the provisions of this section, the Agent shall resign immediately in the manner and with the effect specified herein.

SECTION 3.8 Resignation of Agent. The Agent may at any time resign by giving direct written notice to KUB and by giving the holders of the Refunded Bonds notice by first-class mail of such resignation. Upon receiving such notice of resignation, KUB shall promptly appoint a successor escrow agent in the manner provided in the resolution authorizing the Refunding Bonds. If no successor escrow agent shall have been appointed and have accepted appointment within thirty (30) days after the publication of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction located in Knox County, Tennessee, for the appointment of a successor, or any holder of the Refunded Bonds may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor meeting the qualifications set forth in Section 3.7. The Agent shall serve as escrow agent hereunder until its successor shall have been appointed and such successor shall have accepted the appointment.

SECTION 3.9 Removal of Agent. In case at any time the Agent shall cease to be eligible in accordance with the provisions of Section 3.8 hereof and shall fail to resign after written request therefor by KUB or by any holder of the Refunded Bonds, or the Agent shall become incapable of acting, shall be adjudged a bankrupt or insolvent or a receiver of the Agent or any of its property shall be appointed, or
any public officer shall take charge or control of the Agent or its property or affairs for the purpose of rehabilitation, conservation, or liquidation, then in any such case, the Board may remove the Agent and appoint a successor in the manner provided in the resolution authorizing the Refunding Bonds or any such bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction situated in Knox County, Tennessee for the removal of the Agent and the appointment of a successor. Such court may thereupon, after such notice, if any, as it may deem proper, remove the Agent and appoint a successor who shall meet the qualifications set forth in Section 3.8. Unless incapable of serving, the Agent shall serve as escrow agent hereunder until its successor shall have been appointed and such successor shall have accepted the appointment.

The holders of a majority in aggregate principal amount of all the Refunded Bonds at any time outstanding may at any time remove the Agent and appoint a successor by an instrument or concurrent instruments in writing signed by such bondholders and presented, together with the successor's acceptance of appointment, to KUB and the Agent.

Any resignation or removal of the Agent and appointment of a successor pursuant to any of the provisions of this Agreement shall become effective upon acceptance of appointment by the successor as provided in Section 3.10 hereof.

SECTION 3.10 Acceptance by Successor. Any successor escrow agent appointed as provided in this Agreement shall execute, acknowledge and deliver to KUB and to its predecessor an instrument accepting such appointment hereunder and agreeing to be bound by the terms hereof, and thereupon the resignation or removal of the predecessor shall become effective and such successor, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Agent herein; but, nevertheless, on Written Request of KUB or the request of the successor, the predecessor shall execute and deliver an instrument transferring to such successor all rights, powers and escrow property of the predecessor. Upon request of any such successor, KUB shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor all such rights, powers and duties. No successor shall accept appointment as provided herein unless at the time of such acceptance such successor shall be eligible under the provisions of Section 3.7 hereof.

Any corporation into which the Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Agent shall be a party, or any corporation succeeding to the business of the Agent, shall be the successor of the Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor shall be eligible under the provisions of Section 3.7 hereof.

SECTION 3.11 Payment to Agent. KUB agrees to pay the Agent, as reasonable and proper compensation under this Agreement, a one-time fee of $_____. The Agent shall be entitled to reimbursement of all advances, counsel fees and expenses, and other costs made or incurred by the Agent in connection with its services and/or its capacity as Agent or resulting therefrom. In addition, KUB agrees to pay to the Agent all out-of-pocket expenses and costs of the Agent incurred by the Agent in the performance of its duties hereunder, including all publication, mailing and other expenses associated with the redemption of the Refunded Bonds; provided, however, that KUB agrees, to the extent permitted by law, to indemnify the Agent and hold it harmless against any liability (unless such liability is due to the gross negligence or willful misconduct of the Agent) which it may incur while acting in good faith in its capacity as Agent under this Agreement, including, but not limited to, any court costs and attorneys' fees, and such indemnification shall be paid from available funds of KUB and shall not give rise to any claim against the Escrow Fund.
ARTICLE IV
MISCELLANEOUS

SECTION 4.1 Amendments to this Agreement. This Agreement is made for the benefit of KUB, the holders from time to time for the Refunded Bonds, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Agent and KUB; provided, however, that KUB and the Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, upon Written Request and upon compliance with the conditions hereinafter stated, but only with the consent of the Provider, the Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Government Securities held hereunder and to substitute therefor direct obligations of, or obligations the principal of and interest on which are fully guaranteed by the United States of America, subject to the condition that such monies or securities held by the Agent shall be sufficient to pay principal of and interest on the Refunded Bonds. KUB hereby covenants and agrees that it will not request the Agent to exercise any of the powers described in the preceding sentence in any manner which will cause the Refunding Bonds to be arbitrage bonds within the meaning of Section 148 of the Code in effect on the date of such request and applicable to obligations issued on the date of issuance of the Refunding Bonds. The Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Securities held hereunder or from other monies available. The transactions may be effected only if there shall have been submitted to the Agent: (1) an independent verification by a nationally recognized independent certified public accounting firm concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other monies or securities held for such purpose to pay when due the principal of and interest on the Refunded Bonds in the manner required by the proceedings which authorized their issuance; and (2) an opinion from nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Refunding Bonds, cause the interest on the Refunding Bonds not to be exempt from Federal income taxation. Any surplus monies resulting from the sale, transfer, other disposition or redemption of the Government Securities held hereunder and the substitutions therefor of direct obligations of, or obligations the principal of and interest on which is fully guaranteed by, the United States of America, shall be released from the Escrow Fund and shall be transferred to KUB.
SECTION 4.2 Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 4.3 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee.

SECTION 4.4 Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by Registered or Certified Mail, postage prepaid, or sent by telegram as follows:

To KUB:

Chief Financial Officer
Knoxville Utilities Board
445 Gay Street
Knoxville, Tennessee 37902

To the Agent:

KUB and the Agent may designate in writing any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

SECTION 4.5 Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the parties shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 4.6 Termination. This Agreement shall terminate when all transfers and payments required to be made by the Agent under the provisions hereof shall have been made.

SECTION 4.7 Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, KUB has caused this Agreement to be signed in its name by its President and Chief Executive Officer and attested by the Secretary of its Board of Commissioners, and the Agent has caused this Agreement to be signed in its corporate name by its duly authorized officers, all as of the day and date first above written.

CITY OF KNOXVILLE, TENNESSEE
by and through the
KNOXVILLE UTILITIES BOARD

By: ________________________________

President and Chief Executive Officer

__________________________________

Secretary

__________________________________

Escrow Agent

By: ________________________________

Title: ______________________________

ATTEST:

__________________________________

Title: ______________________________
EXHIBIT A TO REFUNDING ESCROW AGREEMENT

Debt Service Schedule of the outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012 maturing July 1, 2022 through July 1, 2029 to the Redemption Date with name and address of the Paying Agent and Date and Amount of Redemption

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Principal Payable</th>
<th>Principal Redeemed</th>
<th>Interest Payable</th>
<th>Redemption Premium</th>
<th>Total Debt Service</th>
</tr>
</thead>
</table>

Totals:

Paying Agent: Regions Bank
Nashville, Tennessee

Debt Service Schedule of the outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012 maturing July 1, 2022 through July 1, 2042 to the Redemption Date with name and address of the Paying Agent and Date and Amount of Redemption

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Principal Payable</th>
<th>Principal Redeemed</th>
<th>Interest Payable</th>
<th>Redemption Premium</th>
<th>Total Debt Service</th>
</tr>
</thead>
</table>

Totals:

Paying Agent: Regions Bank
Nashville, Tennessee

Debt Service Schedule of the outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 to the Redemption Date with name and address of the Paying Agent and Date and Amount of Redemption

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Principal Payable</th>
<th>Principal Redeemed</th>
<th>Interest Payable</th>
<th>Redemption Premium</th>
<th>Total Debt Service</th>
</tr>
</thead>
</table>

Totals:

Paying Agent: Regions Bank
Nashville, Tennessee
Debt Service Schedule of the outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014 maturing July 1, 2022 through July 1, 2044 to the Redemption Date with name and address of the Paying Agent and Date and Amount of Redemption

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Principal Payable</th>
<th>Principal Redeemed</th>
<th>Interest Payable</th>
<th>Redemption Premium</th>
<th>Total Debt Service</th>
</tr>
</thead>
</table>

Totals:

Paying Agent: Regions Bank
Nashville, Tennessee
EXHIBIT B TO REFUNDING ESCROW AGREEMENT

Government Securities

<table>
<thead>
<tr>
<th>Par Amount</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
</tr>
</thead>
</table>

Cost of Securities: $____________
Cash: $____________
EXHIBIT C TO REFUNDING ESCROW AGREEMENT

The outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029 (the "Series AA-2012 Bonds"), its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042 (the "BB-2012 Bonds"), its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031 (the "CC-2013 Bonds"), and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044 (the "DD-2014 Bonds", and together with the AA-2012 Bonds, the BB-2012 Bonds and the CC-2013 Bonds, the "Refunded Bonds") of the City of Knoxville, Tennessee shall be redeemed as provided in this Exhibit C. The Agent is hereby authorized and directed to give the paying agent for the Refunded Bonds notice on or before ________________ to give notice of a redemption to the holders of said Refunded Bonds in accordance with the resolution authorizing the issuance of said Refunded Bonds.

NOTICE OF REDEMPTION

THE CITY OF KNOXVILLE, TENNESSEE
BY AND THROUGH THE
KNOXVILLE UTILITIES BOARD

NOTICE IS HEREBY GIVEN that the City of Knoxville, Tennessee (the "City"), by and through the Knoxville Utilities Board, has elected to and does exercise its option to call and redeem on ________________, all of the City's Refunded Bonds as follows:


The owners of the above-described Bonds are hereby notified to present the same to the principal office of Regions Bank, Nashville, Tennessee, where redemption shall be made at the price of par plus interest accrued to the redemption date. The redemption price will become due and payable on ______________ upon each such Bond herein called for redemption and such Bonds shall not bear interest beyond ______________.

Important Notice: Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed W-9 or exemption certificate or equivalent when presenting your securities.

REGIONS BANK
as Registration and Paying Agent
RESOLUTION NO. 1431

A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Eighty-Seven Million Five Hundred Thousand and No/100 Dollars ($87,500,000) in Aggregate Principal Amount of Electric System Revenue Refunding Bonds, Series LL-2021; the Issuance of Not to Exceed Forty-Nine Million Five Hundred Thousand and No/100 Dollars ($49,500,000) in Aggregate Principal Amount of Gas System Revenue Refunding Bonds, Series AA-2021; the Issuance of Not to Exceed Forty-One Million Five Hundred Thousand and No/100 Dollars ($41,500,000) in Aggregate Principal Amount of Water System Revenue Refunding Bonds, Series LL-2021; and the Issuance of Not to Exceed Two Hundred Forty-One Million and No/100 Dollars ($241,000,000) in Aggregate Principal Amount of Wastewater System Revenue Refunding Bonds, Series 2021A

Whereas, by the provisions of the City Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical power distribution system (the "Electric System"); the City's natural gas distribution system (the "Gas System"); the City's water distribution and treatment system (the "Water System"); and the City's wastewater system (the "Wastewater System") have been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $87,500,000 in aggregate principal amount of Electric System Revenue Refunding Bonds, Series LL-2021 (the "Electric Bonds") for the purpose of providing funds to refinance the outstanding principal amount of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029, its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042, its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031, and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Electric Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $49,500,000 in aggregate principal amount of Gas System Revenue Refunding Bonds, Series AA-2021 (the "Gas Bonds") for the purpose of providing funds to refinance the outstanding principal amount of the City's Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding
Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Gas Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $41,500,000 in aggregate principal amount of Water System Revenue Refunding Bonds, Series LL-2021 (the “Water Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030, its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044, and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Water Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $241,000,000 in aggregate principal amount of Wastewater System Revenue Refunding Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029, its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047, its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037, and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Wastewater Bonds; and

Whereas, the Board has had prepared for passage by the Council of the City a resolution authorizing the issuance of the Electric Bonds, a copy of which is attached hereto and made a part hereof (the “Electric Resolution”); a resolution authorizing the issuance of the Gas Bonds, a copy of which is attached hereto and made a part hereof (the “Gas Resolution”); a resolution authorizing the issuance of the Water Bonds, a copy of which is attached hereto and made a part hereof (the “Water Resolution”); and a resolution authorizing the issuance of the Wastewater Bonds, a copy of which is attached hereto and made a part hereof (the “Wastewater Resolution”).

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board as Follows:
Section 1. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Electric Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Electric Bonds pursuant thereto, the description of the Electric Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Electric Resolution.

Section 2. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Gas Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Gas Bonds pursuant thereto, the description of the Gas Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Gas Resolution.

Section 3. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Water Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Water Bonds pursuant thereto, the description of the Water Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Water Resolution.

Section 4. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Wastewater Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Wastewater Bonds pursuant thereto, the description of the Wastewater Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Wastewater Resolution.

Section 5. As required by the State Funding Board of the State of Tennessee, the Board has heretofore adopted a KUB Debt Management Policy. The Board hereby finds the issuance of the Electric Bonds, Gas Bonds, Water Bonds, and Wastewater Bonds, as proposed herein, is consistent with the KUB Debt Management Policy.

Section 6. The Board hereby formally requests the Council of the City to pass the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution, and the Board does hereby adopt, ratify, approve, consent and agree to each and every provision contained in the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution upon adoption.

Section 7. The Board has elected and does hereby elect that the Electric Bonds be issued under the Electric Resolution, the Gas Bonds be issued under the Gas Resolution, the Water Bonds be issued under the Water Resolution and the Wastewater Bonds be issued under the Wastewater Resolution.
Section 8. The Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council of the City as formal evidence of this Board's action in connection therewith.

Section 9. This Resolution shall take effect from and after its passage.

Jerry Askew, Chair

Mark Walker, Board Secretary

APPROVED ON 1st & FINAL READING: 2-18-21
EFFECTIVE DATE: 2-18-21
MINUTE BOOK 43 PAGE
February 19, 2021

Honorable Indya Kincannon, Mayor
and Honorable City Council
City of Knoxville
P.O. Box 1631
Knoxville, TN 37901

Dear Mayor Kincannon and Members of the Council:

Thank you for your recent correspondence. We acknowledge receipt on February 19, 2021, of a request from the City of Knoxville (the “City”) for a report on a plan of refunding (the “Plan”) for the City’s proposed issuance of an estimated $87,360,000 Electric System Revenue Refunding Bonds, Series LL-2021.

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the City’s Plan. The Plan, this letter, and the enclosed report should be made available on the City’s website and must be presented to each member of the City Council for review prior to the adoption of a refunding bond authorizing resolution.

If you should have questions or need assistance, please feel free to contact your financial analyst, William Wood, at 615.401.7893 or William.Wood@cot.tn.gov.

Very truly yours,

Betsy Knotts
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Contract Audit Review Manager, Division of Local Government Audit
    Ms. Gabriel J. Bolas II, KUB President and CEO, City of Knoxville, TN
    Mr. Mark Walker, KUB CFO, City of Knoxville, TN
    Mr. Joe Ayers, Cumberland Securities, Inc.
    Mr. Scott Gibson, Cumberland Securities, Inc.
    Mr. Mark Mamantov, Bass, Berry & Simms

Enclosure: Report of the Director of the Division of Local Government Finance

BK:ww
Report of the Director of the Division of Local Government Finance
Concerning the Proposed Issuance of
Electric System Revenue Refunding Bonds, Series LL-2021
Knoxville, Tennessee

This report is being issued pursuant to T.C.A. § 9-21-1003 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on February 19, 2021, from the City of Knoxville (the “City”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The City should discuss these issues with bond counsel. This report and the City’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the President and CEO of the Knoxville Utilities Board, our office has reviewed the City’s Plan, as required by TCA § 9-21-1003, and provides the following analysis based upon the assumptions outlined in the Plan.

The City intends to issue by competitive sale approximately $87,360,000 Electric System Revenue Refunding Bonds, Series LL-2021 (“The Series LL-2021 Refunding Bonds”), priced at par to refund:

- $16,510,000 Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029;
- $28,750,000 Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042;
- $6,530,000 Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031;
- $34,625,000 Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044.

These are collectively known hereinafter as the “Refunded Bonds.” The total refunded principal is $86,415,000.
• The City’s objective for the refunding is to achieve net present value debt service savings. The estimated net present value debt service savings is $9,231,436 or 10.68% of the refunded principal amount of $86,415,000.
• The City will contribute $1,423,990 to fund the transaction.
• The final maturity of the Series LL-2021 Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
• The proposed structure of the Series LL-2021 Refunding Bonds is not balloon indebtedness as defined in T.C.A. § 9-21-133.
• Estimated costs of issuance are summarized below and are based upon the par amount of $87,360,000 for the Series LL-2021 Refunding Bonds:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Price per $1,000 Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriter’s Discount</td>
<td>655,200</td>
</tr>
<tr>
<td>Financial Advisor (Cumberland Securities)</td>
<td>100,000</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>115,000</td>
</tr>
<tr>
<td>Bond Counsel (Bass, Berry &amp; Simms)</td>
<td>64,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>14,195</td>
</tr>
<tr>
<td>Total Cost of Issuance</td>
<td>$ 948,395</td>
</tr>
</tbody>
</table>

Financial Professionals

The Plan was prepared with the assistance of the City’s financial advisor, Cumberland Securities, Inc. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City’s best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the City’s underwriter and municipal advisor, please read the information posted on the MSRB website: [www.msrb.org](http://www.msrb.org).

Plan Assumptions

The assumptions of the Plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report provides no assurances of the reasonableness of the underlying assumptions. The assumptions included in the City’s Plan may not reflect either current market conditions or market conditions at the time of sale.
Debt Management Policy

The City has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the City’s policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the bonds are issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City Commission to review prior to adopting a new refunding bond authorizing resolution.

Betsy Knotts
Director of the Division of Local Government Finance
Date: February 19, 2021

Enclosure: Requirements After Debt is Issued
Requirements After Debt is Issued

- **Annual Budget Approval**
  Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: [tnicot.cc/budget](http://tnicot.cc/budget).

- **Bonds not Refunded**
  If all the bonds are not refunded as a part of the proposed refunding transaction and the City wishes to refund them in a subsequent bond issue, then a new plan must be submitted to our office for review.

- **Debt Management Policy**
  Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: [tnicot.cc/debt-policy](http://tnicot.cc/debt-policy).

- **Required Notification**
  We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the City decides to proceed with the issue, the City Commission and our office should be notified after the sale by the local government’s Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

  1. An increase in the principal amount of the debt issued;
  2. An increase in costs of issuance; or
  3. A decrease in the cumulative savings or increase in the loss.

  The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the City Commission and our office with the required filing of the Report on Debt Obligation, Form CT-0253.
• **Report on Debt Obligation**
Pursuant to T.C.A. § 9-21-134, a Report on Debt Obligation shall be completed and filed with the governing body of the local government no later than forty-five (45) days after the issuance of the debt, with a copy (including attachments, if any) filed with the Division of Local Government Finance. The report and instructions may be accessed at: tncot.cc//debt-report.

• **Rule 15c2-12 of the Securities Exchange Act**
Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: emma.msrb.org.
AGENDA SUMMARY A Resolution supplementing Resolution No. R-25-88 adopted by the City Council of the City of Knoxville, Tennessee on February 9, 1988 entitled "A Resolution providing for the issuance of Gas System Revenue Bonds" so as to provide for the issuance of not to exceed Forty-Nine Million Five Hundred thousand and no/100 Dollars ($49,500,000.00) of Gas System Revenue Refunding Bonds, Series AA-2021.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

Tennessee state law requires the municipality’s governing body (City Council) to authorize all debt issues with maturities of 5 years or greater. On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431, requesting City Council provide for the issuance of not to exceed $49,500,000 in Gas System Revenue Refunding Bonds.

The proceeds of the bonds will be used to refinance certain outstanding Gas System Revenue Bonds and Revenue Refunding Bonds issued in 2012 and 2013, maturing 2022 through 2035, and provide for costs of issuance and other fees. Based on current market performance, projected debt service savings are $7.4 million ($6.5 million on a net present value basis).

OPTIONS

RECOMMENDATION

Approval to proceed with issuance of the refunding bonds.

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION
The bonds will be secured solely by KUB gas system revenues. The bondholders will have no recourse to the taxation power of the City.

**ATTACHMENTS:**

- KUB Summary Sheet for City Council for Refinancing Outstanding Electric Gas Water and Wastewater Bonds  (DOCX)
- City Council Resolution - Gas System Refunding Bonds (DOCX)
- KUB Resolution 1431 for refunding bonds(PDF)
- Gas Refunding Bonds - Series AA - 2021 - Report from Division of Local Government Finance  (PDF)
Knoxville Utilities Board

Request for Authorization to Issue Revenue Refunding Bonds for the Purpose of Refinancing Outstanding Electric, Gas, Water and Wastewater System Bonds at Lower Interest Rates

- KUB has identified an opportunity to refinance $415,200,000 in outstanding bonds for all four utility systems at lower interest rates that would result in projected debt service savings, based on current market rates, of approximately $69,300,000 ($57,200,000 on an net present value basis) over the life of the bonds, net of issuance costs and underwriter fees.

- The bonds to be refinanced were sold in the years 2010 through 2014. The maturities of the outstanding bonds will not be extended with the new revenue refunding bonds.

- On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431 requesting City Council authorize the issuance of not to exceed $87,500,000 in Electric System Revenue Refunding Bonds, $49,500,000 in Gas System Revenue Refunding Bonds, $41,500,000 in Water System Revenue Refunding Bonds, and $241,000,000 in Wastewater System Revenue Refunding Bonds.

- If approved by City Council, the proceeds of the bonds will be used to refund the outstanding bonds and pay all issuance costs and underwriter fees related to the sale of the refunding bonds.

- The proposed refunding bonds will be sold through competitive, public sale. The bonds will be rated by Moody’s Investors Service and Standard & Poor’s. KUB’s existing bond ratings reflect high-quality credit ratings. Electric system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Gas system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Water system bonds are rated AAA by Standard & Poor’s and Aa1 by Moody’s. Wastewater system bonds are rated AA+ by Standard & Poor’s and Aa2 by Moody’s.

- Based on current bond market performance, the refunding bonds would result in total debt service savings of approximately $69,300,000 over the life of the bonds, net of all issuance costs and fees, including $11,400,000 for the electric system, $7,400,000 for the gas system, $9,900,000 for the water system, and $40,600,000 for the wastewater system.
The proposed bonds would be secured solely by KUB system revenues. The bondholders would have no recourse against the City for the repayment of the bonds.
RESOLUTION

A RESOLUTION SUPPLEMENTING RESOLUTION NO. R-25-88
ADOPTED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE, TENNESSEE ON FEBRUARY 9, 1988
ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE OF GAS SYSTEM REVENUE BONDS" SO AS TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED FORTY-NINE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($49,500,000.00) OF GAS SYSTEM REVENUE REFUNDING BONDS, SERIES AA-2021.

RESOLUTION NO: _________________
REQUESTED BY: Finance & Accountability
PREPARED BY: KUB
APPROVED: _______________________
APPROVED AS AN EMERGENCY MEASURE: _______________________
MINUTE BOOK: _______ PAGE _____
WHEREAS, the City of Knoxville (the "City"), pursuant to a resolution entitled "A Resolution Providing for the Issuance of Gas System Revenue Bonds," being Resolution No. R-25-88 of the City Council adopted February 9, 1988 (which resolution as heretofore amended is hereinafter sometimes referred to as "Resolution No. R-25-88"), authorized an issue of Gas System Revenue Bonds; and

WHEREAS, pursuant to Resolution No. R-25-88, and for the purpose of financing the cost of the extensions and improvements of the City's gas distribution system (hereinafter sometimes referred to as the "System") and the refinancing of indebtedness issued for that purpose, the City issued Gas System Revenue Bonds, the series of which, the amount issued, and the amount outstanding as of March 1, 2021, are as follows:

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount Issued</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q-2012</td>
<td>$24,920,000</td>
<td>$11,655,000</td>
</tr>
<tr>
<td>R-2012</td>
<td>$10,000,000</td>
<td>$7,225,000</td>
</tr>
<tr>
<td>S-2013</td>
<td>$11,580,000</td>
<td>$8,310,000</td>
</tr>
<tr>
<td>T-2013</td>
<td>$25,000,000</td>
<td>$21,900,000</td>
</tr>
<tr>
<td>U-2015</td>
<td>$11,780,000</td>
<td>$8,915,000</td>
</tr>
<tr>
<td>V-2016</td>
<td>$12,000,000</td>
<td>$10,800,000</td>
</tr>
<tr>
<td>W-2017</td>
<td>$8,065,000</td>
<td>$5,280,000</td>
</tr>
<tr>
<td>X-2017</td>
<td>$12,000,000</td>
<td>$11,060,000</td>
</tr>
<tr>
<td>Y-2018</td>
<td>$8,000,000</td>
<td>$7,475,000</td>
</tr>
<tr>
<td>Z-2020</td>
<td>$6,755,000</td>
<td>$6,145,000</td>
</tr>
</tbody>
</table>

WHEREAS, it is desirable that an additional series of bonds be issued to refinance the outstanding principal amount of the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029 (the "Series Q-2012 Bonds"), its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033 (the "Series R-2012 Bonds"), its outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 (the "Series S-2013 Bonds") and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035 (the "Series T-2013 Bonds" and together with the Series Q-2012 Bonds, the Series R-2012 Bonds and the Series S-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the bonds, pursuant to the authority of Resolution No. R-25-88 and pursuant to the authority of this resolution; and

WHEREAS, the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB") has duly adopted a resolution requesting the City Council of the City to adopt this resolution authorizing the issuance of bonds for the purposes and in the manner hereinafter more fully stated; and

WHEREAS, the plan of refunding for the Refunded Bonds has been submitted to the State Director of the Division of Local Government Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and she has acknowledged receipt thereof to the City and KUB and submitted her report thereon to the City and KUB, and such report has been provided to members of the City Council of the City; and

WHEREAS, it is the intention of the City Council of the City to adopt this resolution for the purpose of authorizing not to exceed $49,500,000 in aggregate principal amount of gas system revenue refunding bonds for the purposes described above, establishing the terms of such bonds, providing for the issuance, sale and payment of the bonds and disposition of proceeds therefrom, and collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds.
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Knoxville, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used herein and not defined in this Section 2 shall have the meanings ascribed to them in the 1988 Resolution (as hereinbelow defined). The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise.

(a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;

(b) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Series AA-2021 Bonds, entered into by and between KUB and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 10 hereof, as approved by the President and Chief Executive Officer of KUB, consistent with the terms of this resolution;

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

(d) "City" shall mean the City of Knoxville, Tennessee;

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder;

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

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

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

(i) "Governing Body" shall mean the City Council of the City;

(j) "KUB shall mean the Knoxville Utilities Board;


(l) "Outstanding Bonds" shall mean the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 and thereafter to the extent, if any,
not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City’s outstanding Gas System Revenue Refunding Bonds, Series U-2015, dated May 1, 2015, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Bonds, Series V-2016, dated August 5, 2016, maturing March 1, 2022 and thereafter; the City's outstanding Gas System Revenue Refunding Bonds, Series W-2017, dated April 7, 2017, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Bonds, Series X-2017, dated September 15, 2017, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series Y-2018, dated September 14, 2018, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Bonds, Series Z-2020, dated May 22, 2020, maturing March 1, 2022 and thereafter; the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Refunding Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035 that are selected for refunding pursuant to Section 10 hereof;

(m) "Parity Bonds" shall mean any bonds issued on a parity with the Series AA-2021 Bonds and the Outstanding Bonds pursuant to the 1988 Resolution;

(n) "Refunded Bonds" shall mean those portions of the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Refunding Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035 that are selected for refunding pursuant to Section 10 hereof;

(o) "Registration Agent" shall mean the registration and paying agent for the Series AA-2021 Bonds designated by the President and Chief Executive Officer of KUB, or any successor as designated by the Board;

(p) "Series AA-2021 Bonds" shall mean the City's Gas System Revenue Refunding Bonds, Series AA-2021, dated the date of their issuance or such other date as shall be determined by the Board pursuant to Section 10 hereof, authorized to be issued by the 1988 Resolution and this resolution in an aggregate principal amount not to exceed $49,500,000;

(q) "State" shall mean the State of Tennessee; and

(r) "Underwriter" shall mean an investment banking firm qualified to underwrite bonds such as the Series AA-2021 Bonds in the State of Tennessee selected by the President and Chief Executive Officer of KUB.

Section 3. Declarations. It is hereby determined that all requirements of the 1988 Resolution have been or will have been met upon the issuance of the Series AA-2021 Bonds so that the Series AA-2021 Bonds will be issued as Parity Bonds.

Section 4. Findings of the Governing Body. It is hereby found and determined by the Governing Body that the refunding of the Refunded Bonds as set forth herein through the issuance of the Series AA-2021 Bonds will result in a reduction in debt service payable by the City and KUB over the term of the Refunded Bonds, thereby effecting a cost savings to the System.

Section 5. Authorization and Terms of the Series AA-2021 Bonds. (a) For the purpose of providing funds for the payment of principal of and premium and interest on the Refunded Bonds to the earliest
practicable optional redemption date thereof, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Series AA-2021 Bonds as more fully set out in Section 10 hereof, there are hereby authorized to be issued revenue bonds of the City in the aggregate principal amount of not to exceed $49,500,000. The Series AA-2021 Bonds shall be issued in fully registered form, without coupons, shall be known as "Gas System Revenue Refunding Bonds, Series AA-2021" and shall be dated the date of their issuance or such other date as shall be determined by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10 hereof. The Series AA-2021 Bonds shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, payable semi-annually on March 1 and September 1 in each year, commencing September 1, 2021 or such later date as is permitted pursuant to Section 10 hereof. The Series AA-2021 Bonds shall be initially issued in $5,000 denominations or integral multiples thereof as shall be requested by the purchaser thereof. The Series AA-2021 Bonds shall mature and be payable either serially or through mandatory redemption on each March 1 in such years as is established by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10, provided that the final maturity date shall not be later than March 1, 2035. The final maturity schedule shall be established by the award resolution or certificate awarding the Series AA-2021 Bonds to the successful purchaser thereof or in the Bond Purchase Agreement provided for in Section 10 if the Series AA-2021 Bonds are sold by negotiated sale.

(b) Subject to adjustment pursuant to Section 10 hereof, the Series AA-2021 Bonds maturing on or before March 1, 2030 shall mature without option of prior redemption, and Series AA-2021 Bonds maturing on or after March 1, 2031 shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after March 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

If less than all the Series AA-2021 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all the Series AA-2021 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series AA-2021 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series AA-2021 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series AA-2021 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series AA-2021 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 10 hereof, KUB is authorized to sell the Series AA-2021 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by KUB. In the event any or all the Series AA-2021 Bonds are sold as term bonds, KUB shall redeem term bonds on redemption dates corresponding to the maturity dates set forth in the award resolution or certificate awarding the Series AA-2021 Bonds, in amounts so as to achieve an amortization of the indebtedness approved by the Board or the President and Chief Executive Officer of KUB as its designee. DTC, as Depository for the Series AA-2021 Bonds, or any successor Depository for the Series AA-2021 Bonds, shall determine the interest of each Participant in the Series AA-2021 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as Depository for the Series AA-2021 Bonds, the Series AA-2021 Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.
At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, KUB may (i) deliver to the Registration Agent for cancellation Series AA-2021 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series AA-2021 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series AA-2021 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series AA-2021 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series AA-2021 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series AA-2021 Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series AA-2021 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series AA-2021 Bonds, and when above provided, and neither KUB, the City, nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Series AA-2021 Bonds and, in the case of optional redemption, as and when directed by the Board pursuant to written instructions from an authorized representative of the Board given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series AA-2021 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Series AA-2021 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Chair of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

(f) The City hereby authorizes and directs the Board to appoint a Registration Agent and paying agent for the Series AA-2021 Bonds, and the Registration Agent so appointed is authorized and directed to maintain Bond registration records with respect to the Series AA-2021 Bonds, to authenticate and deliver the Series AA-2021 Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Board, to effect transfers of the Series AA-2021 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series AA-
2021 Bonds as provided herein, to cancel and destroy Series AA-2021 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish KUB at least annually a certificate of destruction with respect to Series AA-2021 Bonds canceled and destroyed, and to furnish KUB at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Series AA-2021 Bonds. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Board hereby delegates to the President and Chief Executive Officer of KUB the authority to select and appoint the Registration Agent and any paying agents for the Series AA-2021 Bonds (as well as any successors to any of the foregoing). The Chair of the Board is hereby authorized to execute and the Secretary of the Board is hereby authorized to attest such written agreement between KUB and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent.

(g) The Series AA-2021 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the designated trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Series AA-2021 Bonds, and all such payments shall discharge the obligations of KUB in respect of such Series AA-2021 Bonds to the extent of the payments so made. Payment of principal of the Series AA-2021 Bonds shall be made upon presentation and surrender of such Series AA-2021 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Series AA-2021 Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Series AA-2021 Bonds, payment of interest on such Series AA-2021 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(h) Any interest on any Series AA-2021 Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid to the persons in whose names the Series AA-2021 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: KUB shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series AA-2021 Bond and the date of the proposed payment, and at the same time KUB shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify KUB of such Special Record Date and, in the name and at the expense of KUB, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series AA-2021 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as
a result of the failure of KUB to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series AA-2021 Bonds when due.

(i) The Series AA-2021 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series AA-2021 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series AA-2021 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series AA-2021 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series AA-2021 Bond or Series AA-2021 Bonds to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series AA-2021 Bond after notice calling such Series AA-2021 Bond for redemption has been made, nor to transfer or exchange any Series AA-2021 Bond during the period following the receipt of instructions from KUB to call such Series AA-2021 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series AA-2021 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series AA-2021 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series AA-2021 Bonds shall be overdue. Series AA-2021 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series AA-2021 Bonds of the same maturity in any authorized denomination or denominations. This subsection shall be applicable only if the Series AA-2021 Bonds are no longer held by a Depository, and as long as the Series AA-2021 Bonds are held by a Depository, transfers of ownership interests in the Series AA-2021 Bonds shall be governed by the rules of the Depository.

(j) Except as otherwise authorized herein, the Series AA-2021 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as the Depository for the Series AA-2021 Bonds except as otherwise provided herein. References in this Section to a Series AA-2021 Bond or the Series AA-2021 Bonds shall be construed to mean the Series AA-2021 Bond or the Series AA-2021 Bonds that are held under the Book-Entry System. One Series AA-2021 Bond for each maturity of the Series AA-2021 Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Series AA-2021 Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series AA-2021 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series AA-2021 Bonds. Beneficial ownership interests in the Series AA-2021 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series AA-2021 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series AA-2021 Bonds. Transfers of ownership interests in the Series AA-2021 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES AA-2021 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES AA-2021 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES AA-2021 BONDS, RECEIPT OF NOTICES,
VOTING AND TAKING OR NOT TAKING, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series AA-2021 Bonds, so long as DTC is the only owner of the Series AA-2021 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series AA-2021 Bonds from the City, acting by and through KUB, and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City, KUB nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as Depository for the Series AA-2021 Bonds or (2) to the extent permitted by the rules of DTC, the Board determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Series AA-2021 Bonds in the form of fully registered Series AA-2021 Bonds to each Beneficial Owner.

NEITHER THE CITY, KUB NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES AA-2021 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES AA-2021 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES AA-2021 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the purchaser or Underwriter certifies that it intends to hold the Series AA-2021 Bonds for its own account, then the City may issue, acting by and through KUB, certified Bonds without the utilization of DTC and the Book-Entry System.

(k) In case any Series AA-2021 Bond shall become mutilated, or be lost, stolen, or destroyed, the City, acting by and through KUB, in its discretion, shall issue, and the Registration Agent, upon written direction from KUB, shall authenticate and deliver, a new Series AA-2021 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series AA-2021 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series AA-2021 Bond, or if any such Series AA-2021 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series AA-2021 Bond KUB may pay or authorize payment of such Series AA-2021 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to KUB and the Registration Agent of the destruction, theft or loss of such Series AA-2021 Bond, and indemnity satisfactory to KUB and the Registration Agent; and KUB may charge the applicant for the issue of such new Series AA-2021 Bond an amount sufficient to reimburse KUB for the expense incurred by it in the issue thereof.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Series AA-2021 Bonds to DTC, on behalf of the initial purchaser thereof, or an agent of DTC, upon receipt by KUB of the proceeds of the sale thereof, subject to the rules of the depository, and to authenticate and deliver Series AA-2021 Bonds in exchange for Series AA-2021 Bonds of the same principal amount delivered for
transfer upon receipt of the Series AA-2021 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series AA-2021 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an authorized representative thereof on the certificate set forth herein on the Series AA-2021 Bond form.

(m) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series AA-2021 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series AA-2021 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series AA-2021 Bonds and provision of notices with respect to Series AA-2021 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Beneficial Owners of the Series AA-2021 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 6. Source of Payment. The Series AA-2021 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the System as hereinafter provided and as provided in the 1988 Resolution on a parity and equality of lien with the Outstanding Bonds. The punctual payment of principal of and interest on the Series AA-2021 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System, without priority by reason of series, number or time of sale and delivery. The owners of the Series AA-2021 Bonds shall have no recourse to the power of taxation of the City.

Section 7. Form of Series AA-2021 Bonds. The Series AA-2021 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series AA-2021 Bonds are prepared and delivered:

(Form of Series AA-2021 Bond)

REGISTERED
Number ______ $________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF KNOX
CITY OF KNOXVILLE
GAS SYSTEM REVENUE REFUNDING BOND, SERIES AA-2021

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

Registered Owner:
Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Knoxville, a municipal corporation lawfully organized and existing in Knox County, Tennessee (the "City"), acting by and through the Knoxville Utilities Board ("KUB"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, or upon earlier redemption, as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on September 1, 2021, and semi-annually thereafter on the first day of March and September in each year until this Bond matures or is redeemed. Both principal
hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the designated trust office of ________________, __________, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond by check or draft on each interest payment date directly to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the day which is the fifteenth (15th) day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City and KUB to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on the Bonds shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

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

The Bonds of the issue of which this Bond is one maturing on or before March 1, 2030 shall mature without option of prior redemption. The Bonds maturing on March 1, 2031 and thereafter shall be subject
to redemption prior to maturity at the option of the City, acting through the Board, on or after March 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

[If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

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

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Redemption Date</th>
<th>Principal Amount of Bonds to be Redeemed</th>
</tr>
</thead>
</table>

*final maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City, acting through KUB, may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under the mandatory redemption provision for any Bonds to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under the mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.
Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City, but only upon direction of the Board, not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly given as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

The Bonds of the issue of which this Bond is one are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars ($5,000) or any authorized integral multiple thereof. At the designated trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for the Book-Entry System of DTC. Except as otherwise provided in this paragraph and the Resolution, as hereinafter defined, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Board may discontinue use of DTC for Bonds at any time upon determination by the Board that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Upon such determination, registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent, and the Bonds may be delivered in physical form to the following:

i. any successor of DTC or its nominee;

ii. any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Board that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or

iii. any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Board of the use of DTC (or substitute depository or its successor).

In the event that this Bond is no longer held in a Book-Entry System by DTC, this Bond shall be transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments
due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Board to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating $49,500,000 and issued by the City, acting by and through KUB, for the purpose of providing funds to refinance the outstanding principal amount of the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029 (the "Series Q-2012 Bonds"), its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033 (the "Series R-2012 Bonds"), its outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 (the "Series S-2013 Bonds") and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035 (the "Series T-2013 Bonds" and together with the Series Q-2012 Bonds, the Series R-2012 Bonds and the Series S-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and costs incident to the issuance of the Bonds, under and in full compliance with the Constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Section 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution No. R-25-88 duly adopted by the City Council of the City on February 9, 1988, as supplemented and amended by Resolution No. R-22-97, Resolution No. R-421-98, Resolution No. R-150-01, Resolution No. R-333-2010 and Resolution No. R-229-2018, and as otherwise supplemented prior to the date hereof (as supplemented and amended, the "Resolution").

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the gas distribution system of the City (the "System"), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series AA-2021 Bonds, the City's outstanding Gas System Revenue Refunding Bonds, Series U-2015, dated May 1, 2015, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Bonds, Series V-2016, dated August 5, 2016, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series W-2017, dated April 7, 2017, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Bond, Series X-2017, dated September 15, 2017, maturing March 1, 2022 and thereafter, the City's outstanding Gas System Revenue Bonds, Series Y-2018, dated September 14, 2018, maturing March 1, 2022 and thereafter, and the City's outstanding Gas System Revenue Refunding Bonds, Series Z-2020, dated May 22, 2020, maturing March 1, 2022 and thereafter (collectively, the "Outstanding Bonds"). As provided in the Resolution, the punctual payment of principal of, premium, if any, and interest on the series of Bonds of which this Bond is one, the Outstanding Bonds, and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The owner of this Bond shall have no recourse to the power of taxation of the City. The Board has covenanted that it will fix and impose such rates and charges for the services rendered by the System...
and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part, as each payment becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

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

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

IN WITNESS WHEREOF, the City acting by and through the Board has caused this Bond to be signed by the Chair of the Board by his manual or facsimile signature and attested by the Secretary of the Board by his manual or facsimile signature, all as of the date hereinabove set forth.

CITY OF KNOXVILLE
by and through the
KNOXVILLE UTILITIES BOARD

By: 
Chair

ATTESTED:

________________________
Secretary

Transferable and payable at the
designated trust office of:

________________________
, Tennessee

Date of Registration: 

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

Registration Agent

By: 
Authorized Representative
FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____________________________, [Please insert Federal Tax Identification Number or Social Security Number of Assignee _____________________________] whose address is ______________________________, the within bond of the City of Knoxville, Tennessee, and does hereby irrevocably constitute and appoint ____________________________, _________, Tennessee, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: __________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

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

Section 8. Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Series AA-2021 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or execution or delivery, and the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

Section 9. Applicability of the 1988 Resolution. The Series AA-2021 Bonds are issued in compliance with the 1988 Resolution so as to be on a parity with the Outstanding Bonds, and, when duly delivered, the Series AA-2021 Bonds shall constitute a series of bonds issued under the authority of the 1988 Resolution. All recitals, provisions, covenants and agreements contained in the 1988 Resolution, as supplemented and amended herein (except insofar as any of said recitals, provisions, covenants and agreements necessarily relate exclusively to any series of the Outstanding Bonds) are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Series AA-2021 Bonds shall be outstanding and unpaid either as to principal or interest, or until discharge and satisfaction of the Series AA-2021 Bonds as provided in Section 12 hereof, shall be applicable to the Series AA-2021 Bonds, shall inure to the benefit of owners of the Series AA-2021 Bonds as if set out in full herein, and shall be fully enforceable by the owner of any Series AA-2021 Bond.

All references to "holder" or "holders" in the 1988 Resolution shall be deemed to include owners of the Series AA-2021 Bonds, and all references to "Bonds" in the 1988 Resolution shall be deemed to include the Series AA-2021 Bonds.
Section 10. Sale of Series AA-2021 Bonds.

(a) The Series AA-2021 Bonds or any emission thereof may be sold at negotiated sale to the Underwriter or at public sale as determined by the President and Chief Executive Officer of KUB at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest, if any, provided, however, that no emission of Series AA-2021 Bonds may be sold at negotiated sale unless the Audit and Finance Committee of the Board has previously approved the sale of such emission at negotiated sale. The sale of any emission of the Series AA-2021 Bonds to the Underwriter or by public sale shall be binding on the City and KUB, and no further action of the Board with respect thereto shall be required.

(b) The President and Chief Executive Officer of KUB, as the designee of the Board, is further authorized with respect to each emission of Series AA-2021 Bonds to:

(1) change the dated date to a date other than the date of issuance;

(2) specify or change the series designation of the Series AA-2021 Bonds to a designation other than "Gas System Revenue Refunding Bonds";

(3) change the first interest payment date to a date other than September 1, 2021, provided that such date is not later than twelve months from the dated date of such emission of Series AA-2021 Bonds;

(4) establish and adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series AA-2021 Bonds or any emission thereof, provided that (A) the total principal amount of all emissions of the Series AA-2021 Bonds does not exceed the total amount of Series AA-2021 Bonds authorized herein; (B) the final maturity date of each emission shall be not later than March 1, 2035; and (C) the debt service schedule is substantially the same as what was presented to the State Director in connection with requesting a report on the refunding of the Refunded Bonds;

(5) modify or remove the optional redemption provisions contained herein, provided that the premium amount to be paid in connection with any redemption provision shall not exceed two percent (2%) of the principal amount thereof;

(6) sell the Series AA-2021 Bonds, or any emission thereof, or any maturities thereof as term bonds with mandatory redemption requirements as determined by the Board, as it shall deem most advantageous to KUB; and

(7) cause all or a portion of the Series AA-2021 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of KUB and to enter into agreements with such insurance company to the extent not inconsistent with this Resolution.

(c) If any emission of Series AA-2021 Bonds is sold at negotiated sale, the President and Chief Executive Officer of KUB is authorized to execute a Bond Purchase Agreement with respect to such emission of Series AA-2021 Bonds, providing for the purchase and sale of the Series AA-2021 Bonds, or any emission thereof. Each Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes as the President and Chief Executive Officer deems necessary or advisable in connection with the sale of such Series AA-2021 Bonds, provided any such changes are not inconsistent with the terms of this Section. If the Underwriter does not intend to reoffer the Series AA-2021 Bonds to the public, then the Bond Purchase Agreement shall be conformed to reflect such intention. The form of the Series AA-2021 Bond set forth in Section 7 hereof shall be conformed to reflect any changes made pursuant to this Section 10.
The President and Chief Executive Officer and the Chief Financial Officer of KUB, or either of them, are authorized to cause the Series AA-2021 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the purchaser(s), and to execute, publish, and deliver all certificates and documents, including an official statement, the Bond Purchase Agreement and closing certificates, as they shall deem necessary in connection with the sale and delivery of each emission of the Bonds.

If the Series AA-2021 Bonds are sold at public sale, the Series AA-2021 Bonds shall be awarded by the President and Chief Executive Officer of KUB to the bidder that offers to purchase the Bonds for the lowest true interest cost to KUB.

Section 11. Disposition of Series AA-2021 Bond Proceeds. The proceeds of the sale of the Series AA-2021 Bonds shall be paid to KUB and used and applied by KUB as follows:

(a) All accrued interest, if any, shall be deposited to the Debt Service Fund created under the 1988 Resolution and used to pay interest on the Series AA-2021 Bonds on the first interest payment date following delivery of the Series AA-2021 Bonds;

(b) An amount, which together with investment earnings thereon and legally available funds of KUB, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds (subject to adjustments permitted by Section 10 above), shall be applied by KUB directly to refund the Refunded Bonds; and

(c) The remainder shall be applied to the payment of costs of issuance relating to the AA-2021 Bonds. If there are any remaining proceeds of the Series AA-2021 Bonds after application as provided above, such remaining proceeds shall be used to pay principal and/or interest on the Series AA-2021 Bonds.

Section 12. Discharge and Satisfaction of Series AA-2021 Bonds. If KUB, on behalf of the City, shall pay and discharge the indebtedness evidenced by any of the Series AA-2021 Bonds or Parity Bonds (referred to hereinafter, collectively, in this Section as the "Bonds") in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any financial institution which has trust powers and which is regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency ("an Agent"; which Agent may be the Registration Agent), in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if KUB, on behalf of the City, shall also pay or cause to be paid all other sums payable hereunder by KUB or the City with respect to such Bonds or make adequate provision therefor, and by resolution of the Board instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and
in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, liens, pledges, agreements and obligations entered into, created, or imposed hereunder, including the pledge of and lien on the Net Revenues of the System set forth herein, shall be fully discharged and satisfied with respect to such Bonds and the owners thereof and shall thereupon cease, terminate and become void.

If KUB, on behalf of the City, shall pay and discharge or cause to be paid and discharged the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to KUB as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments, to the extent not needed for the payment of such principal, premium and interest, shall be paid over to KUB, as received by the Agent. For the purposes of this Section, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

No redemption privilege shall be exercised with respect to the Series AA-2021 Bonds or any Parity Bonds except at the option and election of the Board. The right of redemption set forth herein shall not be exercised by any Registration Agent or Agent unless expressly so directed in writing by an authorized representative of the Board.

Section 13. Notice of Refunding. Prior to the issuance of the Series AA-2021 Bonds, notice of the City's intention to refund the Refunded Bonds, to the extent required by applicable law, shall be given by the registration agent for the Refunded Bonds to be mailed by first-class mail, postage prepaid, to the registered holders thereof, as of the date of the notice, as shown on the bond registration records maintained by such registration agent of said Refunded Bonds. The President and Chief Executive Officer of KUB and the Secretary of the Board, or either of them, is hereby authorized and directed to authorize the registration agent of said Refunded Bonds to give such notice on behalf of the City in accordance with this Section.

Section 14. Federal Tax Matters. The City and KUB recognize that the purchasers and owners of the Series AA-2021 Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series AA-2021 Bonds. In this connection, KUB, on behalf of the City, agrees that it shall take no action which may render the interest on any of the Series AA-2021 Bonds includable in gross income for purposes of federal income taxation. It is the reasonable expectation of the City and KUB that the proceeds of the Series AA-2021 Bonds will not be used in a manner which will cause the Series AA-2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series AA-2021 Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the
Series AA-2021 Bonds to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Series AA-2021 Bonds from becoming taxable. The Chair of the Board, the Secretary of the Board, the President and Chief Executive Officer of KUB and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City and KUB.

Section 15. Official Statement. The President and Chief Executive Officer of KUB, or his designee, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series AA-2021 Bonds. After the Series AA-2021 Bonds have been awarded, the President and Chief Executive Officer of KUB, or his designee, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Chief Executive Officer of KUB, or his designee, shall arrange for the delivery to the purchaser of the Series AA-2021 Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series AA-2021 Bonds have been awarded for subsequent delivery by the purchaser to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of his group initially sell the Series AA-2021 Bonds.

The President and Chief Executive Officer of KUB, or his designee is authorized, on behalf of the Board, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Board except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 16. Continuing Disclosure. The City hereby covenants and agrees that KUB will provide annual financial information and material event notices for the Series AA-2021 Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Chief Financial Officer of KUB is authorized to execute at the closing of the sale of the Series AA-2021 Bonds, an agreement for the benefit of and enforceable by the owners of the Series AA-2021 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of KUB to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause KUB to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 17. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.
Adopted and approved this 9th day of March, 2021.

________________________________________
Mayor

ATTEST:

______________________________
City Recorder
STATE OF TENNESSEE  
COUNTY OF KNOX  

I, Will Johnson, hereby certify that I am the duly qualified and acting City Recorder of the City of Knoxville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City Council held on Tuesday, March 9, 2021; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original records relate to an amount not to exceed $49,500,000 Gas System Revenue Refunding Bonds, Series AA-2021.

WITNESS my official signature of the City of Knoxville, Tennessee, this ____ day of ________________, 2021.

____________________________________
City Recorder
EXHIBIT A

$49,500,000
CITY OF KNOXVILLE, TENNESSEE
ACTING ON BEHALF OF KNOXVILLE UTILITIES BOARD
GAS SYSTEM REVENUE REFUNDING BONDS, SERIES AA-2021

BOND PURCHASE AGREEMENT

__________, 2021

Knoxville Utilities Board
445 South Gay Street
Knoxville, Tennessee  37902

Gentlemen:

The undersigned (the "Underwriter") offers to enter into this agreement with Knoxville Utilities Board ("KUB") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Eastern Standard Time, on __________, 2021.

1. Purchase Price.

Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from KUB, and KUB hereby agrees to sell to the Underwriter, all (but not less than all) of $49,500,000 aggregate principal amount of KUB's Gas System Revenue Refunding Bonds, Series AA-2021 (the "Bonds"). The purchase price is $__________ plus accrued interest and shall be paid in accordance with paragraph 6 hereof. The purchase price is equal to the par amount of the Bonds less $__________ original issue discount, less $__________ underwriter's discount and plus accrued interest. The Bonds are to be issued under and pursuant to, and are to be secured by the Resolution (the "Bond Resolution") adopted on March 9, 2021, by the City Council of the City of Knoxville (the "City") at the request of KUB. The Bonds shall mature on the dates and shall bear interest at the rates all as described in the Official Statement referred to in Section 3 hereof. The maturities, rates and discount at which the Bonds are being sold are more fully described on Schedule I attached hereto.

The Bonds are being issued to provide funds to refinance the outstanding principal amount of the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029 (the "Series Q-2012 Bonds"), its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033 (the "Series R-2012 Bonds"), its outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 (the "Series S-2013 Bonds") and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035 (the "Series T-2013 Bonds" and together with the Series Q-2012 Bonds, the Series R-2012 Bonds and the Series S-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Bonds.
2. **Public Offering.**

The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market; and (ii) to discontinue such stabilizing, if commenced at any time without prior notice.

3. **Official Statement.**

(a) KUB has provided the Underwriter with information that constitutes a "deemed final" official statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Concurrently with KUB's acceptance of this Bond Purchase Agreement, KUB shall deliver or cause to be delivered to the Underwriter two copies of the Official Statement (as hereinafter defined) relating to the Bonds dated the date hereof substantially in the same form as the Preliminary Official Statement with only such changes as shall have been accepted by the Underwriter.

(b) Within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, KUB shall deliver to the Underwriter copies of the Official Statement of KUB, dated the date hereof, relating to the Bonds, in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and any applicable rules of the Municipal Securities Rulemaking Board, in substantially the form approved by KUB (which, together with the cover page, and all exhibits, appendices, and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"), executed on behalf of KUB by a duly authorized officer of KUB. You hereby authorize and approve the Official Statement and other pertinent documents referred to in Section 6 hereof to be lawfully used in connection with the offering and sale of the Bonds. You also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with a public offering of the Bonds.

(c) If, prior to the Closing (as defined in Section 5 below) or within twenty-five (25) days subsequent to the end of the underwriting period as such term is used for purposes of Rule 15c2-12, any event shall occur with respect to KUB or KUB shall receive notice of the occurrence of any other event that might or would cause the information contained in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, KUB shall so notify the Underwriter. KUB agrees to amend or supplement the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required and to furnish the Underwriter with sufficient quantities of such amendment or supplement in order to permit the Underwriter to comply with Rule 15c2-12.

4. **Representations and Warranties.**

KUB hereby represents and warrants to the Underwriter that:

(a) KUB is duly existing pursuant to the Charter of the City and is authorized by such Charter to operate and manage the System. KUB has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; (iii) the execution, delivery and receipt of this Bond Purchase Agreement, the Bonds and any and all such
other agreements and documents as may be required to be executed, delivered and received by KUB in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement and the Bond Resolution;

(b) When executed by the respective parties thereto, this Bond Purchase Agreement will constitute legal, valid and binding obligation of KUB enforceable in accordance with its terms;

(c) The information and statements contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact which was necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(d) The information and statements contained in the Official Statement, as of its date and as of the Closing, are and will be correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state any material fact which is necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(e) KUB has complied, and will at the Closing be in compliance, in all respects with the obligations on its part contained in the Bond Resolution and the laws of the State of Tennessee (the "State"), including the Act;

(f) The City has duly adopted the Bond Resolution, and the City and KUB have (a) duly authorized and approved the distribution of the Preliminary Official Statement, (b) duly authorized and approved the execution and delivery of the Official Statement, (c) duly authorized and approved the execution and delivery of, and the performance by KUB of the obligations on its part contained in, the Bonds, the Bond Resolution and this Bond Purchase Agreement, and (d) duly authorized and approved the consummation by it of all other transactions contemplated by this Bond Purchase Agreement and the Official Statement;

(g) KUB is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner related to or affecting the transactions contemplated hereby or in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Bond Purchase Agreement, the Bonds and the adoption of the Bond Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject;

(h) Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction, which would constitute a condition precedent to the performance by KUB of its obligations hereunder and under the Bond Resolution and the Bonds, have been obtained;

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of KUB, threatened against KUB or others (a) affecting KUB or the corporate existence of KUB or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of Net Revenues pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (c) in any way contesting or affecting the transactions contemplated hereby or by the Official Statement or by the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase

A-3
Agreement, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (e) contesting the powers or authority of KUB for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement;

(j) KUB will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds and other moneys of KUB to be transferred on the date of issuance of the Bonds to be applied or result in such proceeds and other moneys being applied in a manner other than as provided in or permitted by the Bond Resolution and consistent with the utilization described in the Official Statement;

(k) KUB agrees reasonably to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. KUB hereby consents to the use of the Official Statement and the Bond Resolution by the Underwriter in obtaining any qualification required;

(l) If at any time from the date of this Bond Purchase Agreement through 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12 described below) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, KUB shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Bond Purchase Agreement by notification to KUB at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds;

(m) KUB has duly authorized and approved the execution and delivery of this Bond Purchase Agreement and the performance by KUB of the obligations on its part contained herein;

(n) KUB is not, nor has it at any time, been in default in the payment of principal of or interest on any obligation issued or guaranteed by KUB;

(o) Any certificate signed by an authorized officer of KUB and delivered to the Underwriter at or prior to the Closing shall be deemed a representation and warranty by KUB in connection with this Bond Purchase Agreement to the Underwriter as to the statements made therein upon which the Underwriter shall be entitled to rely. KUB covenants that between the date hereof and the Closing, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing;

(p) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding special obligations of KUB entitled to the benefits of the Bond Resolution;

(q) KUB has lawful authority to operate the System, to consummate the transactions contemplated by the Official Statement and collect revenues, fees and other charges in connection with the System and through its Board of Commissioners, to fix the rates, fees and other charges with respect to the System; and
(r) KUB hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about KUB, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter. KUB represents that it has complied in all respects with its obligations to provide continuing disclosure of certain information as described in that certain Continuing Disclosure Certificate entered into in connection with the issuance of the Bonds.

5. Delivery of, and Payment for, the Bonds.

At 10:00 a.m. on or about __________, 2021, or at such other time or date as shall have been mutually agreed upon by KUB and the Underwriter, KUB will deliver, or cause to be delivered, to the Underwriter the other documents hereinafter mentioned and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest payable to the order of KUB, in federal funds or other immediately available funds by delivering to KUB such funds by wire transfer to KUB or its designated agent except that physical delivery of the Bonds shall be made through the facilities of the Depository Trust Company.

Payment for the Bonds shall be confirmed and delivery of the documents as aforesaid shall be made at the offices of KUB, or such other place as may be agreed upon by the Underwriter and KUB. Such payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds in such names and in such denominations as shall be designated in writing by the Underwriter to KUB at Closing.

6. Certain Conditions to Underwriter's Obligations.

The obligations of the Underwriter hereunder shall be subject to (i) the performance by KUB of its obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of KUB herein as of the date hereof and as of the date of the Closing, and (iii) to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, and (iii) KUB shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received an executed copy of each of the following documents:

(1) the approving opinion, dated the date of the Closing, of Bond Counsel addressed to KUB and the Underwriter, relating to, among other things, the validity of the Bonds [and the exclusion from gross income of the interest on the Bonds for federal and State of Tennessee income tax purposes,] in substantially the form set forth as Appendix _ to the Official Statement;

(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit A hereto;

(3) an opinion, dated the date of the Closing, of Hodges, Doughty & Carson, Knoxville, Tennessee, counsel to KUB, addressed to KUB, Bond Counsel and the Underwriter in substantially the form of Exhibit B hereto;
(4) a certificate of KUB, dated the date of the Closing and signed by a duly authorized officer of KUB and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) since the execution of the Bond Purchase Agreement no material and adverse change has occurred in the financial position of the System or results of operations of the System; (ii) KUB has not incurred any material liabilities secured by the Net Revenues of the System other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (iii) no event affecting KUB has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date of Closing;

(5) the Official Statement executed on behalf of KUB by a duly authorized officer thereof;

(6) the Bond Resolution and the Bonds;

(7) a certificate of a duly authorized officer of KUB, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the reasonable expectations of KUB as of such date as to the use of proceeds of the Bonds and of any other funds of KUB expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, KUB's expectations are reasonable;

(8) evidence indicating a rating on the Bonds of "___" by [rating agency];

(9) other certificates of KUB listed on a Closing Memorandum to be approved by counsel to KUB, Bond Counsel and counsel to the Underwriter, including any certificates or representations required in order for Bond Counsel to deliver the opinion referred to in Paragraph 6(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by KUB with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of KUB contained herein and the due performance or satisfaction by KUB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by KUB.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and counsel to the Underwriter. KUB will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

(c) The Underwriter shall have received within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Official Statement in sufficient quantity as may be reasonably requested by the Underwriter in order to comply with Rule 15(c) 2-12.

7. Termination.

The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or recommended to the Congress or
otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the Internal Revenue Code (which, if enacted, would take effect in whole or in part prior to the Closing) shall be filed in either house, or recommended for passage by the Congress by any joint or conference committee thereof, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of KUB and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Tennessee or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Tennessee or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the financial position of the System, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If KUB shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor KUB shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 10 hereof, shall continue in full force and effect.

8. **Particular Covenants.**

KUB covenants and agrees with the Underwriter as follows:

A-7
(a) KUB shall use its best efforts to furnish or cause to be furnished to the Underwriter, without charge, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, KUB shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of KUB and the Underwriter a supplement or amendment to the Official Statement is required, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and its counsel.

9. **Survival of Representations.**

   All representations, warranties and agreements of KUB hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds.

10. **Payment of Expenses.**

    Whether or not the Bonds are sold to the Underwriter by KUB, KUB shall pay, but only out of the proceeds of the sale of the Bonds or other funds made available by KUB, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Official Statement and any supplements thereto, together with a number of copies which the Underwriter deems reasonable; (ii) the cost of the preparation and printing of the definitive Bonds; (iii) the rating agency fees; and (iv) the fees and disbursements of Counsel to KUB and Bond Counsel and any other experts or consultants retained by KUB.

    Whether or not the Bonds are sold to the Underwriter, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the cost of preparing and printing the blue sky memorandum, if any, and filing fees in connection with the aforesaid blue sky memorandum other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the fees and expenses of the Underwriter's counsel.

11. **No Advisory or Fiduciary Role.**

    KUB acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between KUB and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent, advisor or fiduciary of KUB, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of KUB with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to KUB on other matters) and the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of KUB and (v) KUB has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

    KUB and the Underwriter represent and warrant that no finder or other agent has been employed by either KUB or the Underwriter in connection with this transaction.

12. **Notices.**
Any notice or other communication to be given to KUB under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to ______________________________________, ______________, ______________, ______________.

13. Parties.

This Bond Purchase Agreement is made solely for the benefit of KUB and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.


This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

15. General.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

____________________________________

By:____________________________________

Its:_________________________________

Accepted and agreed to as of the date first above written:

KNOXVILLE UTILITIES BOARD

By:____________________________________

President and Chief Executive Officer
Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Paragraph 6(b)(2) of the Bond Purchase Agreement, dated __________, 2021 (the “Bond Purchase Agreement”), between____________________________ (the “Underwriter”), and Knoxville Utilities Board (“KUB”), relating to the sale by KUB of its Gas System Revenue Refunding Bonds, Series AA-2021, in the aggregate principal amount of $49,500,000 (the “Bonds”). Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Bonds and we have participated in conferences from time to time with counsel to KUB, representatives of the Underwriter and counsel to the Underwriter, relative to the Official Statement, dated __________, 2021, relating to the Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Bonds to the public do not require any registration under the Securities Act of 1933, as amended, and, in connection therewith, the Bond Resolution does not need to be qualified under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the captions "Introduction" to the extent the narrative thereunder purports to describe the terms of the Bonds and the legal authority by which they are issued, "The Bonds," and in Appendix A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, fairly summarize such provisions. The statements contained in the Official Statement under the caption "Opinion of Bond Counsel" are correct as to matters of law.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,
EXHIBIT B TO BOND PURCHASE AGREEMENT

____________., 2021

______________________________
______________________________
______________________________
Bass, Berry & Sims PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee  37902

Ladies and Gentlemen:

Re:  City of Knoxville, Tennessee acting on behalf of the Knoxville Utilities Board  $49,500,000 Gas System Revenue Refunding Bonds, Series AA-2021

Ladies and Gentlemen:

You have requested that the undersigned, General Counsel to the Knoxville Utilities Board of the City of Knoxville, Tennessee ("KUB"), render this opinion in connection with the execution, delivery and sale of the captioned bonds (the "Bonds"), the proceeds of which will be used to refinance a portion of the outstanding principal amount of the City's outstanding Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035.

It is our opinion that KUB is duly established and validly existing pursuant to the Charter of the City of Knoxville, Tennessee (the "Municipality"), and, pursuant to said Charter, the natural gas distribution system of the Municipality (the "System") is under the jurisdiction, control and management of KUB.

The undersigned does hereby certify that no litigation of any nature is now pending or, to our knowledge, threatened

(1) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds;

(2) seeking to restrain or enjoin the charging of sufficient rates to pay the cost of operating, maintaining, repairing and insuring the System and to pay principal of and interest on the Bonds and all outstanding obligations payable from the revenues of the System;

(3) in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued or such rates are charged;

(4) in any manner questioning or relating to the validity of the Bonds;
contesting in any way the completeness or accuracy of the Official Statement prepared and distributed in connection with the sale of the Bonds;

(6) in any way contesting the corporate existence or boundaries of the Municipality, except for various pending actions challenging past or present annexation efforts of the Municipality, which will have no material adverse effect on the revenues of the System;

(7) contesting the title of the present officers of KUB to their respective offices; or

(8) contesting the powers of KUB or the authority of KUB with respect to the Bonds, or proceedings authorizing the Bonds, or any act to be done or document or certificate to be executed or delivered in connection with the issuance and delivery of the Bonds.

Neither the voters of the Municipality nor its governing body nor the Board of Commissioners of KUB have approved any special, local or private act or legislation passed by the General Assembly of the State of Tennessee at its most recent session or any amendments to the Charter of the Municipality affecting the power of the Municipality to issue the Bonds or pay the principal of, premium, if any, and interest on the Bonds when due or affecting the power of the Board of Commissioners of KUB to manage and control the System.

I hereby certify that Jerry Askew and Mark Walker are the duly qualified, appointed and acting Chair and Secretary, respectively, of the Board of Commissioners of KUB with full power to act as such officers on behalf of KUB in connection with the execution and delivery of the Bonds.

Yours truly,

29775473.1
RESOLUTION NO. 1431

A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Eighty-Seven Million Five Hundred Thousand and No/100 Dollars ($87,500,000) in Aggregate Principal Amount of Electric System Revenue Refunding Bonds, Series LL-2021; the Issuance of Not to Exceed Forty-Nine Million Five Hundred Thousand and No/100 Dollars ($49,500,000) in Aggregate Principal Amount of Gas System Revenue Refunding Bonds, Series AA-2021; the Issuance of Not to Exceed Forty-One Million Five Hundred Thousand and No/100 Dollars ($41,500,000) in Aggregate Principal Amount of Water System Revenue Refunding Bonds, Series LL-2021; and the Issuance of Not to Exceed Two Hundred Forty-One Million and No/100 Dollars ($241,000,000) in Aggregate Principal Amount of Wastewater System Revenue Refunding Bonds, Series 2021A

Whereas, by the provisions of the City Charter of the City of Knoxville, Tennessee (the “City”), the management and operation of the City’s electrical power distribution system (the “Electric System”); the City’s natural gas distribution system (the “Gas System”); the City’s water distribution and treatment system (the “Water System”); and the City’s wastewater system (the “Wastewater System”) have been placed under the jurisdiction of the Board of Commissioners (the “Board”) of the Knoxville Utilities Board (“KUB”); and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $87,500,000 in aggregate principal amount of Electric System Revenue Refunding Bonds, Series LL-2021 (the “Electric Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029, its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042, its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031, and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Electric Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $49,500,000 in aggregate principal amount of Gas System Revenue Refunding Bonds, Series AA-2021 (the “Gas Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding
Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Gas Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $41,500,000 in aggregate principal amount of Water System Revenue Refunding Bonds, Series LL-2021 (the “Water Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030, its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044, and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Water Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $241,000,000 in aggregate principal amount of Wastewater System Revenue Refunding Bonds, Series 2021A (the "Wastewater Bonds") for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2036, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029, its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047, its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037, and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Wastewater Bonds; and

Whereas, the Board has had prepared for passage by the Council of the City a resolution authorizing the issuance of the Electric Bonds, a copy of which is attached hereto and made a part hereof (the "Electric Resolution"); a resolution authorizing the issuance of the Gas Bonds, a copy of which is attached hereto and made a part hereof (the "Gas Resolution"); a resolution authorizing the issuance of the Water Bonds, a copy of which is attached hereto and made a part hereof (the "Water Resolution"); and a resolution authorizing the issuance of the Wastewater Bonds, a copy of which is attached hereto and made a part hereof (the "Wastewater Resolution").

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board as Follows:
**Section 1.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Electric Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Electric Bonds pursuant thereto, the description of the Electric Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Electric Resolution.

**Section 2.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Gas Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Gas Bonds pursuant thereto, the description of the Gas Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Gas Resolution.

**Section 3.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Water Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Water Bonds pursuant thereto, the description of the Water Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Water Resolution.

**Section 4.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Wastewater Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Wastewater Bonds pursuant thereto, the description of the Wastewater Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Wastewater Resolution.

**Section 5.** As required by the State Funding Board of the State of Tennessee, the Board has heretofore adopted a KUB Debt Management Policy. The Board hereby finds the issuance of the Electric Bonds, Gas Bonds, Water Bonds, and Wastewater Bonds, as proposed herein, is consistent with the KUB Debt Management Policy.

**Section 6.** The Board hereby formally requests the Council of the City to pass the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution, and the Board does hereby adopt, ratify, approve, consent and agree to each and every provision contained in the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution upon adoption.

**Section 7.** The Board has elected and does hereby elect that the Electric Bonds be issued under the Electric Resolution, the Gas Bonds be issued under the Gas Resolution, the Water Bonds be issued under the Water Resolution and the Wastewater Bonds be issued under the Wastewater Resolution.
Section 8. The Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council of the City as formal evidence of this Board’s action in connection therewith.

Section 9. This Resolution shall take effect from and after its passage.

Jerry Askew, Chair

Mark Walker, Board Secretary

APPROVED ON 1st

& FINAL READING: 2-18-21

EFFECTIVE DATE: 2-18-21

MINUTE BOOK 43 PAGE
February 19, 2021

Honorable Indya Kincannon, Mayor
and Honorable City Council
City of Knoxville
P.O. Box 1631
Knoxville, TN  37901

Dear Mayor Kincannon and Members of the Council:

Thank you for your recent correspondence. We acknowledge receipt on February 19, 2021, of a request from the City of Knoxville (the “City”) for a report on a plan of refunding (the “Plan”) for the City’s proposed issuance of an estimated $49,465,000 Gas System Revenue Refunding Bonds, Series AA-2021.

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the City’s Plan. The Plan, this letter, and the enclosed report should be made available on the City’s website and must be presented to each member of the City Council for review prior to the adoption of a refunding bond authorizing resolution.

If you should have questions or need assistance, please feel free to contact your financial analyst, William Wood, at 615.401.7893 or William.Wood@cot.tn.gov.

You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst.

Very truly yours,

Betsy Knotts
Director of the Division of Local Government Finance

cc:  Ms. Jean Suh, Contract Audit Review Manager, Division of Local Government Audit
Ms. Gabriel J. Bolas II, KUB President and CEO, City of Knoxville, TN
Mr. Mark Walker, KUB CFO, City of Knoxville, TN
Mr. Joe Ayers, Cumberland Securities, Inc.
Mr. Scott Gibson, Cumberland Securities, Inc.
Mr. Mark Mamantov, Bass, Berry & Simms

Enclosure: Report of the Director of the Division of Local Government Finance

BK:ww
This report is being issued pursuant to T.C.A. § 9-21-1003 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on February 19, 2021, from the City of Knoxville (the “City”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The City should discuss these issues with bond counsel. This report and the City’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the CEO and President of the Knoxville Utilities Board, our office has reviewed the City’s Plan, as required by TCA § 9-21-1003, and provides the following analysis based upon the assumptions outlined in the Plan.

The City intends to issue by competitive sale approximately $49,465,000 Gas System Revenue Refunding Bonds, Series AA-2021, priced at par to current refund:

- $11,655,000 Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029;
- $7,225,000 Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033;
- $8,310,000 Gas System Revenue Refunding Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031;
- $21,900,000 Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035.

These are collectively known hereinafter as the “Refunded Bonds.”
The City’s objective for the refunding is to achieve net present value debt service savings. The estimated net present value debt service savings is $6,502,986 or 13.25% of the refunded principal amount of $49,090,000.

The City will contribute $225,082 to fund the transaction.

The final maturity of the Series AA-2021 Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.

The proposed structure of the Series AA-2021 Refunding Bonds is not balloon indebtedness as defined in T.C.A. § 9-21-133.

Estimated costs of issuance are summarized below and are based upon the par amount of $49,465,000 for the Series AA-2021 Refunding Bonds:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Price per $1,000 Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriter’s Discount</td>
<td>379,887</td>
</tr>
<tr>
<td>Financial Advisor (Cumberland Securities)</td>
<td>80,000</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>74,000</td>
</tr>
<tr>
<td>Bond Counsel (Bass, Berry &amp; Simms)</td>
<td>52,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>14,195</td>
</tr>
<tr>
<td><strong>Total Cost of Issuance</strong></td>
<td><strong>$ 600,082</strong></td>
</tr>
</tbody>
</table>

**Financial Professionals**

The Plan was prepared with the assistance of the City’s financial advisor, Cumberland Securities, Inc. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City’s best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the City’s underwriter and municipal advisor, please read the information posted on the MSRB website: [www.msrb.org](http://www.msrb.org).

**Plan Assumptions**

The assumptions of the Plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report provides no assurances of the reasonableness of the underlying assumptions. The assumptions included in the City’s Plan may not reflect either current market conditions or market conditions at the time of sale.
Debt Management Policy

The City has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the City’s policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the bonds are issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City Commission to review prior to adopting a new refunding bond authorizing resolution.

Betsy Knotts
Director of the Division of Local Government Finance
Date: February 19, 2021

Enclosure: Requirements After Debt is Issued
Requirements After Debt is Issued

- **Annual Budget Approval**
  Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: tncot.cc/budget.

- **Bonds not Refunded**
  If all the bonds are not refunded as a part of the proposed refunding transaction and the City wishes to refund them in a subsequent bond issue, then a new plan must be submitted to our office for review.

- **Debt Management Policy**
  Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: tncot.cc/debt-policy.

- **Required Notification**
  We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the City decides to proceed with the issue, the City Commission and our office should be notified after the sale by the local government’s Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

  1. An increase in the principal amount of the debt issued;
  2. An increase in costs of issuance; or
  3. A decrease in the cumulative savings or increase in the loss.

  The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the City Commission and our office with the required filing of the Report on Debt Obligation, Form CT-0253.
• **Report on Debt Obligation**
  Pursuant to T.C.A. § 9-21-134, a Report on Debt Obligation shall be completed and filed with the governing body of the local government no later than forty-five (45) days after the issuance of the debt, with a copy (including attachments, if any) filed with the Division of Local Government Finance. The report and instructions may be accessed at: [tncot.cc/debt-report](http://tncot.cc/debt-report).

• **Rule 15c2-12 of the Securities Exchange Act**
  Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: [emma.msrb.org](http://emma.msrb.org).
AGENDA SUMMARY  A Resolution supplementing Resolution No. 2075 adopted by the City Council of the City of Knoxville, Tennessee on April 20, 1954 entitled "A Resolution providing for the issuance of Water Revenue Bonds" so as to provide for the issuance of not to exceed Forty-One Million Five Hundred Thousand and no/100 Dollars ($41,500,000.00) of Water System Revenue refunding Bonds, Series LL-2021.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

Tennessee state law requires the municipality’s governing body (City Council) to authorize all debt issues with maturities of 5 years or greater. On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431, requesting City Council provide for the issuance of not to exceed $41,500,000 in Water System Revenue Refunding Bonds.

The proceeds of the bonds will be used to refinance certain outstanding Water System Revenue Bonds and Revenue Refunding Bonds issued in 2012, 2013 and 2014, maturing 2022 through 2044, and provide for costs of issuance and other fees. Based on current market performance, projected debt service savings are $9.9 million ($7.9 million on a net present value basis).

OPTIONS

RECOMMENDATION

Approval needed to proceed with the issuance of the refunding bonds.

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION
The bonds will be secured solely by KUB water system revenues. The bondholders will have no recourse to the taxation power of the City.

**ATTACHMENTS:**

- KUB Summary Sheet for City Council for Refinancing Outstanding Electric Gas Water and Wastewater Bonds (DOCX)
- City Council Resolution - Water Refunding Bonds (DOCX)
- KUB Resolution 1431 for refunding bonds (PDF)
- Water Refunding Bonds - Series LL - 2021 - Report from Division of Local Government Finance (PDF)
Knoxville Utilities Board

Request for Authorization to Issue Revenue Refunding Bonds for the Purpose of Refinancing Outstanding Electric, Gas, Water and Wastewater System Bonds at Lower Interest Rates

• KUB has identified an opportunity to refinance $415,200,000 in outstanding bonds for all four utility systems at lower interest rates that would result in projected debt service savings, based on current market rates, of approximately $69,300,000 ($57,200,000 on an net present value basis) over the life of the bonds, net of issuance costs and underwriter fees.

• The bonds to be refinanced were sold in the years 2010 through 2014. The maturities of the outstanding bonds will not be extended with the new revenue refunding bonds.

• On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431 requesting City Council authorize the issuance of not to exceed $87,500,000 in Electric System Revenue Refunding Bonds, $49,500,000 in Gas System Revenue Refunding Bonds, $41,500,000 in Water System Revenue Refunding Bonds, and $241,000,000 in Wastewater System Revenue Refunding Bonds.

• If approved by City Council, the proceeds of the bonds will be used to refund the outstanding bonds and pay all issuance costs and underwriter fees related to the sale of the refunding bonds.

• The proposed refunding bonds will be sold through competitive, public sale. The bonds will be rated by Moody’s Investors Service and Standard & Poor’s. KUB’s existing bond ratings reflect high-quality credit ratings. Electric system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Gas system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Water system bonds are rated AAA by Standard & Poor’s and Aa1 by Moody’s. Wastewater system bonds are rated AA+ by Standard & Poor’s and Aa2 by Moody’s.

• Based on current bond market performance, the refunding bonds would result in total debt service savings of approximately $69,300,000 over the life of the bonds, net of all issuance costs and fees, including $11,400,000 for the electric system, $7,400,000 for the gas system, $9,900,000 for the water system, and $40,600,000 for the wastewater system.
The proposed bonds would be secured solely by KUB system revenues. The bondholders would have no recourse against the City for the repayment of the bonds.
A RESOLUTION SUPPLEMENTING RESOLUTION NO. 2075 ADOPTED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE, TENNESSEE ON APRIL 20, 1954 ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE OF WATER REVENUE BONDS" SO AS TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED FORTY-ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($41,500,000.00) OF WATER SYSTEM REVENUE REFUNDING BONDS, SERIES LL-2021.
WHEREAS, the City of Knoxville (the "City"), pursuant to a resolution entitled "A Resolution Providing for the Issuance of Water Revenue Bonds," being Resolution No. 2075 of the City Council adopted April 20, 1954 (which resolution as heretofore amended is hereinafter sometimes referred to as "Resolution No. 2075"), authorized an issue of Water Revenue Bonds; and

WHEREAS, pursuant to Resolution No. 2075, and for the purpose of financing the cost of the extensions and improvements to the City's water distribution and treatment system (the "System") and the refinancing of indebtedness issued for that purpose, the City issued Water Revenue Bonds, the series of which, the amount issued, and the amount outstanding as of March 1, 2021 are as follows:

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount Issued</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>X-2012</td>
<td>$10,050,000</td>
<td>$5,835,000</td>
</tr>
<tr>
<td>Y-2013</td>
<td>$9,285,000</td>
<td>$7,380,000</td>
</tr>
<tr>
<td>Z-2013</td>
<td>$25,000,000</td>
<td>$21,025,000</td>
</tr>
<tr>
<td>AA-2014</td>
<td>$8,000,000</td>
<td>$6,925,000</td>
</tr>
<tr>
<td>BB-2015</td>
<td>$23,005,000</td>
<td>$19,075,000</td>
</tr>
<tr>
<td>CC-2015</td>
<td>$20,000,000</td>
<td>$17,575,000</td>
</tr>
<tr>
<td>DD-2016</td>
<td>$25,000,000</td>
<td>$22,675,000</td>
</tr>
<tr>
<td>EE-2016</td>
<td>$20,875,000</td>
<td>$18,430,000</td>
</tr>
<tr>
<td>FF-2017</td>
<td>$5,310,000</td>
<td>$3,405,000</td>
</tr>
<tr>
<td>GG-2017</td>
<td>$20,000,000</td>
<td>$18,610,000</td>
</tr>
<tr>
<td>HH-2018</td>
<td>$19,995,000</td>
<td>$18,695,000</td>
</tr>
<tr>
<td>II-2019</td>
<td>$19,995,000</td>
<td>$19,230,000</td>
</tr>
<tr>
<td>JJ-2020</td>
<td>$19,520,000</td>
<td>$18,890,000</td>
</tr>
<tr>
<td>KK-2020</td>
<td>$9,045,000</td>
<td>$8,835,000</td>
</tr>
</tbody>
</table>

WHEREAS, it is desirable that an additional series of bonds be issued to refinance the outstanding principal amount of the City's outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029 (the "Series X-2012 Bonds"), its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030 (the "Series Y-2013 Bonds"), its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044 (the "Series Z-2013 Bonds"), and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044 (the "Series AA-2014 Bonds" and together with the Series X-2012 Bonds, the Series Y-2013 Bonds, and the Series Z-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the bonds, pursuant to the authority of Resolution No. 2075 and pursuant to the authority of this resolution; and

WHEREAS, the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB") has duly adopted a resolution requesting the City Council of the City to adopt this resolution authorizing the issuance of bonds for the purposes and in the manner hereinafter more fully stated; and

WHEREAS, the plan of refunding for the Refunded Bonds has been submitted to the State Director of the Division of Local Government Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and she has acknowledged receipt thereof to the City and KUB and submitted her report thereon to the City and KUB, and such report has been provided to members of the City Council of the City; and
WHEREAS, it is the intention of the City Council of the City to adopt this resolution for the purpose of authorizing not to exceed $41,500,000 in aggregate principal amount of water revenue refunding bonds for the purposes described above, establishing the terms of such bonds, providing for the issuance, sale and payment of the bonds and disposition of proceeds therefrom, and collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used herein and not defined in this Section 2 shall have the meanings ascribed to them in the 1954 Resolution (as hereinbelow defined). The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise.

(a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;

(b) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Series LL- Bonds, entered into by and between KUB and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 10 hereof, as approved by the President and Chief Executive Officer of KUB, consistent with the terms of this resolution;

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

(d) "City" shall mean the City of Knoxville, Tennessee;

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder;

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

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

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

(i) "Governing Body" shall mean the City Council of the City;

(j) "KUB" shall mean the Knoxville Utilities Board;

R-8-98, Resolution No. R-151-01 and Resolution No. R-228-2018, and as otherwise supplemented prior to the date hereof;


(m) "Parity Bonds" shall mean any bonds issued on a parity with the Series LL-2021 Bonds and the Outstanding Bonds pursuant to the 1954 Resolution;

(n) "Refunded Bonds" shall mean those portions of the City's outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030, its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044, and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044 that are selected for refunding pursuant to Section 10 hereof;

(o) "Registration Agent" shall mean the registration and paying agent for the Series LL-2021 Bonds designated by the President and Chief Executive Officer of KUB, or any successor as designated by the Board;

(p) "Series LL-2021 Bonds" shall mean the City's Water System Revenue Refunding Bonds, Series LL-2021, dated the date of their issuance, or such other date as shall be determined by the Board pursuant to Section 10 hereof, authorized to be issued by the 1954 Resolution and this resolution in an aggregate principal amount not to exceed $41,500,000;

(q) "State" shall mean the State of Tennessee; and

(r) "Underwriter" shall mean an investment banking firm qualified to underwrite bonds such as the Series LL-2021 Bonds in the State of Tennessee selected by the President and Chief Executive Officer of KUB.
Section 3. Declarations. It is hereby determined that all requirements of the 1954 Resolution have been or will have been met upon the issuance of the Series LL-2021 Bonds so that the Series LL-2021 Bonds will be issued as Parity Bonds.

Section 4. Findings of the Governing Body. It is hereby found and determined by the Governing Body that the refunding of the Refunded Bonds as set forth herein through the issuance of the Series LL-2021 Bonds will result in a reduction in debt service payable by the City and KUB over the term of the Refunded Bonds, thereby effecting a cost savings to the System.

Section 5. Authorization and Terms of the Series LL-2021 Bonds. (a) For the purpose of providing funds for the payment of principal of and premium and interest on the Refunded Bonds to the earliest practicable optional redemption date thereof, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Series LL-2021 Bonds as more fully set out in Section 10 hereof, there are hereby authorized to be issued revenue bonds of the City in the aggregate principal amount of not to exceed $41,500,000. The Series LL-2021 Bonds shall be issued in fully registered form, without coupons, shall be known as "Water System Revenue Refunding Bonds, Series LL-2021" and shall be dated the date of their issuance or such other date as shall be determined by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10 hereof. The Series LL-2021 Bonds shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, payable semi-annually on March 1 and September 1 in each year, commencing September 1, 2021 or such later date as is permitted pursuant to Section 10 hereof. The Series LL-2021 Bonds shall be initially issued in $5,000 denominations or integral multiples thereof as shall be requested by the purchaser thereof. The Series LL-2021 Bonds shall mature and be payable either serially or through mandatory redemption on each March 1 in such years as is established by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10, provided that the final maturity date shall not be later than March 1, 2044. The final maturity schedule shall be established by the award resolution or certificate awarding the Series LL-2021 Bonds to the successful purchaser thereof or in the Bond Purchase Agreement provided for in Section 10 if the Series LL-2021 Bonds are sold by negotiated sale.

(b) Subject to adjustment pursuant to Section 10 hereof, the Series LL-2021 Bonds maturing on or before March 1, 2030 shall mature without option of prior redemption, and the Series LL-2021 Bonds maturing on and after March 1, 2031 shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after March 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

If less than all the Series LL-2021 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all the Series LL-2021 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series LL-2021 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series LL-2021 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series LL-2021 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series LL-2021 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 10 hereof, KUB is authorized to sell the Series LL-2021 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by KUB. In the event any or all the Series LL-2021 Bonds are sold as
term bonds, KUB shall redeem such term bonds on redemption dates corresponding to the maturity dates set forth in the award resolution or certificate awarding the Series LL-2021 Bonds, in amounts so as to achieve an amortization of the indebtedness approved by the Board or the President and Chief Executive Officer of KUB as its designee. DTC, as Depository for the Series LL-2021 Bonds, or any successor Depository for the Series LL-2021 Bonds, shall determine the interest of each Participant in the Series LL-2021 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as Depository for the Series LL-2021 Bonds, the Series LL-2021 Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, KUB may (i) deliver to the Registration Agent for cancellation Series LL-2021 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series LL-2021 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series LL-2021 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series LL-2021 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series LL-2021 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series LL-2021 Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Series LL-2021 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series LL-2021 Bonds, as and when above provided, and neither KUB, the City, nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Series LL-2021 Bonds and, in the case of optional redemption, as and when directed by the Board pursuant to written instructions from an authorized representative of the Board given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series LL-2021 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.
(e) The Series LL-2021 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Chair of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

(f) The City hereby authorizes and directs the Board to appoint a Registration Agent and paying agent for the Series LL-2021 Bonds, and the Registration Agent so appointed is authorized and directed to maintain Bond registration records with respect to the Series LL-2021 Bonds, to authenticate and deliver the Series LL-2021 Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Board, to effect transfers of the Series LL-2021 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series LL-2021 Bonds as provided herein, to cancel and destroy the Series LL-2021 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish KUB at least annually a certificate of destruction with respect to Series LL-2021 Bonds canceled and destroyed, and to furnish KUB at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Series LL-2021 Bonds. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Board hereby delegates to the President and Chief Executive Officer of KUB the authority to select and appoint the Registration Agent and any paying agents for the Series LL-2021 Bonds (as well as any successors to any of the foregoing). The Chair of the Board is hereby authorized to execute and the Secretary of the Board is hereby authorized to attest such written agreement between KUB and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent.

(g) The Series LL-2021 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the designated trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Series LL-2021 Bonds, and all such payments shall discharge the obligations of KUB in respect of such Series LL-2021 Bonds to the extent of the payments so made. Payment of principal of the Series LL-2021 Bonds shall be made upon presentation and surrender of such Series LL-2021 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Series LL-2021 Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Series LL-2021 Bonds, payment of interest on such Series LL-2021 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designation account is given to the Registration Agent prior to the record date.

(h) Any interest on any Series LL-2021 Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid to the persons in whose names the Series LL-2021 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: KUB shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series LL-2021 Bond and the date of the proposed payment, and at the same time KUB shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest.
as in this Section 5 provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify KUB of such Special Record Date and, in the name and at the expense of KUB, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section 5 or in the Series LL-2021 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of KUB to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series LL-2021 Bonds when due.

(i) The Series LL-2021 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series LL-2021 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series LL-2021 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series LL-2021 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series LL-2021 Bond or Series LL-2021 Bonds to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series LL-2021 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series LL-2021 Bond, nor to transfer or exchange any Series LL-2021 Bond after notice calling such Series LL-2021 Bond for redemption has been made, nor to transfer or exchange any Series LL-2021 Bond during the period following the receipt of instructions from KUB to call such Series LL-2021 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series LL-2021 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series LL-2021 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series LL-2021 Bonds shall be overdue. Series LL-2021 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series LL-2021 Bonds of the same maturity in any authorized denomination or denominations. This subsection shall be applicable only if the Series LL-2021 Bonds are no longer held by a Depository, and as long as the Series LL-2021 Bonds are held by a Depository, transfers of ownership interests in the Series LL-2021 Bonds shall be governed by the rules of the Depository.

(j) Except as otherwise authorized herein, the Series LL-2021 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as the Depository for the Series LL-2021 Bonds except as otherwise provided herein. References in this Section 5 to a Series LL-2021 Bond or the Series LL-2021 Bonds shall be construed to mean the Series LL-2021 Bond or the Series LL-2021 Bonds that are held under the Book-Entry System. One Bond for each maturity of the Series LL-2021 Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Series LL-2021 Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series LL-2021 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant’s interest in the Series LL-2021 Bonds. Beneficial ownership interests in the Series LL-2021 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership
interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series LL-2021 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series LL-2021 Bonds. Transfers of ownership interests in the Series LL-2021 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES LL-2021 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES LL-2021 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES LL-2021 BONDS, RECEIPT OF NOTICES, VOTING AND TAKING OR NOT TAKING, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series LL-2021 Bonds, so long as DTC is the only owner of the Series LL-2021 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series LL-2021 Bonds from the City, acting by and through KUB, and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City, KUB nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as Depository for the Series LL-2021 Bonds or (2) to the extent permitted by the rules of DTC, the Board determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Series LL-2021 Bonds in the form of fully registered Series LL-2021 Bonds to each Beneficial Owner. 

NEITHER THE CITY, KUB NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES LL-2021 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES LL-2021 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES LL-2021 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the purchaser or Underwriter certifies that it intends to hold the Series LL-2021 Bonds for its own account, then the City may issue, acting by and through KUB, certificated Bonds without the utilization of DTC and the Book-Entry System.

(k) In case any Series LL-2021 Bond shall become mutilated, or be lost, stolen, or destroyed, the City, acting by and through KUB, in its discretion, shall issue, and the Registration Agent, upon written direction from KUB, shall authenticate and deliver, a new Series LL-2021 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series LL-2021 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series LL-2021 Bond, or if any such Series LL-2021 Bond shall have matured or shall be about to mature, instead of issuing a
substituted Series LL-2021 Bond KUB may pay or authorize payment of such Series LL-2021 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to KUB and the Registration Agent of the destruction, theft or loss of such Series LL-2021 Bond, and indemnity satisfactory to KUB and the Registration Agent; and KUB may charge the applicant for the issue of such new Series LL-2021 Bond an amount sufficient to reimburse KUB for the expense incurred by it in the issue thereof.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Series LL-2021 Bonds to DTC, on behalf of the initial purchaser thereof, or an agent of DTC, upon receipt by KUB of the proceeds of the sale thereof and, subject to the rules of the Depository, and to authenticate and deliver Series LL-2021 Bonds in exchange for Series LL-2021 Bonds of the same principal amount delivered for transfer upon receipt of the Series LL-2021 Bond(s) to be transferred in proper form with proper documentation as hereinafter described. The Series LL-2021 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an authorized representative thereof on the certificate set forth herein on the Series LL-2021 Bond form.

(m) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series LL-2021 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series LL-2021 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series LL-2021 Bonds and provision of notices with respect to Series LL-2021 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Beneficial Owners of the Series LL-2021 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section 5.

Section 6. Source of Payment. The Series LL-2021 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the System as hereinafter provided and as provided in the 1954 Resolution on a parity and equality of lien with the Outstanding Bonds. The punctual payment of principal of and interest on the Series LL-2021 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale and delivery. The owners of the Series LL-2021 Bonds shall have no recourse to the power of taxation of the City.

Section 7. Form of Series LL-2021 Bonds. The Series LL-2021 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series LL-2021 Bonds are prepared and delivered:

(Form of Series LL-2021 Bond)

REGISTERED

REGISTERED

Number ______

$_________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF KNOX
CITY OF KNOXVILLE
WATER SYSTEM REVENUE REFUNDING BOND, SERIES LL-2021

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

Registered Owner:
Principal Amount:
KNOW ALL PERSONS BY THESE PRESENTS: That the City of Knoxville, a municipal corporation lawfully organized and existing in Knox County, Tennessee (the "City"), acting by and through the Knoxville Utilities Board ("KUB"), for value received hereby promises to pay to the registered owner hereof, hereinafter named, or registered assigns, in the manner hereinafter provided, the principal amount hereinaabove set forth on the maturity date hereinaabove set forth, or upon earlier redemption, as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinaabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on September 1, 2021, and semi-annually thereafter on the first day of March and September in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the designated trust office of ____________, __________, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond by check or draft on each interest payment date directly to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the day which is the fifteenth (15th) day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City and KUB to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on the Bonds shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

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

Attachment: City Council Resolution - Water Refunding Bonds (8152 : KUB, issuance of water system revenue refunding bonds)
Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

The Bonds of the issue of which this Bond is one maturing on or before March 1, 2030 shall mature without option of prior redemption. The Bonds maturing on March 1, 2031 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after March 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

[If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

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

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Redemption Date</th>
<th>Principal Amount of Bonds to be Redeemed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*final maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City, acting through KUB, may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under the mandatory redemption provision for any Bonds to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under
the mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City, but only upon direction of the Board, not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly given as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.]

The Bonds of the issue of which this Bond is one are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars ($5,000) or any authorized integral multiple thereof. At the designated trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for the Book-Entry System of DTC. Except as otherwise provided in this paragraph and the Resolution, as hereinafter defined, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Board may discontinue use of DTC for Bonds at any time upon determination by the Board that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Upon such determination, registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent, and the Bonds may be delivered in physical form to the following:

i. any successor of DTC or its nominee;

ii. any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Board that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository;

iii. any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Board of the use of DTC (or substitute depository or its successor).
In the event that this Bond is no longer held in a Book-Entry System by DTC, this Bond shall be transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Board to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating $41,500,000 and issued by the City, acting by and through KUB, for the purpose of providing funds to refinance the outstanding principal amount of the City's outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029 (the "Series X-2012 Bonds"), its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030 (the "Series Y-2013 Bonds"), its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044 (the "Series Z-2013 Bonds"), and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044 (the "Series AA-2014 Bonds" and together with the Series X-2012 Bonds, the Series Y-2013 Bonds, and the Series Z-2013 Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and costs incident to the issuance of the Bonds, under and in full compliance with the Constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution No. 2075 duly adopted by the City Council of the City on April 20, 1954, as amended and supplemented by Resolution No. 3633, Resolution No. R-26-88, Resolution No. R-8-98, Resolution No. R-151-01 and Resolution No. R-228-2018, and as otherwise supplemented prior to the date hereof (as supplemented and amended, the "Resolution").

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the water distribution and treatment system of the City (the "System"), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series LL-2021 Bonds, the City's outstanding Water System Revenue Refunding Bonds, Series BB-2015, dated May 1, 2015, maturing March 1, 2022 and thereafter, the City's outstanding Water System Revenue Bonds, Series CC-2015, dated May 20, 2015, maturing March 1, 2022 and thereafter, the City's outstanding Water System Revenue Bonds, Series DD-2016, dated August 5, 2016, maturing March 1, 2022 and thereafter, the City's outstanding Water System Revenue...
Refunding Bonds, Series EE-2016, dated August 5, 2016, maturing March 1, 2022 and thereafter, the City’s outstanding Water System Revenue Refunding Bonds, Series FF-2017, dated April 7, 2017, maturing March 1, 2022 and thereafter, the City’s outstanding Water System Revenue Bonds, Series GG-2017, dated September 15, 2017, maturing March 1, 2022 and thereafter, the City’s outstanding Water System Revenue Bonds, Series HH-2018, dated September 14, 2018, maturing March 1, 2022 and thereafter, the City’s outstanding Water System Revenue Refunding Bonds, Series JJ-2020, dated May 22, 2020, maturing March 1, 2022 and thereafter, and the City’s Water System Revenue Bonds, Series KK-2020, dated October 30, 2020, maturing March 1, 2022 and thereafter. As provided in the Resolution, the punctual payment of principal of, premium, if any, and interest on the series of Bonds of which this Bond is one, the Outstanding Bonds and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The owner of this Bond shall have no recourse to the power of taxation of the City. The Board has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part, as each payment becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

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

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

IN WITNESS WHEREOF, the City acting by and through the Board has caused this Bond to be signed by the Chair of the Board by his manual or facsimile signature and attested by the Secretary of the Board by his manual or facsimile signature, all as of the date hereinabove set forth.

CITY OF KNOXVILLE
by and through the
KNOXVILLE UTILITIES BOARD

By: ________________________________
Chair

ATTESTED:

______________________________
Secretary

Transferable and payable at the
designated trust office of: ____________________________
Tennessee

Date of Registration: __________________

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

________________________
Registration Agent

By: _______________________________

Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____________________________, [Please insert Federal Tax Identification Number or Social Security Number of Assignee] whose address is ________________________________________________________________, __________________________________________, the within bond of the City of Knoxville, Tennessee, and does hereby irrevocably constitute and appoint _____________________________, Tennessee, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: ____________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

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

Section 8. Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Series LL-2021 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or execution or delivery, and the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

Section 9. Applicability of the 1954 Resolution. The Series LL-2021 Bonds are issued in compliance with the 1954 Resolution so as to be on a parity with the Outstanding Bonds, and, when duly delivered, the Series LL-2021 Bonds shall constitute a series of bonds issued under the authority of the 1954 Resolution. All recitals, provisions, covenants and agreements contained in the 1954 Resolution, as supplemented and amended herein (except insofar as any of said recitals, provisions, covenants and agreements necessarily relate exclusively to any series of the Outstanding Bonds) are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Series LL-2021 Bonds shall
be outstanding and unpaid either as to principal or interest, or until discharge and satisfaction of the Series LL-2021 Bonds as provided in Section 12 hereof, shall be applicable to the Series LL-2021 Bonds, shall inure to the benefit of owners of the Series LL-2021 Bonds as if set out in full herein, and shall be fully enforceable by the owner of any Series LL-2021 Bond.

All references to "holder" or "holders" in the 1954 Resolution shall be deemed to include owners of the Series LL-2021 Bonds, and all references to "Bonds" in the 1954 Resolution shall be deemed to include the Series LL-2021 Bonds.

Section 10. Sale of Series LL-2021 Bonds.

(a) The Series LL-2021 Bonds or any emission thereof may be sold at negotiated sale to the Underwriter or at public sale as determined by the President and Chief Executive Officer of KUB at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest, if any, provided, however, that no emission of Series LL-2021 Bonds may be sold at negotiated sale unless the Audit and Finance Committee of the Board has previously approved the sale of such emission at negotiated sale. The sale of any emission of the Series LL-2021 Bonds to the Underwriter or by public sale shall be binding on the City and KUB, and no further action of the Board with respect thereto shall be required.

(b) The President and Chief Executive Officer of KUB, as the designee of the Board, is further authorized with respect to each emission of Series LL-2021 Bonds to:

1. change the dated date to a date other than the date of issuance;

2. specify or change the series designation of the Series LL-2021 Bonds other than "Water System Revenue Refunding Bonds, Series LL-2021";

3. change the first interest payment date to a date other than September 1, 2021, provided that such date is not later than twelve months from the dated date of such emission of Series LL-2021 Bonds;

4. establish and adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series LL-2021 Bonds or any emission thereof, provided that (A) the total principal amount of all emissions of the Series LL-2021 Bonds does not exceed the total amount of Series LL-2021 Bonds authorized herein; (B) the final maturity date of each emission shall be not later than March 1, 2044; and (C) the debt service schedule is substantially the same as what was presented to the State Director in connection with requesting a report on the refunding of the Refunded Bonds;

5. modify or remove the optional redemption provisions contained herein, provided that the premium amount to be paid in connection with any redemption provision shall not exceed two percent (2%) of the principal amount thereof;

6. sell the Series LL-2021 Bonds, or any emission thereof, or any maturities thereof as term bonds with mandatory redemption requirements as determined by the Board, as it shall deem most advantageous to KUB; and

7. cause all or a portion of the Series LL-2021 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of KUB and to enter into agreements with such insurance company to the extent not inconsistent with this resolution.
If any emission of Series LL-2021 Bonds is sold at negotiated sale, the President and Chief Executive Officer of KUB is authorized to execute a Bond Purchase Agreement with respect to such emission of Series LL-2021 Bonds, providing for the purchase and sale of the Series LL-2021 Bonds, or any emission thereof. Each Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes as the President and Chief Executive Officer deems necessary or advisable in connection with the sale of such Series LL-2021 Bonds, provided any such changes are not inconsistent with the terms of this Section 10. If the Underwriter does not intend to reoffer the Series LL-2021 Bonds to the public, then the Bond Purchase Agreement shall be conformed to reflect such intention. The form of the Series LL-2021 Bond set forth in Section 7 hereof shall be conformed to reflect any changes made pursuant to this Section 10.

The President and Chief Executive Officer and the Chief Financial Officer of KUB, or either of them, are authorized to cause the Series LL-2021 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the purchaser(s), and to execute, publish, and deliver all certificates and documents, including an official statement, the Bond Purchase Agreement and closing certificates, as they shall deem necessary in connection with the sale and delivery of each emission of the Bonds.

If the Series LL-2021 Bonds are sold at public sale, the Series LL-2021 Bonds shall be awarded by the President and Chief Executive Officer of KUB to the bidder that offers to purchase the Bonds for the lowest true interest cost to KUB.

Section 11. Disposition of Series LL-2021 Bond Proceeds. The proceeds of the sale of the Series LL-2021 Bonds shall be paid to KUB and used and applied by KUB as follows:

(a) All accrued interest, if any, shall be deposited to the Debt Service Fund created under the 1954 Resolution and used to pay interest on the Series LL-2021 Bonds on the first interest payment date following delivery of the Series LL-2021 Bonds;

(b) An amount, which together with investment earnings thereon and legally available funds of KUB, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds (subject to adjustments permitted by Section 10 above), shall be applied by KUB directly to refund the Refunded Bonds; and

(c) The remainder shall be applied to the payment of costs of issuance relating to the Series LL-2021 Bonds. If there are any remaining proceeds of the Series LL-2021 Bonds after application as provided above, such remaining proceeds shall be used to pay principal and/or interest on the Series LL-2021 Bonds.

Section 12. Discharge and Satisfaction of Series LL-2021 Bonds. If KUB, on behalf of the City, shall pay and discharge the indebtedness evidenced by any of the Series LL-2021 Bonds or Parity Bonds (referred to hereinafter, collectively, in this Section 12 as the "Bonds") in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any financial institution which has trust powers and which is regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency ("an Agent"; which Agent may be the Registration Agent), in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or
redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if KUB, on behalf of the City, shall also pay or cause to be paid all other sums payable hereunder by KUB or the City with respect to such Bonds or make adequate provision therefor, and by resolution of the Board instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, liens, pledges, agreements and obligations entered into, created, or imposed hereunder, including the pledge of and lien on the Net Revenues of the System set forth herein, shall be fully discharged and satisfied with respect to such Bonds and the owners thereof and shall thereupon cease, terminate and become void.

If KUB, on behalf of the City, shall pay and discharge or cause to be paid and discharged the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section 12, neither Defeasance Obligations nor moneys deposited with the Agent pursuant to this Section 12 nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to KUB as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments, to the extent not needed for the payment of such principal, premium and interest, shall be paid over to KUB, as received by the Agent. For the purposes of this Section 12, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section 12, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

No redemption privilege shall be exercised with respect to the Series LL-2021 Bonds or any Parity Bonds except at the option and election of the Board. The right of redemption set forth herein shall not be exercised by any Registration Agent or Agent unless expressly so directed in writing by an authorized representative of the Board.

Section 13. Notice of Refunding. Prior to the issuance of the Series LL-2021 Bonds, notice of the City's intention to refund the Refunded Bonds, to the extent required by applicable law, shall be given by the registration agent for the Refunded Bonds to be mailed by first-class mail, postage prepaid, to the registered holders thereof, as of the date of the notice, as shown on the bond registration records maintained by such registration agent of said Refunded Bonds. The President and Chief Executive Officer of KUB and the Secretary of the Board, or either of them, is hereby authorized and directed to authorize the registration agent of said Refunded Bonds to give such notice on behalf of the City in accordance with this Section 14.
Section 14. Federal Tax Matters. The City and KUB recognize that the purchasers and owners of the Series LL-2021 Bonds will have accepted them on, and paid therefor a price that reflects the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series LL-2021 Bonds. In this connection, KUB, on behalf of the City, agrees that it shall take no action which may render the interest on any of the Series LL-2021 Bonds includable in gross income for purposes of federal income taxation. It is the reasonable expectation of the City and KUB that the proceeds of the Series LL-2021 Bonds will not be used in a manner which will cause the Series LL-2021 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series LL-2021 Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the Series LL-2021 Bonds to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Series LL-2021 Bonds from becoming taxable. The Chair of the Board, the Secretary of the Board, the President and Chief Executive Officer of KUB and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City and KUB.

Section 15. Official Statement. The President and Chief Executive Officer of KUB, or his designee, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series LL-2021 Bonds. After the Series LL-2021 Bonds have been awarded, the President and Chief Executive Officer of KUB, or his designee, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Chief Executive Officer of KUB, or his designee, shall arrange for the delivery to the purchaser of the Series LL-2021 Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series LL-2021 Bonds have been awarded for subsequent delivery by the purchaser to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of his group initially sell the Series LL-2021 Bonds.

The President and Chief Executive Officer of KUB, or his designee, is authorized, on behalf of the Board, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Board except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 16. Continuing Disclosure. The City hereby covenants and agrees that KUB will provide annual financial information and material event notices for the Series LL-2021 Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Chief Financial Officer of KUB is authorized to execute at the closing of the sale of the Series LL-2021 Bonds, an agreement for the benefit of and enforceable by the owners of the Series LL-2021 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of KUB to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause KUB to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.
Section 17. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.
Adopted and approved this 9th day of March, 2021.

______________________________
Mayor

______________________________
City Recorder
STATE OF TENNESSEE  
COUNTY OF KNOX  

I, Will Johnson, hereby certify that I am the duly qualified and acting City Recorder of the City of Knoxville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City Council held on Tuesday, March 9, 2021; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original records relate to an amount not to exceed $41,500,000 Water System Revenue Refunding Bonds, Series LL-2021.

WITNESS my official signature of the City of Knoxville, Tennessee, this ___ day of ________________, 2021.

__________________________________________
City Recorder
BOND PURCHASE AGREEMENT

__________, 2021

Knoxville Utilities Board
445 South Gay Street
Knoxville, Tennessee 37902

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this agreement with Knoxville Utilities Board ("KUB") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Eastern Standard Time, on __________, 2021.

1. **Purchase Price.**

   Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from KUB, and KUB hereby agrees to sell to the Underwriter, all (but not less than all) of $41,500,000 aggregate principal amount of KUB's Water System Revenue Refunding Bonds, Series LL-2021 (the "Bonds"). The purchase price is $__________ plus accrued interest and shall be paid in accordance with paragraph 6 hereof. The purchase price is equal to the par amount of the Bonds less $__________ original issue discount, less $__________ underwriter's discount and plus accrued interest. The Bonds are to be issued under and pursuant to, and are to be secured by the Resolution (the "Bond Resolution") adopted on March 9, 2021, by the City Council of the City of Knoxville (the "City") at the request of KUB. The Bonds shall mature on the dates and shall bear interest at the rates all as described in the Official Statement referred to in Section 3 hereof. The maturities, rates and discount at which the Bonds are being sold are more fully described on **Schedule I** attached hereto.

2. **Public Offering.**

The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market; and (ii) to discontinue such stabilizing, if commenced at any time without prior notice.

3. **Official Statement.**

(a) KUB has provided the Underwriter with information that constitutes a "deemed final" official statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Concurrently with KUB's acceptance of this Bond Purchase Agreement, KUB shall deliver or cause to be delivered to the Underwriter two copies of the Official Statement (as hereinafter defined) relating to the Bonds dated the date hereof substantially in the same form as the Preliminary Official Statement with only such changes as shall have been accepted by the Underwriter.

(b) Within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, KUB shall deliver to the Underwriter copies of the Official Statement of KUB, dated the date hereof, relating to the Bonds, in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and any applicable rules of the Municipal Securities Rulemaking Board, in substantially the form approved by KUB (which, together with the cover page, and all exhibits, appendices, and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"), executed on behalf of KUB by a duly authorized officer of KUB. You hereby authorize and approve the Official Statement and other pertinent documents referred to in Section 6 hereof to be lawfully used in connection with the offering and sale of the Bonds. You also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with a public offering of the Bonds.

(c) If, prior to the Closing (as defined in Section 5 below) or within twenty-five (25) days subsequent to the end of the underwriting period as such term is used for purposes of Rule 15c2-12, any event shall occur with respect to KUB or KUB shall receive notice of the occurrence of any other event that might or would cause the information contained in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, KUB shall so notify the Underwriter. KUB agrees to amend or supplement the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required and to furnish the Underwriter with sufficient quantities of such amendment or supplement in order to permit the Underwriter to comply with Rule 15c2-12.

4. **Representations and Warranties.**

KUB hereby represents and warrants to the Underwriter that:

(a) KUB is duly existing pursuant to the Charter of the City and is authorized by such Charter to operate and manage the System. KUB has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; (iii) the execution, delivery and receipt of this Bond Purchase Agreement, the Bonds and any and all such
other agreements and documents as may be required to be executed, delivered and received by KUB in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement and the Bond Resolution;

(b) When executed by the respective parties thereto, this Bond Purchase Agreement will constitute legal, valid and binding obligation of KUB enforceable in accordance with its terms;

(c) The information and statements contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact which was necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(d) The information and statements contained in the Official Statement, as of its date and as of the Closing, are and will be correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state any material fact which is necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(e) KUB has complied, and will at the Closing be in compliance, in all respects with the obligations on its part contained in the Bond Resolution and the laws of the State of Tennessee (the "State"), including the Act;

(f) The City has duly adopted the Bond Resolution, and the City and KUB have (a) duly authorized and approved the distribution of the Preliminary Official Statement, (b) duly authorized and approved the execution and delivery of the Official Statement, (c) duly authorized and approved the execution and delivery of, and the performance by KUB of the obligations on its part contained in, the Bonds, the Bond Resolution and this Bond Purchase Agreement, and (d) duly authorized and approved the consummation by it of all other transactions contemplated by this Bond Purchase Agreement and the Official Statement;

(g) KUB is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner related to or affecting the transactions contemplated hereby or in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Bond Purchase Agreement, the Bonds and the adoption of the Bond Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject;

(h) Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction, which would constitute a condition precedent to the performance by KUB of its obligations hereunder and under the Bond Resolution and the Bonds, have been obtained;

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of KUB, threatened against KUB or others (a) affecting KUB or the corporate existence of KUB or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of Net Revenues pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (c) in any way contesting or affecting the transactions contemplated hereby or by the Official Statement or by the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase Agreement.
Agreement, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (e) contesting the powers or authority of KUB for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement;

(j) KUB will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds and other moneys of KUB to be transferred on the date of issuance of the Bonds to be applied or result in such proceeds and other moneys being applied in a manner other than as provided in or permitted by the Bond Resolution and consistent with the utilization described in the Official Statement;

(k) KUB agrees reasonably to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. KUB hereby consents to the use of the Official Statement and the Bond Resolution by the Underwriter in obtaining any qualification required;

(l) If at any time from the date of this Bond Purchase Agreement through 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12 described below) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, KUB shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Bond Purchase Agreement by notification to KUB at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds;

(m) KUB has duly authorized and approved the execution and delivery of this Bond Purchase Agreement and the performance by KUB of the obligations on its part contained herein;

(n) KUB is not, nor has it at any time, been in default in the payment of principal of or interest on any obligation issued or guaranteed by KUB;

(o) Any certificate signed by an authorized officer of KUB and delivered to the Underwriter at or prior to the Closing shall be deemed a representation and warranty by KUB in connection with this Bond Purchase Agreement to the Underwriter as to the statements made therein upon which the Underwriter shall be entitled to rely. KUB covenants that between the date hereof and the Closing, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing;

(p) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding special obligations of KUB entitled to the benefits of the Bond Resolution;

(q) KUB has lawful authority to operate the System, to consummate the transactions contemplated by the Official Statement and collect revenues, fees and other charges in connection with the System and through its Board of Commissioners, to fix the rates, fees and other charges with respect to the System; and

A-4
(r) KUB hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about KUB, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter. KUB represents that it has complied in all respects with its obligations to provide continuing disclosure of certain information as described in that certain Continuing Disclosure Certificate entered into in connection with the issuance of the Bonds.

5. Delivery of, and Payment for, the Bonds.

At 10:00 a.m. on or about __________, 2021, or at such other time or date as shall have been mutually agreed upon by KUB and the Underwriter, KUB will deliver, or cause to be delivered, to the Underwriter the other documents hereinafter mentioned and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest payable to the order of KUB, in federal funds or other immediately available funds by delivering to KUB such funds by wire transfer to KUB or its designated agent except that physical delivery of the Bonds shall be made through the facilities of the Depository Trust Company.

Payment for the Bonds shall be confirmed and delivery of the documents as aforesaid shall be made at the offices of KUB, or such other place as may be agreed upon by the Underwriter and KUB. Such payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds in such names and in such denominations as shall be designated in writing by the Underwriter to KUB at Closing.

6. Certain Conditions to Underwriter's Obligations.

The obligations of the Underwriter hereunder shall be subject to (i) the performance by KUB of its obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of KUB herein as of the date hereof and as of the date of the Closing, and (iii) to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, and (iii) KUB shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received an executed copy of each of the following documents:

(1) the approving opinion, dated the date of the Closing, of Bond Counsel addressed to KUB and the Underwriter, relating to, among other things, the validity of the Bonds [and the exclusion from gross income of the interest on the Bonds for federal and State of Tennessee income tax purposes,] in substantially the form set forth as Appendix _ to the Official Statement;

(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit A hereto;

(3) an opinion, dated the date of the Closing, of Hodges, Doughty & Carson, Knoxville, Tennessee, counsel to KUB, addressed to KUB, Bond Counsel and the Underwriter in substantially the form of Exhibit B hereto;
(4) a certificate of KUB, dated the date of the Closing and signed by a duly authorized officer of KUB and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) since the execution of the Bond Purchase Agreement no material and adverse change has occurred in the financial position of the System or results of operations of the System; (ii) KUB has not incurred any material liabilities secured by the Net Revenues of the System other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (iii) no event affecting KUB has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date of Closing;

(5) the Official Statement executed on behalf of KUB by a duly authorized officer thereof;

(6) the Bond Resolution and the Bonds;

(7) a certificate of a duly authorized officer of KUB, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the reasonable expectations of KUB as of such date as to the use of proceeds of the Bonds and of any other funds of KUB expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, KUB's expectations are reasonable;

(8) evidence indicating a rating on the Bonds of "___" by [rating agency];

(9) other certificates of KUB listed on a Closing Memorandum to be approved by counsel to KUB, Bond Counsel and counsel to the Underwriter, including any certificates or representations required in order for Bond Counsel to deliver the opinion referred to in Paragraph 6(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by KUB with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of KUB contained herein and the due performance or satisfaction by KUB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by KUB.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and counsel to the Underwriter. KUB will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

(c) The Underwriter shall have received within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Official Statement in sufficient quantity as may be reasonably requested by the Underwriter in order to comply with Rule 15(c) 2-12.

7. Termination.

The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or recommended to the Congress or
otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the Internal Revenue Code (which, if enacted, would take effect in whole or in part prior to the Closing) shall be filed in either house, or recommended for passage by the Congress by any joint or conference committee thereof, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of KUB and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Tennessee or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Tennessee or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the financial position of the System, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If KUB shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor KUB shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 hereof, shall continue in full force and effect.

8. **Particular Covenants.**

KUB covenants and agrees with the Underwriter as follows:

A-7
(a) KUB shall use its best efforts to furnish or cause to be furnished to the Underwriter, without charge, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, KUB shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of KUB and the Underwriter a supplement or amendment to the Official Statement is required, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and its counsel.


All representations, warranties and agreements of KUB hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds.

10. Payment of Expenses.

Whether or not the Bonds are sold to the Underwriter by KUB, KUB shall pay, but only out of the proceeds of the sale of the Bonds or other funds made available by KUB, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Official Statement and any supplements thereto, together with a number of copies which the Underwriter deems reasonable; (ii) the cost of the preparation and printing of the definitive Bonds; (iii) the rating agency fees; and (iv) the fees and disbursements of Counsel to KUB and Bond Counsel and any other experts or consultants retained by KUB.

Whether or not the Bonds are sold to the Underwriter, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the cost of preparing and printing the blue sky memorandum, if any, and filing fees in connection with the aforesaid blue sky memorandum other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the fees and expenses of the Underwriter's counsel.

11. No Advisory or Fiduciary Role.

KUB acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between KUB and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and are not acting as the agent, advisor or fiduciary of KUB, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of KUB with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to KUB on other matters) and the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of KUB and (v) KUB has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

KUB and the Underwriter represent and warrant that no finder or other agent has been employed by either KUB or the Underwriter in connection with this transaction.

Any notice or other communication to be given to KUB under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to __________________________, __________________________, __________________________.

13. Parties.

This Bond Purchase Agreement is made solely for the benefit of KUB and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.


This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

15. General.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

____________________________________
By: ________________________________
Its: ________________________________

Accepted and agreed to as of the date first above written:

KNOXVILLE UTILITIES BOARD

By: ________________________________
    President and Chief Executive Officer
EXHIBIT A TO BOND PURCHASE AGREEMENT

[LETTERHEAD OF BASS, BERRY & SIMS PLC]

[Closing Date]

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Paragraph 6(b)(2) of the Bond Purchase Agreement, dated __________, 2021 (the "Bond Purchase Agreement"), between __________________________ (the "Underwriter"), and Knoxville Utilities Board ("KUB"), relating to the sale by KUB of its Water System Revenue Refunding Bonds, Series LL-2021, in the aggregate principal amount of $41,500,000 (the "Bonds"). Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Bonds and we have participated in conferences from time to time with counsel to KUB, representatives of the Underwriter and counsel to the Underwriter, relative to the Official Statement, dated __________, 2021, relating to the Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Bonds to the public do not require any registration under the Securities Act of 1933, as amended, and, in connection therewith, the Bond Resolution does not need to be qualified under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the captions "Introduction" to the extent the narrative thereunder purports to describe the terms of the Bonds and the legal authority by which they are issued, "The Bonds," and in Appendix A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, fairly summarize such provisions. The statements contained in the Official Statement under the caption "Opinion of Bond Counsel" are correct as to matters of law.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,
EXHIBIT B TO BOND PURCHASE AGREEMENT

____________, 2021

____________________________________
____________________________________
____________________________________

Bass, Berry & Sims PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902

Re: City of Knoxville, Tennessee acting on behalf of the Knoxville Utilities Board $41,500,000 Water System Revenue Refunding Bonds, Series LL-2021

Ladies and Gentlemen:

You have requested that the undersigned, General Counsel to the Knoxville Utilities Board of the City of Knoxville, Tennessee ("KUB"), render this opinion in connection with the execution, delivery and sale of the captioned bonds (the "Bonds"), the proceeds of which will be used to refinance a portion of the City's outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030, its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044, and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044.

It is our opinion that KUB is duly established and validly existing pursuant to the Charter of the City of Knoxville, Tennessee (the "Municipality"), and, pursuant to said Charter and the water system of the Municipality (the "System") is under the jurisdiction, control and management of KUB.

The undersigned does hereby certify that no litigation of any nature is now pending or, to our knowledge, threatened

(1) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds;

(2) seeking to restrain or enjoin the charging of sufficient rates to pay the cost of operating, maintaining, repairing and insuring the System and to pay principal of and interest on the Bonds and all outstanding obligations payable from the revenues of the System;

(3) in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued or such rates are charged;

(4) in any manner questioning or relating to the validity of the Bonds;

(5) contesting in any way the completeness or accuracy of the Official Statement prepared and distributed in connection with the sale of the Bonds;
in any way contesting the corporate existence or boundaries of the Municipality, except for various pending actions challenging past or present annexation efforts of the Municipality, which will have no material adverse effect on the revenues of the System;

(7) contesting the title of the present officers of KUB to their respective offices; or

(8) contesting the powers of KUB or the authority of KUB with respect to the Bonds, or proceedings authorizing the Bonds, or any act to be done or document or certificate to be executed or delivered in connection with the issuance and delivery of the Bonds.

Neither the voters of the Municipality nor its governing body nor the Board of Commissioners of KUB have approved any special, local or private act or legislation passed by the General Assembly of the State of Tennessee at its most recent session or any amendments to the Charter of the Municipality affecting the power of the Municipality to issue the Bonds or pay the principal of, premium, if any, and interest on the Bonds when due or affecting the power of the Board of Commissioners of KUB to manage and control the System.

I hereby certify that Jerry Askew and Mark Walker are the duly qualified, appointed and acting Chair and Secretary, respectively, of the Board of Commissioners of KUB with full power to act as such officers on behalf of KUB in connection with the execution and delivery of the Bonds.

Yours truly,

29776595.2
RESOLUTION NO. 1431

A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Eighty-Seven Million Five Hundred Thousand and No/100 Dollars ($87,500,000) in Aggregate Principal Amount of Electric System Revenue Refunding Bonds, Series LL-2021; the Issuance of Not to Exceed Forty-Nine Million Five Hundred Thousand and No/100 Dollars ($49,500,000) in Aggregate Principal Amount of Gas System Revenue Refunding Bonds, Series AA-2021; the Issuance of Not to Exceed Forty-One Million Five Hundred Thousand and No/100 Dollars ($41,500,000) in Aggregate Principal Amount of Water System Revenue Refunding Bonds, Series LL-2021; and the Issuance of Not to Exceed Two Hundred Forty-One Million and No/100 Dollars ($241,000,000) in Aggregate Principal Amount of Wastewater System Revenue Refunding Bonds, Series 2021A

Whereas, by the provisions of the City Charter of the City of Knoxville, Tennessee (the “City”), the management and operation of the City’s electrical power distribution system (the “Electric System”); the City’s natural gas distribution system (the “Gas System”); the City’s water distribution and treatment system (the “Water System”); and the City’s wastewater system (the “Wastewater System”) have been placed under the jurisdiction of the Board of Commissioners (the “Board”) of the Knoxville Utilities Board (“KUB”); and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $87,500,000 in aggregate principal amount of Electric System Revenue Refunding Bonds, Series LL-2021 (the “Electric Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029, its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042, its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031, and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Electric Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $49,500,000 in aggregate principal amount of Gas System Revenue Refunding Bonds, Series AA-2021 (the “Gas Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding
Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Gas Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $41,500,000 in aggregate principal amount of Water System Revenue Refunding Bonds, Series LL-2021 (the “Water Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030, its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044, and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Water Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $241,000,000 in aggregate principal amount of Wastewater System Revenue Refunding Bonds, Series 2021A (the “Wastewater Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029, its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047, its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037, and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Wastewater Bonds; and

Whereas, the Board has had prepared for passage by the Council of the City a resolution authorizing the issuance of the Electric Bonds, a copy of which is attached hereto and made a part hereof (the “Electric Resolution”); a resolution authorizing the issuance of the Gas Bonds, a copy of which is attached hereto and made a part hereof (the “Gas Resolution”); a resolution authorizing the issuance of the Water Bonds, a copy of which is attached hereto and made a part hereof (the “Water Resolution”); and a resolution authorizing the issuance of the Wastewater Bonds, a copy of which is attached hereto and made a part hereof (the “Wastewater Resolution”).

Now, Therefore, Be It Herewith Resolved by the Board of Commissioners of the Knoxville Utilities Board as Follows:
**Section 1.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Electric Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Electric Bonds pursuant thereto, the description of the Electric Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Electric Resolution.

**Section 2.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Gas Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Gas Bonds pursuant thereto, the description of the Gas Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Gas Resolution.

**Section 3.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Water Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Water Bonds pursuant thereto, the description of the Water Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Water Resolution.

**Section 4.** The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Wastewater Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Wastewater Bonds pursuant thereto, the description of the Wastewater Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Wastewater Resolution.

**Section 5.** As required by the State Funding Board of the State of Tennessee, the Board has heretofore adopted a KUB Debt Management Policy. The Board hereby finds the issuance of the Electric Bonds, Gas Bonds, Water Bonds, and Wastewater Bonds, as proposed herein, is consistent with the KUB Debt Management Policy.

**Section 6.** The Board hereby formally requests the Council of the City to pass the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution, and the Board does hereby adopt, ratify, approve, consent and agree to each and every provision contained in the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution upon adoption.

**Section 7.** The Board has elected and does hereby elect that the Electric Bonds be issued under the Electric Resolution, the Gas Bonds be issued under the Gas Resolution, the Water Bonds be issued under the Water Resolution and the Wastewater Bonds be issued under the Wastewater Resolution.
Section 8. The Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council of the City as formal evidence of this Board's action in connection therewith.

Section 9. This Resolution shall take effect from and after its passage.

Jerry Askew, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 2-18-21
EFFECTIVE DATE: 2-18-21
MINUTE BOOK 43 PAGE
February 19, 2021

Honorable Indya Kincannon, Mayor
and Honorable City Council
City of Knoxville
P.O. Box 1631
Knoxville, TN  37901

Dear Mayor Kincannon and Members of the Council:

Thank you for your recent correspondence. We acknowledge receipt on February 19, 2021, of a request from the City of Knoxville (the “City”) for a report on a plan of refunding (the “Plan”) for the City’s proposed issuance of an estimated $41,500,000 Water System Revenue Refunding Bonds, Series LL-2021.

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the City’s Plan. The Plan, this letter, and the enclosed report should be made available on the City’s website and must be presented to each member of the City Council for review prior to the adoption of a refunding bond authorizing resolution.

If you should have questions or need assistance, please feel free to contact your financial analyst, William Wood, at 615.401.7893 or William.Wood@cot.tn.gov.

You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst.

Very truly yours,

Betsy Knotts
Director of the Division of Local Government Finance

cc:   Ms. Jean Suh, Contract Audit Review Manager, Division of Local Government Audit
Ms. Gabriel J. Bolas II, KUB President and CEO, City of Knoxville, TN
Mr. Mark Walker, KUB CFO, City of Knoxville, TN
Mr. Joe Ayers, Cumberland Securities, Inc.
Mr. Scott Gibson, Cumberland Securities, Inc.
Mr. Mark Mamantov, Bass, Berry & Simms

Enclosure: Report of the Director of the Division of Local Government Finance

BK:ww
Report of the Director of the Division of Local Government Finance
Concerning the Proposed Issuance of
Water System Revenue Refunding Bonds, Series LL-2021
Knoxville, Tennessee

This report is being issued pursuant to T.C.A. § 9-21-1003 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on February 19, 2021, from the City of Knoxville (the “City”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The City should discuss these issues with bond counsel. This report and the City’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the President and CEO of the Knoxville Utilities Board, our office has reviewed the City’s Plan, as required by TCA § 9-21-1003, and provides the following analysis based upon the assumptions outlined in the Plan.

The City intends to issue by competitive sale approximately $41,500,000 Water System Revenue Refunding Bonds, Series LL-2021, priced at par to current refund:

- $5,835,000 Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029;
- $7,380,000 Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030;
- $21,025,000 Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044; and
- $6,925,000 Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044.

These are collectively known hereinafter as the “Refunded Bonds.”
The City’s objective for the refunding is to achieve net present value debt service savings. The estimated net present value debt service savings is $7,892,241 or 19.17% of the refunded principal amount of $41,165,000.

- The City will contribute $199,222 to fund the transaction.
- The final maturity of the Series LL-2021 Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- The proposed structure of the Series LL-2021 Refunding Bonds is not balloon indebtedness as defined in T.C.A. § 9-21-133.
- Estimated costs of issuance are summarized below and are based upon the par amount of $41,500,000 for the Series LL-2021 Refunding Bonds:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Price per $1,000 Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriter's Discount</td>
<td>320,777</td>
</tr>
<tr>
<td>Financial Advisor (Cumberland Securities)</td>
<td>70,000</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>84,250</td>
</tr>
<tr>
<td>Bond Counsel (Bass, Berry &amp; Simms)</td>
<td>45,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>14,195</td>
</tr>
<tr>
<td><strong>Total Cost of Issuance</strong></td>
<td><strong>$534,222</strong></td>
</tr>
</tbody>
</table>

Financial Professionals

The Plan was prepared with the assistance of the City’s financial advisor, Cumberland Securities, Inc. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City’s best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the City’s underwriter and municipal advisor, please read the information posted on the MSRB website: [www.msrb.org](http://www.msrb.org).

Plan Assumptions

The assumptions of the Plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report provides no assurances of the reasonableness of the underlying assumptions. The assumptions included in the City’s Plan may not reflect either current market conditions or market conditions at the time of sale.
Debt Management Policy

The City has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the City’s policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the bonds are issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City Commission to review prior to adopting a new refunding bond authorizing resolution.

Betsy Knotts
Director of the Division of Local Government Finance
Date: February 19, 2021

Enclosure: Requirements After Debt is Issued
Requirements After Debt is Issued

- **Annual Budget Approval**
  Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: [tncot.cc/budget](http://tncot.cc/budget).

- **Bonds not Refunded**
  If all the bonds are not refunded as a part of the proposed refunding transaction and the City wishes to refund them in a subsequent bond issue, then a new plan must be submitted to our office for review.

- **Debt Management Policy**
  Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: [tncot.cc/debt-policy](http://tncot.cc/debt-policy).

- **Required Notification**
  We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the City decides to proceed with the issue, the City Commission and our office should be notified after the sale by the local government’s Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

  1. An increase in the principal amount of the debt issued;
  2. An increase in costs of issuance; or
  3. A decrease in the cumulative savings or increase in the loss.

  The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the City Commission and our office with the required filing of the Report on Debt Obligation, Form CT-0253.
• **Report on Debt Obligation**
Pursuant to T.C.A. § 9-21-134, a Report on Debt Obligation shall be completed and filed with the governing body of the local government no later than forty-five (45) days after the issuance of the debt, with a copy (including attachments, if any) filed with the Division of Local Government Finance. The report and instructions may be accessed at: [tnicot.cc/debt-report](http://tnicot.cc/debt-report).

• **Rule 15c2-12 of the Securities Exchange Act**
Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: [emma.msrb.org](http://emma.msrb.org).
AGENDA SUMMARY  A Resolution supplementing Resolution No. R-129-90 adopted by the City Council of the City of Knoxville, Tennessee on May 15, 1990 providing for the issuance of not to exceed Two Hundred Forty-One Million and no/100 Dollars ($241,000,000.00) of Wastewater System Revenue Refunding Bonds, Series 2021A.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

Tennessee state law requires the municipality’s governing body (City Council) to authorize all debt issues with maturities of 5 years or greater. On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431, requesting City Council provide for the issuance of not to exceed $241,000,000 in Wastewater System Revenue Refunding Bonds.

The proceeds of the bonds will be used to refinance certain outstanding Wastewater System Revenue Bonds and Revenue Refunding Bonds issued in 2010, 2012, 2013, and 2014, maturing 2022 through 2049, and provide for costs of issuance and other fees. Based on current market performance, projected debt service savings are $40.6 million ($33.6 million on a net present value basis).

OPTIONS

RECOMMENDATION

Approval needed to proceed with the issuance of the refunding bonds.

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION
The bonds will be secured solely by KUB wastewater system revenues. The bondholders will have no recourse to the taxation power of the City.

**ATTACHMENTS:**

- KUB Summary Sheet for City Council for Refinancing Outstanding Electric Gas Water and Wastewater Bonds  (DOCX)
- City Council Resolution - Wastewater Refunding Bonds (DOCX)
- KUB Resolution 1431 for refunding bonds(PDF)
- Wastewater Refunding Bonds - Series 2021A - Report from Division of Local Government Finance  (PDF)
Knoxville Utilities Board

Request for Authorization to Issue Revenue Refunding Bonds for the Purpose of Refinancing Outstanding Electric, Gas, Water and Wastewater System Bonds at Lower Interest Rates

- KUB has identified an opportunity to refinance $415,200,000 in outstanding bonds for all four utility systems at lower interest rates that would result in projected debt service savings, based on current market rates, of approximately $69,300,000 ($57,200,000 on an net present value basis) over the life of the bonds, net of issuance costs and underwriter fees.

- The bonds to be refinanced were sold in the years 2010 through 2014. The maturities of the outstanding bonds will not be extended with the new revenue refunding bonds.

- On February 18, 2021, the KUB Board of Commissioners adopted Resolution 1431 requesting City Council authorize the issuance of not to exceed $87,500,000 in Electric System Revenue Refunding Bonds, $49,500,000 in Gas System Revenue Refunding Bonds, $41,500,000 in Water System Revenue Refunding Bonds, and $241,000,000 in Wastewater System Revenue Refunding Bonds.

- If approved by City Council, the proceeds of the bonds will be used to refund the outstanding bonds and pay all issuance costs and underwriter fees related to the sale of the refunding bonds.

- The proposed refunding bonds will be sold through competitive, public sale. The bonds will be rated by Moody’s Investors Service and Standard & Poor’s. KUB’s existing bond ratings reflect high-quality credit ratings. Electric system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Gas system bonds are rated AA by Standard & Poor’s and Aa2 by Moody’s. Water system bonds are rated AAA by Standard & Poor’s and Aa1 by Moody’s. Wastewater system bonds are rated AA+ by Standard & Poor’s and Aa2 by Moody’s.

- Based on current bond market performance, the refunding bonds would result in total debt service savings of approximately $69,300,000 over the life of the bonds, net of all issuance costs and fees, including $11,400,000 for the electric system, $7,400,000 for the gas system, $9,900,000 for the water system, and $40,600,000 for the wastewater system.
The proposed bonds would be secured solely by KUB system revenues. The bondholders would have no recourse against the City for the repayment of the bonds.
RESOLUTION

A RESOLUTION SUPPLEMENTING RESOLUTION NO. R-129-90 ADOPTED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE, TENNESSEE ON MAY 15, 1990 PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED TWO HUNDRED FORTY-ONE MILLION AND NO/100 DOLLARS ($241,000,000.00) OF WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021A.

RESOLUTION NO: _________________
REQUESTED BY: Finance & Accountability
PREPARED BY: KUB
APPROVED: ________________________
APPROVED AS AN EMERGENCY MEASURE: _________________________
MINUTE BOOK: _______ PAGE ______
WHEREAS, the City of Knoxville (the "City"), pursuant to Resolution No. R-129-90 of the City Council adopted May 15, 1990 (which resolution as heretofore amended is hereinafter sometimes referred to as the "1990 Resolution"), authorized the issuance of series of Wastewater System Revenue Bonds; and

WHEREAS, pursuant to the 1990 Resolution, and for the purpose of financing the cost of extensions and improvements of the City’s wastewater collection and treatment system (hereinafter sometimes referred to as the "System") and the refinancing of indebtedness issued for that purpose, the City issued Wastewater System Revenue Bonds, the series of which, the amount issued and the amount outstanding as of March 1, 2021, are as follows:

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount Issued</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010C</td>
<td>$70,000,000</td>
<td>$58,450,000</td>
</tr>
<tr>
<td>2012A</td>
<td>$17,070,000</td>
<td>$10,850,000</td>
</tr>
<tr>
<td>2012B</td>
<td>$65,000,000</td>
<td>$58,225,000</td>
</tr>
<tr>
<td>2013A</td>
<td>$113,340,000</td>
<td>$109,115,000</td>
</tr>
<tr>
<td>2014A</td>
<td>$30,000,000</td>
<td>$27,300,000</td>
</tr>
<tr>
<td>2015A</td>
<td>$129,825,000</td>
<td>$116,085,000</td>
</tr>
<tr>
<td>2015B</td>
<td>$30,000,000</td>
<td>$27,475,000</td>
</tr>
<tr>
<td>2016</td>
<td>$20,000,000</td>
<td>$18,275,000</td>
</tr>
<tr>
<td>2017A</td>
<td>$11,965,000</td>
<td>$7,575,000</td>
</tr>
<tr>
<td>2017B</td>
<td>$25,000,000</td>
<td>$23,745,000</td>
</tr>
<tr>
<td>2018</td>
<td>$12,000,000</td>
<td>$11,485,000</td>
</tr>
<tr>
<td>2019</td>
<td>$16,000,000</td>
<td>$15,750,000</td>
</tr>
<tr>
<td>2020A</td>
<td>$28,230,000</td>
<td>$28,230,000</td>
</tr>
<tr>
<td>2020B</td>
<td>$27,460,000</td>
<td>$27,460,000</td>
</tr>
</tbody>
</table>

WHEREAS, it is desirable that an additional series of bonds be issued to refinance the outstanding principal amount of the City’s outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035 (the "Series 2010C Bonds"), its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029 (the "Series 2012A Bonds"), its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047 (the "Series 2012B Bonds"), its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037 (the "Series 2013A Bonds"), and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049 (the "Series 2014A Bonds" and together with the Series 2010C Bonds, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2013A Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the bonds, pursuant to the authorization contained in the 1990 Resolution and this resolution; and

WHEREAS, the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB") has duly adopted a resolution requesting the City Council of the City to adopt this resolution authorizing the issuance of bonds for the purposes and in the manner hereinafter more fully stated; and

WHEREAS, the plan of refunding for the Refunded Bonds has been submitted to the State Director of the Division of Local Government Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and she has acknowledged receipt thereof to the City and KUB and submitted her report thereon to the City and KUB, and such report has been provided to members of the City Council of the City; and
WHEREAS, it is the intention of the City Council of the City to adopt this resolution for the purpose of authorizing not to exceed $241,000,000 in aggregate principal amount of wastewater system revenue refunding bonds for the purposes described above, establishing the terms of such bonds, providing for the issuance, sale and payment of the bonds and disposition of proceeds therefrom, and collection of revenues from the wastewater system of the City and the application thereof to the payment of principal of, premium, if any, and interest on said bonds.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used herein and not defined in this Section 2 shall have the meanings ascribed to them in the 1990 Resolution (as hereinbelow defined). The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise.

(a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;

(b) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Series 2021A Bonds, entered into by and between KUB and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 10 hereof, as approved by the President and Chief Executive Officer of KUB, consistent with the terms of this resolution;

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

(d) "City" shall mean the City of Knoxville, Tennessee;

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder;

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

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

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

(i) "Governing Body" shall mean the City Council of the City;

(j) "KUB" shall mean the Knoxville Utilities Board;
(k) "1990 Resolution" shall mean Resolution No. R-129-90 of the Governing Body, adopted May 15, 1990, as supplemented and amended by Resolution No. R-5-98, Resolution No. R-148-01 and Resolution No. 11-S and as otherwise supplemented prior to the date hereof;


(m) "Parity Bonds" shall mean any bonds issued pursuant to the 1990 Resolution on a parity with the Series 2021A Bonds and the Outstanding Bonds;

(n) "Refunded Bonds" shall mean those portions of the City's outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047, its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037, and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049;

(o) "Registration Agent" shall mean the registration and paying agent for the Series 2021A Bonds designated by the President and Chief Executive Officer of KUB, or any successor as designated by the Board;

(p) "Series 2021A Bonds" shall mean the City's Wastewater System Revenue Refunding Bonds, Series 2021A, issued pursuant to this resolution, to be dated the date of their issuance, or such other date as shall be determined by the Board pursuant to Section 9 hereof, authorized to be issued by the 1990 Resolution and this resolution in an aggregate principal amount not to exceed $241,000,000;

(q) "State" shall mean the State of Tennessee; and
(r) "Underwriter" shall mean an investment banking firm qualified to underwrite bonds such as the Series 2021A Bonds in the State of Tennessee selected by the President and Chief Executive Officer of KUB.

Section 3. Declarations. It is hereby determined that all requirements of the 1990 Resolution have been or will have been met upon the issuance of the Series 2021A Bonds so that the Series 2021A Bonds will be issued as Parity Bonds.

Section 4. Findings of the Governing Body. It is hereby found and determined by the Governing Body that the refunding of the Refunded Bonds as set forth herein through the issuance of the Series 2021A Bonds will result in a reduction in debt service payable by the City and KUB over the term of the Refunded Bonds, thereby effecting a cost savings to the System.

Section 5. Authorization and Terms of the Series 2021A Bonds. (a) For the purpose of providing funds for the payment of principal of and premium and interest on the Refunded Bonds to the earliest practicable optional redemption date thereof, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Series 2021A Bonds as more fully set out in Section 10 hereof, there are hereby authorized to be issued revenue bonds of the City in the aggregate principal amount of not to exceed $241,000,000. The Series 2021A Bonds shall be issued in fully registered form, without coupons, shall be known as "Wastewater System Revenue Refunding Bonds, Series 2021A" and shall be dated the date of their issuance or such other date as shall be determined by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10 hereof. The Series 2021A Bonds shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, payable semi-annually on April 1 and October 1 in each year, commencing October 1, 2021 or such later date as is permitted pursuant to Section 10 hereof. The Series 2021A Bonds shall be initially issued in $5,000 denominations or integral multiples thereof as shall be requested by the purchaser thereof. The Series 2021A Bonds shall mature and be payable either serially or through mandatory redemption on each April 1 in such years as is established by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 10, provided that the final maturity date shall not be later than April 1, 2049. The final maturity schedule shall be established by the award resolution or certificate awarding the Series 2021A Bonds to the successful purchaser thereof or in the Bond Purchase Agreement provided for in Section 10 if the Series 2021A Bonds are sold by negotiated sale.

(b) Subject to adjustment pursuant to Section 10 hereof, the Series 2021A Bonds maturing on or before April 1, 2030 shall mature without option of prior redemption, and the Series 2021A Bonds maturing on and after April 1, 2031 shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after April 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

If less than all of the Series 2021A Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Series 2021A Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2021A Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series 2021A Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2021A Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2021A Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.
(c) Pursuant to Section 10 hereof, KUB is authorized to sell each the Series 2021A Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by KUB. In the event any or all of the Series 2021A Bonds are sold as term bonds, KUB shall redeem such term bonds on redemption dates corresponding to the maturity dates set forth in the award resolution or certificate awarding the Series 2021A Bonds, in amounts so as to achieve an amortization of the indebtedness approved by the Board or the President and Chief Executive Officer of KUB as its designee. DTC, as Depository for the Series 2021A Bonds, or any successor Depository for the Series 2021A Bonds, shall determine the interest of each Participant in the Series 2021A Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as Depository for the Series 2021A Bonds, the Series 2021A Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, KUB may (i) deliver to the Registration Agent for cancellation Series 2021A Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2021A Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2021A Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2021A Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2021A Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series 2021A Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2021A Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2021A Bonds, as and when above provided, and neither KUB, the City, nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Series 2021A Bonds and, in the case of optional redemption, as and when directed by the Board pursuant to written instructions from an authorized representative of the Board given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2021A Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City or KUB to make funds...
available in part or in whole on or before the redemption date shall not constitute an event of default, and
the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the
redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Series 2021A Bonds shall be executed in such manner as may be prescribed by
applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Chair
of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

(f) The City hereby authorizes and directs the Board to appoint a Registration Agent and
paying agent for the Series 2021A Bonds, and the Registration Agent so appointed is authorized and
directed to maintain Bond registration records with respect to the Series 2021A Bonds, to authenticate and
deliver the Series 2021A Bonds as provided herein, either at original issuance, upon transfer, or as otherwise
directed by the Board, to effect transfers of the Series 2021A Bonds, to give all notices of redemption as
required herein, to make all payments of principal and interest with respect to the Series 2021A Bonds as
provided herein, to cancel and destroy Series 2021A Bonds which have been paid at maturity or upon earlier
redemption or submitted for exchange or transfer, to furnish KUB at least annually a certificate of
destruction with respect to Series 2021A Bonds canceled and destroyed, and to furnish KUB at least
annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to
interest on the Series 2021A Bonds. The payment of all reasonable fees and expenses of the Registration
Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby
authorized and directed. The Board hereby delegates to the President and Chief Executive Officer of KUB
the authority to select and appoint the Registration Agent and any paying agents for the Series 2021A Bonds
(as well as any successors to any of the foregoing). The Chair of the Board is hereby authorized
to execute

(g) The Series 2021A Bonds shall be payable, principal and interest, in lawful money of the
United States of America at the designated trust office of the Registration Agent. The Registration Agent
shall make all interest payments with respect to the Series 2021A Bonds on each interest payment date
directly to the registered owners as shown on the Bond registration records maintained by the Registration
Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date
(the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond
registration records, without, except for final payment, the presentation or surrender of such Series 2021A
Bonds, and all such payments shall discharge the obligations of KUB in respect of such Series 2021A Bonds
to the extent of the payments so made. Payment of principal of the Series 2021A Bonds shall be made upon
presentation and surrender of such registered Series 2021A Bonds to the Registration Agent as the same
shall become due and payable. All rates of interest specified herein shall be computed on the basis of a
three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event
the Series 2021A Bonds are no longer registered in the name of DTC, or a successor Depository, if requested
by the Owner of at least $1,000,000 in aggregate principal amount of the Series 2021A Bonds, payment of
interest on such Series 2021A Bonds shall be paid by wire transfer to a bank within the continental United
States or deposited to a designated account if such account is maintained with the Registration Agent and
written notice of any such election and designated account is given to the Registration Agent prior to the
record date.

(h) Any interest on any Series 2021A Bond which is payable but is not punctually paid or duly
provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be
payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted
Interest shall be paid to the persons in whose names the Series 2021A Bonds are registered at the close of
business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be
fixed in the following manner: KUB shall notify the Registration Agent in writing of the amount of
Defaulted Interest proposed to be paid on each Series 2021A Bond and the date of the proposed payment,
and at the same time KUB shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify KUB of such Special Record Date and, in the name and at the expense of KUB, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in any of the Series 2021A Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of KUB to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on any of the Series 2021A Bonds when due.

(i) The Series 2021A Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series 2021A Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2021A Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2021A Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2021A Bond or Series 2021A Bonds to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2021A Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2021A Bond, nor to transfer or exchange any Series 2021A Bond after notice calling such Series 2021A Bond for redemption has been made, nor to transfer or exchange any Series 2021A Bond during the period following the receipt of instructions from KUB to call such Series 2021A Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2021A Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2021A Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2021A Bonds shall be overdue. Series 2021A Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series 2021A Bonds of the same maturity in any authorized denomination or denominations. This subsection shall be applicable only if the Series 2021A Bonds are no longer held by a Depository, and as long as the Series 2021A Bonds are held by a Depository, transfers of ownership interests in the Series 2021A Bonds shall be governed by the rules of the Depository.

(j) Except as otherwise authorized herein, the Series 2021A Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as the Depository for the Series 2021A Bonds except as otherwise provided herein. References in this Section to a Series 2021A Bond or the Series 2021A Bonds shall be construed to mean the Series 2021A Bond or the Series 2021A Bonds that are held under the Book-Entry System. One Bond for each maturity of the Series 2021A Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Series 2021A Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2021A Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.
Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2021A Bonds. Beneficial ownership interests in the Series 2021A Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2021A Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2021A Bonds. Transfers of ownership interests in the Series 2021A Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2021A BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2021A BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021A BONDS, RECEIPT OF NOTICES, VOTING AND TAKING OR NOT TAKING, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2021A Bonds, so long as DTC is the only owner of the Series 2021A Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series 2021A Bonds from the City, acting by and through KUB, and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City, KUB nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as Depository for the Series 2021A Bonds or (2) to the extent permitted by the rules of DTC, the Board determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Series 2021A Bonds in the form of fully registered Series 2021A Bonds to each Beneficial Owner.

NEITHER THE CITY, KUB NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2021A BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2021A BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021A BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the purchaser or Underwriter certifies that it intends to hold the Series 2021A Bonds for its own account, then the City may issue, acting by and through KUB, certified Bonds without the utilization of DTC and the Book-Entry System.

(k) In case any Series 2021A Bond shall become mutilated, or be lost, stolen, or destroyed, the City, acting by and through KUB, in its discretion, shall issue, and the Registration Agent, upon written direction from KUB, shall authenticate and deliver, a new Series 2021A Bond of like tenor, amount,
maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2021A Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2021A Bond, or if any such Series 2021A Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2021A Bond KUB may pay or authorize payment of such Series 2021A Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to KUB and the Registration Agent of the destruction, theft or loss of such Series 2021A Bond, and indemnity satisfactory to KUB and the Registration Agent; and KUB may charge the applicant for the issue of such new Series 2021A Bond an amount sufficient to reimburse KUB for the expense incurred by it in the issue thereof.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Series 2021A Bonds to DTC, on behalf of the initial purchaser thereof, or an agent of DTC, upon receipt by KUB of the proceeds of the sale thereof and, subject to the rules of the Depository, to authenticate and deliver Series 2021A Bonds in exchange for Series 2021A Bonds of the same principal amount delivered for transfer upon receipt of the Series 2021A Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2021A Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an authorized representative thereof on the certificate set forth herein on the Series 2021A Bond form.

(m) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2021A Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2021A Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2021A Bonds and provision of notices with respect to Series 2021A Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Beneficial Owners of the Series 2021A Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 6. Source of Payment. The Series 2021A Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the System as hereinafter provided and as provided in the 1990 Resolution on a parity and equality of lien with the Outstanding Bonds. The punctual payment of principal of and interest on the Series 2021A Bonds, the Outstanding Bonds, and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale and delivery. The owners of the Series 2021A Bonds shall have no recourse to the power of taxation of the City.

Section 7. Form of Series 2021A Bonds. The Series 2021A Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2021A Bonds are prepared and delivered:

(Form of Series 2021A Bond)

| REGISTERED | REGISTERED |
|Number _____|$__________|

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF KNOX
CITY OF KNOXVILLE
WASTEWATER SYSTEM REVENUE REFUNDING BOND,
SERIES 2021A

Interest Rate: Maturity Date: Date of Bond: CUSIP No.
Registered Owner:
Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Knoxville, a municipal corporation lawfully organized and existing in Knox County, Tennessee (the "City"), acting by and through the Knoxville Utilities Board ("KUB"), for value received hereby promises to pay to the registered owner hereof, hereinafter named, or registered assigns, in the manner hereinafter provided, the principal amount hereinafter set forth on the maturity date hereinafter set forth, or upon earlier redemption, as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinafter set forth from the date hereof until said maturity date or redemption date, said interest being payable on October 1, 2021, and semi-annually thereafter on the first day of April and October in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the designated trust office of _________________________, _________, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond by check or draft on each interest payment date directly to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the day which is the fifteenth (15th) day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City and KUB to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on the Bonds shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

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

The Bonds of the issue of which this Bond is one maturing on or before April 1, 2030 shall mature without option of prior redemption. The Bonds maturing on April 1, 2031 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after April 1, 2030, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

[If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

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

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Redemption Date</th>
<th>Principal Amount of Bonds to be Redeemed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*final maturity
At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City, acting through KUB, may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under the mandatory redemption provision for any Bonds to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under the mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption, whether optional or mandatory shall be given by the Registration Agent on behalf of the City, but only upon direction of the Board, not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly given as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

The Bonds of the issue of which this Bond is one are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars ($5,000) or any authorized integral multiple thereof. At the designated trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for the Book-Entry System of DTC. Except as otherwise provided in this paragraph and the Resolution, as hereinafter defined, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Board may discontinue use of DTC for Bonds at any time upon determination by the Board that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Upon such determination, registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent, and the Bonds may be delivered in physical form to the following:

i. any successor of DTC or its nominee;

ii. any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Board that DTC or its
successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or

iii. any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Board of the use of DTC (or substitute depository or its successor).

In the event that this Bond is no longer held in a Book-Entry System by DTC, this Bond shall be transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Board to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating $241,000,000 and issued by the City, acting by and through KUB, for the purpose of providing funds to refinance the outstanding principal amount of the City's outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035 (the "Series 2010C Bonds"), its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029 (the "Series 2012A Bonds"), its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047 (the "Series 2012B Bonds"), its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037 (the "Series 2013A Bonds"), and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049 (the "Series 2014A Bonds" and together with the Series 2010C Bonds, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2013A Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and costs incident to the issuance of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Section 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution No. R-129-90 duly adopted by the City Council of the City on May 15, 1990, as supplemented and amended by Resolution No. R-5-98, Resolution No. R-148-01 and Resolution No. 11-S and as otherwise supplemented prior to the date hereof (as supplemented and amended, the "Resolution").

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and the revenues to be derived from the operation of the System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series 2021A Bonds, the City's outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series 2021A Bonds, the City's outstanding Wastewater System Revenue Bonds,
Series 2012B, dated December 18, 2012, maturing April 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series 2021A Bonds, the City’s outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series 2021A Bonds, the City’s outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 and thereafter to the extent, if any, not refunded with the proceeds of the Series 2021A Bonds, the City’s outstanding Wastewater System Revenue Refunding Bonds, Series 2015A, dated May 1, 2015, maturing April 1, 2022 and thereafter, the City’s outstanding Wastewater System Revenue Bonds, Series 2015B, dated May 20, 2015, maturing April 1, 2022 and thereafter, the City’s outstanding Wastewater System Revenue Bonds, Series 2016, dated August 5, 2016, maturing April 1, 2022 and thereafter, the City’s outstanding Wastewater System Revenue Refunding Bonds, Series 2017A, dated April 7, 2017, maturing April 1, 2022 and thereafter, the City’s outstanding Wastewater System Revenue Bonds, Series 2017B, dated September 15, 2017, maturing April 1, 2022 and thereafter, the City’s outstanding Wastewater System Revenue Bonds, Series 2018, dated September 14, 2018, maturing April 1, 2022 and thereafter, and the City’s outstanding Wastewater System Revenue Bonds, Series 2019, dated August 20, 2019, maturing April 1, 2022 and thereafter, the City's outstanding Wastewater System Revenue Refunding Bonds, Series 2020A, dated May 22, 2020, maturing April 1, 2022 and thereafter, and its outstanding Wastewater System Revenue Bond, Series 2020B, dated October 30, 2020, maturing April 1, 2022 and thereafter (collectively the "Outstanding Bonds") and any bonds or other obligations hereafter issued on a parity therewith. As provided in the Resolution, the punctual payment of principal of, premium, if any, and interest on the series of Bonds of which this Bond is one, the Outstanding Bonds and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The owner of this Bond shall have no recourse to the power of taxation of the City. The Board has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part, as each payment becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

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

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

IN WITNESS WHEREOF, the City acting by and through the Board has caused this Bond to be signed by the Chair of the Board by his manual or facsimile signature and attested by the Secretary of the Board by his manual or facsimile signature, all as of the date hereinafore set forth.

CITY OF KNOXVILLE
by and through the
KNOXVILLE UTILITIES BOARD
By: ________________________________

Chair

ATTESTED:

______________________________
Secretary

Transferable and payable at the
designated trust office of:

_________________________, Tennessee

Date of Registration: ________________

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

______________________________
Registration Agent

By: ________________________________

Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto
__________________________, [Please insert Federal Tax Identification Number or Social Security
Number of Assignee _____________] whose address is ________________________________, the within bond of the City of Knoxville, Tennessee, and does hereby irrevocably constitute and appoint ____________________________, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: ________________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.
Section 8. Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Outstanding Bonds, the Series 2021A Bonds authorized herein, and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or execution or delivery, and the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

Section 9. Applicability of the 1990 Resolution. The Series 2021A Bonds are issued in compliance with the 1990 Resolution so as to be on a parity with the Outstanding Bonds, and, when duly delivered, the Series 2021A Bonds shall constitute a series of bonds issued under the authority of the 1990 Resolution. All recitals, provisions, covenants and agreements contained in the 1990 Resolution, as supplemented and amended herein (except insofar as any of said recitals, provisions, covenants and agreements necessarily relate exclusively to any series of the Outstanding Bonds) are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Series 2021A Bonds shall be outstanding and unpaid either as to principal or interest, or until discharge and satisfaction of the Series 2021A Bonds as provided in Section 12 hereof, shall be applicable to the Series 2021A Bonds, shall inure to the benefit of owners of the Series 2021A Bonds as if set out in full herein, and shall be fully enforceable by the owner of any Series 2021A Bond.

All references to "holder" or "holders" in the 1990 Resolution shall be deemed to include owners of the Series 2021A Bonds, and all references to "Bonds" in the 1990 Resolution shall be deemed to include the Series 2021A Bonds.

Section 10. Sale of Series 2021A Bonds.

(a) The Series 2021A Bonds or any emission thereof may be sold at negotiated sale to the Underwriter or at public sale as determined by the President and Chief Executive Officer of KUB at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest, if any, provided, however, that no emission of Series 2021A Bonds may be sold at negotiated sale unless the Audit and Finance Committee of the Board has previously approved the sale of such emission at negotiated sale. The sale of any emission of the Series 2021A Bonds to the Underwriter or by public sale shall be binding on the City and KUB, and no further action of the Board with respect thereto shall be required.

(b) The President and Chief Executive Officer of KUB, as the designee of the Board, is further authorized with respect to each emission of Series 2021A Bonds to:

(1) change the dated date to a date other than the date of issuance;

(2) specify or change the series designation of the Series 2021A Bonds to a designation other than "Wastewater System Revenue Refunding Bonds";

(3) change the first interest payment date to a date other than October 1, 2021, provided that such date is not later than twelve months from the dated date of such emission of Series 2021A Bonds;

(4) establish and adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series 2021A Bonds or any emission thereof, provided that (A) the total principal amount of all emissions of the Series 2021A Bonds does not exceed the total amount of Series 2021A Bonds authorized herein; (B) the final maturity date of each emission shall be not later than April 1, 2049; and (C) the debt service schedule is substantially the same as what was presented to the State Director in connection with requesting a report on the refunding of the Refunded Bonds;
modify or remove the optional redemption provisions contained herein, provided that the premium amount to be paid in connection with any redemption provision shall not exceed two percent (2%) of the principal amount thereof;

sell the Series 2021A Bonds, or any emission thereof, or any maturities thereof as term bonds with mandatory redemption requirements as determined by the Board, as it shall deem most advantageous to KUB; and

cause all or a portion of the Series 2021A Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of KUB and to enter into agreements with such insurance company to the extent not inconsistent with this resolution.

If any emission of Series 2021A Bonds is sold at negotiated sale, the President and Chief Executive Officer of KUB is authorized to execute a Bond Purchase Agreement with respect to such emission of Series 2021A Bonds, providing for the purchase and sale of the Series 2021A Bonds, or any emission thereof. Each Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes as the President and Chief Executive Officer deems necessary or advisable in connection with the sale of such Series 2021A Bonds, provided any such changes are not inconsistent with the terms of this Section. If the Underwriter does not intend to reoffer the Series 2021A Bonds to the public, then the Bond Purchase Agreement shall be conformed to reflect such intention. The form of the Series 2021A Bond set forth in Section 7 hereof shall be conformed to reflect any changes made pursuant to this Section 10.

The President and Chief Executive Officer and the Chief Financial Officer of KUB, or either of them, are authorized to cause the Series 2021A Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the purchaser(s), and to execute, publish, and deliver all certificates and documents, including an official statement, the Bond Purchase Agreement and closing certificates, as they shall deem necessary in connection with the sale and delivery of each emission of the Bonds.

If the Series 2021A Bonds are sold at public sale, the Series 2021A Bonds shall be awarded by the President and Chief Executive Officer of KUB to the bidder that offers to purchase the Bonds for the lowest true interest cost to KUB.

Section 11. Disposition of Series 2021A Bond Proceeds. The proceeds of the sale of the Series 2021A Bonds shall be paid to KUB and used and applied by KUB as follows:

(a) All accrued interest, if any, shall be deposited to the Debt Service Fund created under the 1990 Resolution and used to pay interest on the Series 2021A Bonds on the first interest payment date following delivery of the Series 2021A Bonds;

(b) An amount, which together with investment earnings thereon and legally available funds of KUB, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds (subject to adjustments permitted by Section 10 above), shall be applied by KUB directly to refund the Refunded Bonds; and

(c) The remainder shall be applied to the payment of costs of issuance relating to the Series 2021A Bonds. If there are any remaining proceeds of the Series 2021A Bonds after application as provided above, such remaining proceeds shall be used to pay principal and/or interest on the Series 2021A Bonds.

Section 12. Discharge and Satisfaction of Series 2021A Bonds. The Series 2021A Bonds may be defeased, discharged and satisfied at any time as provided in Article XII of the 1990 Resolution.
Section 13. Notice of Refunding. Prior to the issuance of the Series 2021A Bonds, notice of the City's intention to refund the Refunded Bonds, to the extent required by applicable law, shall be given by the registration agent for the Refunded Bonds to be mailed by first-class mail, postage prepaid, to the registered holders thereof, as of the date of the notice, as shown on the bond registration records maintained by such registration agent of said Refunded Bonds. The President and Chief Executive Officer of KUB and the Secretary of the Board, or either of them, is hereby authorized and directed to authorize the registration agent of said Refunded Bonds to give such notice on behalf of the City in accordance with this Section.

Section 14. Federal Tax Matters. The City and KUB recognize that the purchasers and owners of the Series 2021A Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series 2021A Bonds. In this connection, KUB, on behalf of the City, agrees that it shall take no action which may render the interest on any of the Series 2021A Bonds includable in gross income for purposes of federal income taxation. It is the reasonable expectation of the City and KUB that the proceeds of the Series 2021A Bonds will not be used in a manner which will cause the Series 2021A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series 2021A Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the Series 2021A Bonds to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Series 2021A Bonds from becoming taxable. The Chair of the Board, the Secretary of the Board, the President and Chief Executive Officer of KUB and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City and KUB.

Section 15. Official Statement. The President and Chief Executive Officer of KUB, or his designee, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series 2021A Bonds. After the Series 2021A Bonds have been awarded, the President and Chief Executive Officer of KUB, or his designee, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Chief Executive Officer of KUB, or his designee, shall arrange for the delivery to the purchaser of the Series 2021A Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series 2021A Bonds have been awarded for subsequent delivery by the purchaser to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of his group initially sell the Series 2021A Bonds.

The President and Chief Executive Officer of KUB, or his designee, is authorized, on behalf of the Board, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Board except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 16. Continuing Disclosure. The City hereby covenants and agrees that KUB will provide annual financial information and material event notices for the Series 2021A Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Chief Financial Officer of KUB is authorized to execute at the closing of the sale of the Series 2021A Bonds, an agreement for the benefit of and
enforceable by the owners of the Series 2021A Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of KUB to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause KUB to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 17. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.
Adopted and approved this 9th day of March, 2021.

______________________________
Mayor

ATTEST:

______________________________
City Recorder
STATE OF TENNESSEE
COUNTY OF KNOX

I, Will Johnson, hereby certify that I am the duly qualified and acting City Recorder of the City of Knoxville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City Council held on March 9, 2021; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original records relate to an amount not to exceed $241,000,000 Wastewater Revenue Refunding Bonds, Series 2021A.

WITNESS my official signature of the City of Knoxville, Tennessee, this ____ day of ________________, 2021.

City Recorder
EXHIBIT A

$241,000,000
CITY OF KNOXVILLE, TENNESSEE
ACTING ON BEHALF OF KNOXVILLE UTILITIES BOARD
WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021A

BOND PURCHASE AGREEMENT

__________, 2021

Knoxville Utilities Board
445 South Gay Street
Knoxville, Tennessee 37902

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this agreement with Knoxville Utilities Board ("KUB") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Eastern Standard Time, on __________, 2021.

1. Purchase Price.

Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from KUB, and KUB hereby agrees to sell to the Underwriter, all (but not less than all) of $241,000,000 aggregate principal amount of KUB's Wastewater System Revenue Refunding Bonds, Series 2021A (the "Bonds"). The purchase price is $__________ plus accrued interest and shall be paid in accordance with paragraph 6 hereof. The purchase price is equal to the par amount of the Bonds less $__________ original issue discount, less $__________ underwriter's discount and plus accrued interest. The Bonds are to be issued under and pursuant to, and are to be secured by the Resolution (the "Bond Resolution") adopted on March 9, 2021, by the City Council of the City of Knoxville (the "City") at the request of KUB. The Bonds shall mature on the dates and shall bear interest at the rates all as described in the Official Statement referred to in Section 3 hereof. The maturities, rates and discount at which the Bonds are being sold are more fully described on Schedule I attached hereto.

The Bonds are being issued to provide funds to refinance the outstanding principal amount of the City's outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035 (the "Series 2010C Bonds"), its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029 (the "Series 2012A Bonds"), its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047 (the "Series 2012B Bonds"), its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037 (the "Series 2013A Bonds"), and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049 (the "Series 2014A Bonds" and together with the Series 2010C Bonds,
the Series 2012A Bonds, the Series 2012B Bonds and the Series 2013A Bonds, the "Refunded Bonds"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Bonds.

2. Public Offering.

The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market; and (ii) to discontinue such stabilizing, if commenced at any time without prior notice.


(a) KUB has provided the Underwriter with information that constitutes a "deemed final" official statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Concurrently with KUB's acceptance of this Bond Purchase Agreement, KUB shall deliver or cause to be delivered to the Underwriter two copies of the Official Statement (as hereinafter defined) relating to the Bonds dated the date hereof substantially in the same form as the Preliminary Official Statement with only such changes as shall have been accepted by the Underwriter.

(b) Within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, KUB shall deliver to the Underwriter copies of the Official Statement of KUB, dated the date hereof, relating to the Bonds, in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and any applicable rules of the Municipal Securities Rulemaking Board, in substantially the form approved by KUB (which, together with the cover page, and all exhibits, appendices, and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"), executed on behalf of KUB by a duly authorized officer of KUB. You hereby authorize and approve the Official Statement and other pertinent documents referred to in Section 6 hereof to be lawfully used in connection with the offering and sale of the Bonds. You also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with a public offering of the Bonds.

(c) If, prior to the Closing (as defined in Section 5 below) or within twenty-five (25) days subsequent to the end of the underwriting period as such term is used for purposes of Rule 15c2-12, any event shall occur with respect to KUB or KUB shall receive notice of the occurrence of any other event that might or would cause the information contained in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, KUB shall so notify the Underwriter. KUB agrees to amend or supplement the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required and to furnish the Underwriter with sufficient quantities of such amendment or supplement in order to permit the Underwriter to comply with Rule 15c2-12.

4. Representations and Warranties.

KUB hereby represents and warrants to the Underwriter that:
(a) KUB is duly existing pursuant to the Charter of the City and is authorized by such Charter to operate and manage the System. KUB has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; (iii) the execution, delivery and receipt of this Bond Purchase Agreement, the Bonds and any and all such other agreements and documents as may be required to be executed, delivered and received by KUB in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement and the Bond Resolution;

(b) When executed by the respective parties thereto, this Bond Purchase Agreement will constitute legal, valid and binding obligation of KUB enforceable in accordance with its terms;

(c) The information and statements contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact which was necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(d) The information and statements contained in the Official Statement, as of its date and as of the Closing, are and will be correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state any material fact which is necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(e) KUB has complied, and will at the Closing be in compliance, in all respects with the obligations on its part contained in the Bond Resolution and the laws of the State of Tennessee (the "State"), including the Act;

(f) The City has duly adopted the Bond Resolution, and the City and KUB have (a) duly authorized and approved the distribution of the Preliminary Official Statement, (b) duly authorized and approved the execution and delivery of the Official Statement, (c) duly authorized and approved the execution and delivery of, and the performance by KUB of the obligations on its part contained in, the Bonds, the Bond Resolution and this Bond Purchase Agreement, and (d) duly authorized and approved the consummation by it of all other transactions contemplated by this Bond Purchase Agreement and the Official Statement;

(g) KUB is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner related to or affecting the transactions contemplated hereby or in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Bond Purchase Agreement, the Bonds and the adoption of the Bond Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject;

(h) Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction, which would constitute a condition precedent to the performance by KUB of its obligations hereunder and under the Bond Resolution and the Bonds, have been obtained;

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of KUB, threatened against
KUB or others (a) affecting KUB or the corporate existence of KUB or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of Net Revenues pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (c) in any way contesting or affecting the transactions contemplated hereby or by the Official Statement or by the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase Agreement, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (e) contesting the powers or authority of KUB for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement;

(j) KUB will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds and other moneys of KUB to be transferred on the date of issuance of the Bonds to be applied or result in such proceeds and other moneys being applied in a manner other than as provided in or permitted by the Bond Resolution and consistent with the utilization described in the Official Statement;

(k) KUB agrees reasonably to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. KUB hereby consents to the use of the Official Statement and the Bond Resolution by the Underwriter in obtaining any qualification required;

(l) If at any time from the date of this Bond Purchase Agreement through 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12 described below) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, KUB shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Bond Purchase Agreement by notification to KUB at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds;

(m) KUB has duly authorized and approved the execution and delivery of this Bond Purchase Agreement and the performance by KUB of the obligations on its part contained herein;

(n) KUB is not, nor has it at any time, been in default in the payment of principal of or interest on any obligation issued or guaranteed by KUB;

(o) Any certificate signed by an authorized officer of KUB and delivered to the Underwriter at or prior to the Closing shall be deemed a representation and warranty by KUB in connection with this Bond Purchase Agreement to the Underwriter as to the statements made therein upon which the Underwriter shall be entitled to rely. KUB covenants that between the date hereof and the Closing, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing;

(p) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding special obligations of KUB entitled to the benefits of the Bond Resolution;

A-4
(q) KUB has lawful authority to operate the System, to consummate the transactions contemplated by the Official Statement and collect revenues, fees and other charges in connection with the System and through its Board of Commissioners, to fix the rates, fees and other charges with respect to the System; and

(r) KUB hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about KUB, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter. KUB represents that it has complied in all respects with its obligations to provide continuing disclosure of certain information as described in that certain Continuing Disclosure Certificate entered into in connection with the issuance of the Bonds.

5. Delivery of, and Payment for, the Bonds.

At 10:00 a.m. on or about __________, 2021, or at such other time or date as shall have been mutually agreed upon by KUB and the Underwriter, KUB will deliver, or cause to be delivered, to the Underwriter the other documents hereinafter mentioned and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest payable to the order of KUB, in federal funds or other immediately available funds by delivering to KUB such funds by wire transfer to KUB or its designated agent except that physical delivery of the Bonds shall be made through the facilities of the Depository Trust Company.

Payment for the Bonds shall be confirmed and delivery of the documents as aforesaid shall be made at the offices of KUB, or such other place as may be agreed upon by the Underwriter and KUB. Such payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds in such names and in such denominations as shall be designated in writing by the Underwriter to KUB at Closing.

6. Certain Conditions to Underwriter's Obligations.

The obligations of the Underwriter hereunder shall be subject to (i) the performance by KUB of its obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of KUB herein as of the date hereof and as of the date of the Closing, and (iii) to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, and (iii) KUB shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received an executed copy of each of the following documents:

(1) the approving opinion, dated the date of the Closing, of Bond Counsel addressed to KUB and the Underwriter, relating to, among other things, the validity of the Bonds [and the exclusion from gross income of the interest on the Bonds for federal and State of Tennessee income tax purposes,] in substantially the form set forth as Appendix _ to the Official Statement;
(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit A hereto;

(3) an opinion, dated the date of the Closing, of Hodges, Doughty & Carson, Knoxville, Tennessee, counsel to KUB, addressed to KUB, Bond Counsel and the Underwriter in substantially the form of Exhibit B hereto;

(4) a certificate of KUB, dated the date of the Closing and signed by a duly authorized officer of KUB and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) since the execution of the Bond Purchase Agreement no material and adverse change has occurred in the financial position of the System or results of operations of the System; (ii) KUB has not incurred any material liabilities secured by the Net Revenues of the System other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (iii) no event affecting KUB has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date of Closing;

(5) the Official Statement executed on behalf of KUB by a duly authorized officer thereof;

(6) the Bond Resolution and the Bonds;

(7) a certificate of a duly authorized officer of KUB, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the reasonable expectations of KUB as of such date as to the use of proceeds of the Bonds and of any other funds of KUB expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, KUB's expectations are reasonable;

(8) evidence indicating a rating on the Bonds of "___" by [rating agency];

(9) other certificates of KUB listed on a Closing Memorandum to be approved by counsel to KUB, Bond Counsel and counsel to the Underwriter, including any certificates or representations required in order for Bond Counsel to deliver the opinion referred to in Paragraph 6(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by KUB with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of KUB contained herein and the due performance or satisfaction by KUB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by KUB.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and counsel to the Underwriter. KUB will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

(c) The Underwriter shall have received within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Official Statement in sufficient quantity as may be reasonably requested by the Underwriter in order to comply with Rule 15(c) 2-12.
7. **Termination.**

The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the Internal Revenue Code (which, if enacted, would take effect in whole or in part prior to the Closing) shall be filed in either house, or recommended for passage by the Congress by any joint or conference committee thereof, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of KUB and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter’s judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Tennessee or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Tennessee or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the financial position of the System, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If KUB shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor KUB shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 10 hereof, shall continue in full force and effect.
8. **Particular Covenants.**

KUB covenants and agrees with the Underwriter as follows:

(a) KUB shall use its best efforts to furnish or cause to be furnished to the Underwriter, without charge, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, KUB shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of KUB and the Underwriter a supplement or amendment to the Official Statement is required, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and its counsel.

9. **Survival of Representations.**

All representations, warranties and agreements of KUB hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds.

10. **Payment of Expenses.**

Whether or not the Bonds are sold to the Underwriter by KUB, KUB shall pay, but only out of the proceeds of the sale of the Bonds or other funds made available by KUB, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Official Statement and any supplements thereto, together with a number of copies which the Underwriter deems reasonable; (ii) the cost of the preparation and printing of the definitive Bonds; (iii) the rating agency fees; and (iv) the fees and disbursements of Counsel to KUB and Bond Counsel and any other experts or consultants retained by KUB.

Whether or not the Bonds are sold to the Underwriter, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the cost of preparing and printing the blue sky memorandum, if any, and filing fees in connection with the aforesaid blue sky memorandum other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the fees and expenses of the Underwriter's counsel.

11. **No Advisory or Fiduciary Role.**

KUB acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between KUB and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and are not acting as the agent, advisor or fiduciary of KUB, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of KUB with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to KUB on other matters) and the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (v) KUB has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

KUB and the Underwriter represent and warrant that no finder or other agent has been employed by either KUB or the Underwriter in connection with this transaction.
12. **Notices.**

Any notice or other communication to be given to KUB under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to ________________, ______________, ______________, ______________.

13. **Parties.**

This Bond Purchase Agreement is made solely for the benefit of KUB and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

14. **Governing Law.**

This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

15. **General.**

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

_________________________________

By:____________________________________

Its:____________________________

Accepted and agreed to as of the date first above written:

KNOXVILLE UTILITIES BOARD

By:____________________________

President and Chief Executive Officer
EXHIBIT A TO BOND PURCHASE AGREEMENT

[LETTERHEAD OF BASS, BERRY & SIMS PLC]

[Closing Date]

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Paragraph 6(b)(2) of the Bond Purchase Agreement, dated __________, 2021 (the “Bond Purchase Agreement”), between ____________________________ (the “Underwriter”), and Knoxville Utilities Board (“KUB”), relating to the sale by KUB of its Wastewater System Revenue Refunding Bonds, Series 2021A, in the aggregate principal amount of $241,000,000 (the “Bonds”). Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Bonds and we have participated in conferences from time to time with counsel to KUB, representatives of the Underwriter and counsel to the Underwriter, relative to the Official Statement, dated __________, 2021, relating to the Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Bonds to the public do not require any registration under the Securities Act of 1933, as amended, and, in connection therewith, the Bond Resolution does not need to be qualified under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the captions "Introduction" to the extent the narrative thereunder purports to describe the terms of the Bonds and the legal authority by which they are issued, "The Bonds," and in Appendix A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, fairly summarize such provisions. The statements contained in the Official Statement under the caption "Opinion of Bond Counsel" are correct as to matters of law.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,
Exhibit B to Bond Purchase Agreement

____________, 2021

______________________________
______________________________
______________________________

Bass, Berry & Sims PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902

Re: City of Knoxville, Tennessee acting on behalf of the Knoxville Utilities Board $241,000,000 Wastewater System Revenue Refunding Bonds, Series 2021A

Ladies and Gentlemen:

You have requested that the undersigned, General Counsel to the Knoxville Utilities Board of the City of Knoxville, Tennessee ("KUB"), render this opinion in connection with the execution, delivery and sale of the captioned bonds (the "Bonds"), the proceeds of which will be used to refinance the outstanding principal amount of the City's outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029, its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047, its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037, and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049.

It is our opinion that KUB is duly established and validly existing pursuant to the Charter of the City of Knoxville, Tennessee ("Municipality"), and, pursuant to said Charter, the wastewater system of the Municipality (the "System") is under the jurisdiction, control and management of KUB.

The undersigned does hereby certify that no litigation of any nature is now pending or, to our knowledge, threatened

(1) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds;

(2) seeking to restrain or enjoin the charging of sufficient rates to pay the cost of operating, maintaining, repairing and insuring the System and to pay principal of and interest on the Bonds and all outstanding obligations payable from the revenues of the System;

(3) in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued or such rates are charged;

(4) in any manner questioning or relating to the validity of the Bonds;

(5) contesting in any way the completeness or accuracy of the Official Statement prepared and distributed in connection with the sale of the Bonds;
(6) in any way contesting the corporate existence or boundaries of the Municipality, except for various pending actions challenging past or present annexation efforts of the Municipality, which will have no material adverse effect on the revenues of the System;

(7) contesting the title of the present officers of KUB to their respective offices; or

(8) contesting the powers of KUB or the authority of KUB with respect to the Bonds, or proceedings authorizing the Bonds, or any act to be done or document or certificate to be executed or delivered in connection with the issuance and delivery of the Bonds.

Neither the voters of the Municipality nor its governing body nor the Board of Commissioners of KUB have approved any special, local or private act or legislation passed by the General Assembly of the State of Tennessee at its most recent session or any amendments to the Charter of the Municipality affecting the power of the Municipality to issue the Bonds or pay the principal of, premium, if any, and interest on the Bonds when due or affecting the power of the Board of Commissioners of KUB to manage and control the System.

I hereby certify that Jerry Askew and Mark Walker are the duly qualified, appointed and acting Chair and Secretary, respectively, of the Board of Commissioners of KUB with full power to act as such officers on behalf of KUB in connection with the execution and delivery of the Bonds.

Yours truly,

29793859.2
RESOLUTION NO. 1431

A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Eighty-Seven Million Five Hundred Thousand and No/100 Dollars ($87,500,000) in Aggregate Principal Amount of Electric System Revenue Refunding Bonds, Series LL-2021; the Issuance of Not to Exceed Forty-Nine Million Five Hundred Thousand and No/100 Dollars ($49,500,000) in Aggregate Principal Amount of Gas System Revenue Refunding Bonds, Series AA-2021; the Issuance of Not to Exceed Forty-One Million Five Hundred Thousand and No/100 Dollars ($41,500,000) in Aggregate Principal Amount of Water System Revenue Refunding Bonds, Series LL-2021; and the Issuance of Not to Exceed Two Hundred Forty-One Million and No/100 Dollars ($241,000,000) in Aggregate Principal Amount of Wastewater System Revenue Refunding Bonds, Series 2021A

Whereas, by the provisions of the City Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical power distribution system (the "Electric System"); the City's natural gas distribution system (the "Gas System"); the City's water distribution and treatment system (the "Water System"); and the City's wastewater system (the "Wastewater System") have been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $87,500,000 in aggregate principal amount of Electric System Revenue Refunding Bonds, Series LL-2021 (the "Electric Bonds") for the purpose of providing funds to refinance the outstanding principal amount of the City's outstanding Electric System Revenue Refunding Bonds, Series AA-2012, dated April 20, 2012, maturing July 1, 2022 through July 1, 2029, its outstanding Electric System Revenue Bonds, Series BB-2012, dated December 18, 2012, maturing July 1, 2022 through July 1, 2042, its outstanding Electric System Revenue Refunding Bonds, Series CC-2013, dated March 15, 2013, maturing July 1, 2022 through July 1, 2031, and its outstanding Electric System Revenue Bonds, Series DD-2014, dated September 18, 2014, maturing July 1, 2022 through July 1, 2044, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Electric Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $49,500,000 in aggregate principal amount of Gas System Revenue Refunding Bonds, Series AA-2021 (the "Gas Bonds") for the purpose of providing funds to refinance the outstanding principal amount of the City's Gas System Revenue Refunding Bonds, Series Q-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Gas System Revenue Bonds, Series R-2012, dated December 18, 2012, maturing March 1, 2022 through March 1, 2033, its outstanding Gas System Revenue Refunding
Bonds, Series S-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2031 and its outstanding Gas System Revenue Bonds, Series T-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2035, including the payment of legal, fiscal and administrative costs incident to the issuance and sale of the Gas Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $41,500,000 in aggregate principal amount of Water System Revenue Refunding Bonds, Series LL-2021 (the “Water Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Water System Revenue Refunding Bonds, Series X-2012, dated April 20, 2012, maturing March 1, 2022 through March 1, 2029, its outstanding Water System Revenue Refunding Bonds, Series Y-2013, dated March 15, 2013, maturing March 1, 2022 through March 1, 2030, its outstanding Water System Revenue Bonds, Series Z-2013, dated October 1, 2013, maturing March 1, 2022 through March 1, 2044, and its outstanding Water System Revenue Bonds, Series AA-2014, dated September 18, 2014, maturing March 1, 2022 through March 1, 2044, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Water Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed $241,000,000 in aggregate principal amount of Wastewater System Revenue Refunding Bonds, Series 2021A (the “Wastewater Bonds”) for the purpose of providing funds to refinance the outstanding principal amount of the City’s outstanding Wastewater System Revenue Bonds, Series 2010C (Federally Taxable Build America Bonds), dated December 8, 2010, maturing April 1, 2022 through April 1, 2035, its outstanding Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029, its outstanding Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047, its outstanding Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037, and its outstanding Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049, including the payment of legal, fiscal, and administrative costs incident to the issuance and sale of the Wastewater Bonds; and

Whereas, the Board has had prepared for passage by the Council of the City a resolution authorizing the issuance of the Electric Bonds, a copy of which is attached hereto and made a part hereof (the “Electric Resolution”); a resolution authorizing the issuance of the Gas Bonds, a copy of which is attached hereto and made a part hereof (the “Gas Resolution”); a resolution authorizing the issuance of the Water Bonds, a copy of which is attached hereto and made a part hereof (the “Water Resolution”); and a resolution authorizing the issuance of the Wastewater Bonds, a copy of which is attached hereto and made a part hereof (the “Wastewater Resolution”).

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board as Follows:
Section 1. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Electric Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Electric Bonds pursuant thereto, the description of the Electric Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Electric Resolution.

Section 2. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Gas Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Gas Bonds pursuant thereto, the description of the Gas Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Gas Resolution.

Section 3. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Water Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Water Bonds pursuant thereto, the description of the Water Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Water Resolution.

Section 4. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Wastewater Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Wastewater Bonds pursuant thereto, the description of the Wastewater Bonds, the security therefor and the purposes for which said Bonds are to be issued, being more fully stated in the Wastewater Resolution.

Section 5. As required by the State Funding Board of the State of Tennessee, the Board has heretofore adopted a KUB Debt Management Policy. The Board hereby finds the issuance of the Electric Bonds, Gas Bonds, Water Bonds, and Wastewater Bonds, as proposed herein, is consistent with the KUB Debt Management Policy.

Section 6. The Board hereby formally requests the Council of the City to pass the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution, and the Board does hereby adopt, ratify, approve, consent and agree to each and every provision contained in the Electric Resolution, the Gas Resolution, the Water Resolution and the Wastewater Resolution upon adoption.

Section 7. The Board has elected and does hereby elect that the Electric Bonds be issued under the Electric Resolution, the Gas Bonds be issued under the Gas Resolution, the Water Bonds be issued under the Water Resolution and the Wastewater Bonds be issued under the Wastewater Resolution.
**Section 8.** The Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council of the City as formal evidence of this Board's action in connection therewith.

**Section 9.** This Resolution shall take effect from and after its passage.

Jerry Askew, Chair

Mark Walker, Board Secretary

APPROVED ON 1st & FINAL READING: 2-18-21
EFFECTIVE DATE: 2-18-21
MINUTE BOOK 43 PAGE

Attachment: KUB Resolution 1431 for refunding bonds (8153: KUB, issuance of wastewater system revenue refunding bonds)
February 19, 2021

Honorable Indya Kincannon, Mayor
and Honorable City Council
City of Knoxville
P.O. Box 1631
Knoxville, TN 37901

Dear Mayor Kincannon and Members of the Council:

Thank you for your recent correspondence. We acknowledge receipt on February 19, 2021, of a request from the City of Knoxville (the “City”) for a report on a plan of refunding (the “Plan”) for the City’s proposed issuance of an estimated $240,420,000 Wastewater System Revenue Refunding Bonds, Series 2021A.

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the City’s Plan. The Plan, this letter, and the enclosed report should be made available on the City’s website and must be presented to each member of the City Council for review prior to the adoption of a refunding bond authorizing resolution.

If you should have questions or need assistance, please feel free to contact your financial analyst, William Wood, at 615.401.7893 or William.Wood@cot.tn.gov.

You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst.

Very truly yours,

Betsy Knotts
Director of the Division of Local Government Finance

cc:  Ms. Jean Suh, Contract Audit Review Manager, Division of Local Government Audit
     Ms. Gabriel J. Bolas II, KUB President and CEO, City of Knoxville, TN
     Mr. Mark Walker, KUB CFO, City of Knoxville, TN
     Mr. Joe Ayers, Cumberland Securities, Inc.
     Mr. Scott Gibson, Cumberland Securities, Inc.
     Mr. Mark Mamantov, Bass, Berry & Simms

Enclosure: Report of the Director of the Division of Local Government Finance

BK:ww
This report is being issued pursuant to T.C.A. § 9-21-1003 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on February 19, 2021, from the City of Knoxville (the “City”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The City should discuss these issues with bond counsel. This report and the City’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the President and CEO of the Knoxville Utilities Board, our office has reviewed the City’s Plan, as required by TCA § 9-21-1003, and provides the following analysis based upon the assumptions outlined in the Plan.

The City intends to issue by competitive sale approximately $240,420,000 Wastewater System Revenue Refunding Bonds, Series 2021A, priced at par to refund:

- $36,550,000 Wastewater System Revenue Bonds, Series 2010C, (Federal Taxable Build America Bonds) dated December 8, 2010, maturing April 1, 2022 through April 1, 2035;
- $9,765,000 Wastewater System Revenue Refunding Bonds, Series 2012A, dated April 20, 2012, maturing April 1, 2022 through April 1, 2029;
- $57,075,000 Wastewater System Revenue Bonds, Series 2012B, dated December 18, 2012, maturing April 1, 2022 through April 1, 2047;
- $108,405,000 Wastewater System Revenue Refunding Bonds, Series 2013A, dated March 15, 2013, maturing April 1, 2022 through April 1, 2037;
- $26,775,000 Wastewater System Revenue Bonds, Series 2014A, dated September 18, 2014, maturing April 1, 2022 through April 1, 2049.

These are collectively known hereinafter as the “Refunded Bonds.”
• The City’s objective for the refunding is to achieve net present value debt service savings. The estimated net present value debt service savings is $33,605,331 or 14.09% of the refunded principal amount of $238,570,000.
• The City will contribute $363,116 to fund the transaction.
• The final maturity of the Series 2021A Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
• The City currently has a Standard & Poor’s rating of AA+ on some of its long-term wastewater revenue debt, therefore, the proposed structure of the Series 2021A Refunding Bonds is not balloon indebtedness as defined in T.C.A. § 9-21-133.
• Estimated costs of issuance are summarized below and are based upon the par amount of $240,420,000 for the Series 2021A Refunding Bonds:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Price per $1,000 Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriter's Discount</td>
<td>1,803,150</td>
</tr>
<tr>
<td>Financial Advisor (Cumberland Securities)</td>
<td>100,000</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>216,500</td>
</tr>
<tr>
<td>Bond Counsel (Bass, Berry &amp; Simms)</td>
<td>64,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>14,195</td>
</tr>
<tr>
<td>Total Cost of Issuance</td>
<td>$ 2,197,845</td>
</tr>
</tbody>
</table>

Financial Professionals

The Plan was prepared with the assistance of the City’s financial advisor, Cumberland Securities, Inc. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City’s best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the City’s underwriter and municipal advisor, please read the information posted on the MSRB website: www.msrb.org.

Plan Assumptions

The assumptions of the Plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report provides no assurances of the reasonableness of the underlying assumptions. The assumptions included in the City’s Plan may not reflect either current market conditions or market conditions at the time of sale.
Debt Management Policy

The City has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the City’s policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the bonds are issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City Commission to review prior to adopting a new refunding bond authorizing resolution.

Betsy Knotts
Director of the Division of Local Government Finance
Date: February 19, 2021

Enclosure: Requirements After Debt is Issued
Requirements After Debt is Issued

- **Annual Budget Approval**
  Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: tncot.cc/budget.

- **Bonds not Refunded**
  If all the bonds are not refunded as a part of the proposed refunding transaction and the City wishes to refund them in a subsequent bond issue, then a new plan must be submitted to our office for review.

- **Debt Management Policy**
  Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: tncot.cc/debt-policy.

- **Required Notification**
  We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the City decides to proceed with the issue, the City Commission and our office should be notified after the sale by the local government’s Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

  1. An increase in the principal amount of the debt issued;
  2. An increase in costs of issuance; or
  3. A decrease in the cumulative savings or increase in the loss.

  The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the City Commission and our office with the required filing of the Report on Debt Obligation, Form CT-0253.
- **Report on Debt Obligation**
  Pursuant to T.C.A. § 9-21-134, a Report on Debt Obligation shall be completed and filed with the governing body of the local government no later than forty-five (45) days after the issuance of the debt, with a copy (including attachments, if any) filed with the Division of Local Government Finance. The report and instructions may be accessed at: tncot.cc/debt-report.

- **Rule 15c2-12 of the Securities Exchange Act**
  Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: emma.msrb.org.
AGENDA SUMMARY  A Resolution authorizing the Mayor to execute an amendment to Agreement No. C-20-0254 with Knoxville-Knox County Community Action Committee to extend the term of the Agreement through March 31, 2022 and to provide additional funds not to exceed $123,028.00 in HUD Community Development Block Grant-Coronavirus funding for housing assistance, as part of the City's response to the COVID-19 pandemic, for a new contract amount not to exceed $386,895.00.

COUNCIL DISTRICT(S) AFFECTED  All

BACKGROUND  In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic and the President, Governor, and Mayor declared the outbreak a national, state, and city emergency, respectively.

On March 27, 2020, the President signed the $2.2 trillion CARES Act into law. Among other important measures, the CARES Act provisions included supplemental Community Development Block Grant funding to prevent, prepare for, and respond to COVID-19 ("CDBG-CV"). The City was notified by the U.S. Department of Housing and Urban Development ("HUD") that it would receive two allocations of CDBG-CV funding in the amounts of $1,036,418 on April 2, 2020 and $1,853,296 on September 11, 2020.

On July 8, 2020, the City entered into an agreement with Knoxville-Knox County Community Action Committee ("CAC") to provide CDBG-CV funding for housing assistance needed due to the COVID-19 pandemic. When this initial agreement was drafted, there were several unknowns related to the pandemic. Estimates were made at that time about how many households would be served; how much assistance would be needed per household; and how long most households would go before returning to work.

One year into the pandemic, several variables have changed. The City received a second tranche of CDBG-CV funding; COVID-19 transmission has repeatedly spiked in Knox County, causing businesses, schools, and institutions to close; HUD extended the maximum housing assistance period from three months to six months; and utility and eviction moratoriums offered some temporary relief but also caused clients to wait longer to seek assistance. Fewer households than anticipated requested rental assistance from the City’s Housing Assistance Program; however, the average amount of assistance requested was higher than initially estimated.

From March 16, 2020 to January 30, 2021, CAC served 117 households, instead of the anticipated 200, with rent assistance and hundreds more with case management and warm referrals to appropriate resources. The average amount of assistance per household is $1,166. With the additional funds, CAC will provide housing assistance to 50 additional low-
and moderate-income households who have lost income due to COVID-19, for a total of 167 households to be served over the entire agreement, with a new contract total of $386,895.

**OPTIONS**  Approve or deny the request.

**RECOMMENDATION**  Approval of the contract.

**ESTIMATED PROJECT**  22 month contract, starting on May 20, 2020, and ending on March 31, 2022. Services are retroactive to March 16, 2020.

**PRIOR ACTION/REVIEW**  Project funding was previously approved by Council on May 19, 2020, as part of the City’s Substantial Amendments to its 2015-2019 Consolidated Plan and 2019-2020 Annual Action Plan required by HUD. On June 2, 2020, Council adopted Resolution R-157-2020 authorization the Mayor to execute Agreement No. C-20-0254 for funding in the amount of $263,867.

**FISCAL INFORMATION**  The original agreement was for $263,867. This amendment would add an additional $123,028.00, making the new Agreement total $386,895.00 in CDBG-CV funds.

**ATTACHMENTS**

Respectfully submitted:
Becky Wade, Deputy Director
Housing and Neighborhood Development

**ATTACHMENTS:**
- RESOL- CAC Second Amendment C-20-0254 gs (DOCX)
- CAC Second Amd C-20-0254 gs (DOCX)
RESOLUTION

WHEREAS, on July 8, 2020, the City of Knoxville ("City") and Knoxville-Knox County Community Action Committee ("CAC") entered into an Agreement known as Document No. C-20-0254 to provide funding in an amount not to exceed $263,867.00 in Community Development Block Grant – Coronavirus ("CDBG-CV") funds to provide Public Service/Housing Assistance to 200 CDBG-eligible individuals and households who have lost income due to the pandemic; and

WHEREAS, on November 20, 2020 the parties executed a First Amendment to Document No. C-20-0254 to alter the terms of the Agreement to change the cap on the number of months of financial assistance from three months to six months and to change the cap on the amount of financial assistance available per household from $1,500.00 to $3,000.00; and
WHEREAS, due to the increase in the cap of financial assistance available per household, the CAC has been able to provide assistance to 117 of the anticipated 200 individuals/households with the initial funding; and

WHEREAS, the parties now desire to amend the Agreement to increase the funding amount by $123,028.00 to provide housing assistance to an additional 50 low- and moderate-income households who have lost income due to the pandemic and to modify the anticipated number of households receiving assistance to 167, for a new total funding amount not to exceed $386,895.00; and

WHEREAS, the parties now desire to amend the Agreement to extend the term until March 31, 2022 so the CAC may provide continuous case management services to low- and moderate-income renter households who have lost income due to the pandemic.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville is hereby authorized to execute a Second Amendment to Agreement No. C-20-0254, in substantially the same form as attached hereto, on behalf of the City of Knoxville with Knoxville-Knox County Community Action Committee to provide additional CDBG-CV funding in an amount not to exceed $123,028.00 to provide housing assistance as part of the City’s response to COVID-19, for a new total funding amount not to exceed $386,895.00, and a new anticipated number of households receiving assistance of 167.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

______________________________________________
Presiding Officer of the Council

Recorder
R:\GShields\Resolutions\Community Development\CAC Second Amendment C-20-0254.docx
SECOND AMENDMENT

THIS SECOND AMENDMENT to Document No. C-20-0254 is made between the CITY OF KNOXVILLE, a municipal corporation organized and existing under the laws of the State of Tennessee ("CITY"), and KNOXVILLE-KNOX COUNTY COMMUNITY ACTION COMMITTEE, P.O. Box 51650, Knoxville, TN 37950-1650 ("SUBGRANTEE"). It modifies the Agreement known as Document No. C-20-0254 as follows:

WHEREAS, on July 8, 2020, the parties listed above entered into an Agreement known as Document No. C-20-0254 to provide funding in an amount not to exceed $263,867.00 in CDBG-CV funds to provide Public Service/Housing Assistance to 200 CDBG-eligible individuals and households who have lost income due to the pandemic; and

WHEREAS, on November 20, 2020, the parties executed a First Amendment to Document No. C-20-0254 to alter the terms of the Agreement to change the cap on the number of months of financial assistance from three months to six months and to change the cap on the amount of financial assistance available per household from $1,500.00 to $3,000.00; and

WHEREAS, due to the increase in the cap of financial assistance available per household, the Subgrantee has been able to provide assistance to 117 of the anticipated 200 individuals/households with the initial funding; and

WHEREAS, the parties now desire to amend the Agreement to increase the funding amount by $123,028.00 to provide housing assistance to an additional 50 low- and moderate-income households who have lost income due to the pandemic and to modify the anticipated number of households receiving assistance to 167, for a new total funding amount not to exceed $386,895.00; and

WHEREAS, the parties now desire to amend the Agreement to extend the term until March 31, 2022 so the Subgrantee may provide continuous case management services to low- and moderate-income renter households who have lost income due to the pandemic.
NOW, THEREFORE, the City and Subgrantee, for the mutual considerations stated herein, agree to modify the Agreement known as Document No. C-20-0254 as follows.

1. Section 1.1.D is hereby amended by deleting in its entirety the first paragraph of said subsection and substituting in lieu thereof the following new first paragraph of Section 1.1.D:

D. Performance Criteria
Funding under this agreement shall be utilized to provide housing assistance to 167 households that have been financially impacted by COVID-19.

• 167 households shall receive housing financial assistance for some combination of rental payment(s), rental arrearage(s), and utility arrearage(s).
• 167 households shall receive supportive services, which may include financial counseling, referrals to other service providers, or case management.

2. Section 1.3 is hereby amended by deleting in its entirety the paragraph of said subsection and substituting in lieu thereof the following new paragraph of section 1.3:

1.3 TERM. This Agreement is for a term commencing on March 16, 2020, and terminating on March 31, 2022, unless earlier terminated pursuant to the provisions of this Agreement or extended by mutual agreement of the parties.

3. Section 1.4 is hereby deleted in its entirety and substituted with the following new Section 1.4:

1.4 CONTRACT PRICE. For the satisfactory performance of this Agreement, the City will pay to the Subgrantee an amount not to exceed $386,895.00, which shall be provided through the CDBG-CV program. The payments shall be made as reimbursement to the Subgrantee for the expenses it incurs in fulfilling its obligations under this Agreement. Reimbursement for eligible project expenses shall be made against the line-items identified in the amended Project Budget, attached hereto, and in accordance with the performance requirements set forth in Section 1.1 of this Agreement.
WITH THE EXCEPTION OF THE ABOVE-SPECIFIED MODIFICATIONS, ALL OTHER TERMS OF SAID ORIGINAL AGREEMENT AND AMENDMENTS THERETO WILL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the City and Knoxville-Knox County Community Action Committee have executed this Second Amendment to Document No. C-20-0254 as of the below-written date.

APPROVED AS TO FORM:  

CITY OF KNOXVILLE

BY: ________________________________

CHARLES W. SWANSON
LAW DIRECTOR

DATE: ________________________________

FUNDS CERTIFIED:

SUSAN A. GENNOE
FINANCE DIRECTOR

BY: ________________________________

KNOXVILLE-KNOX COUNTY COMMUNITY ACTION COMMITTEE

TITLE: ________________________________

---

R:\GShields\Agreements\2021\Community Dev\CAC Second Amd C-20-0254.docx
## Knoxville-Knox County Community Action

**Committee Homeward Bound COVID-19 Housing Assistance Program (C-20-0254)**

### Amended Budget

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>CDBG-CV Funds</th>
<th>Other Federal Funds</th>
<th>Agency Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Assistance</td>
<td>$334,121.60</td>
<td>$165,000.00</td>
<td></td>
<td>$499,121.60</td>
</tr>
<tr>
<td>Case Management</td>
<td>$52,773.40</td>
<td>$420,000.00</td>
<td></td>
<td>$472,773.40</td>
</tr>
<tr>
<td>Direct Staff</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$386,895.00</strong></td>
<td><strong>$585,000.00</strong></td>
<td>$</td>
<td><strong>$971,895.00</strong></td>
</tr>
</tbody>
</table>

Attachment: CAC Second Amd C-20-0254 gs (8141 : AIS for Second Amendment for CAC HAP CDBG-CV funds)
AGENDA DATE: March 9, 2021
DEPARTMENT: Knoxville Police Department
DIRECTOR: Eve Thomas

AGENDA SUMMARY A Resolution authorizing the Mayor to execute any and all documents necessary to apply for and accept "The Kevin and Avonte Program: Reducing Injury and Death of Missing Individuals with Dementia and Developmental Disabilities" grant award of $150,000.00 from the Bureau of Justice Assistance, with no required local match, for funding of efforts to protect our vulnerable citizens.

COUNCIL DISTRICT(S) AFFECTED All

BACKGROUND The Kevin and Avonte Program is a 100% federally funded grant to reduce the number of deaths and injuries of individuals with forms of dementia such as Alzheimer's disease or developmental disabilities such as Autism who, due to their condition, wander from safe environments. This grant will provide the Knoxville Police Department funding to implement a wanderers program geared towards the education of law enforcement officers in responding to situations involving these individuals, as well as to prevent wandering, increase the safety of and facilitate the rescue of these individuals.

OPTIONS The options are to approve or deny the resolution.

RECOMMENDATION The recommendation is to approve the resolution.

ESTIMATED PROJECT SCHEDULE The grant period is October 01, 2021 through September 30, 2024.

PRIOR ACTION/REVIEW None

FISCAL INFORMATION The Kevin and Avonte Program: Reducing Injury and Death of Missing Individuals with Dementia and Developmental Disabilities grant of $150,000, if awarded, is 100% federally funded and administered by the Bureau of Justice Assistance with no cost to the City of Knoxville.

ATTACHMENTS:
- Kevin and Avonte Program Grant (DOCX)
- Signed Grant Routing Kevin and Avonte (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE
AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO APPLY FOR AND ACCEPT “THE KEVIN AND AVONTE PROGRAM: REDUCING INJURY AND DEATH OF MISSING INDIVIDUALS WITH DEMENTIA AND DEVELOPMENTAL DISABILITIES” GRANT AWARD OF $150,000.00 FROM THE DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE, WITH NO REQUIRED LOCAL MATCH, FOR FUNDING OF EFFORTS TO PROTECT OUR VULNERABLE CITIZENS.

WHEREAS, the Knoxville Police Department desires to apply for and accept a grant award of ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS ($150,000.00) from the Department of Justice, Bureau of Justice Assistance, The Kevin and Avonte Program: Reducing Injury and Death of Missing Individuals with Dementia and Developmental Disabilities; and

WHEREAS, the primary purpose of the grant is reduce the number of deaths and injuries of individuals with forms of dementia such as Alzheimer’s disease or developmental disabilities such as Autism who, due to their condition, wander from safe environments; and

WHEREAS, the grant funds will be used to implement a wanderers program geared towards the education of law enforcement officers in responding to situations involving these individuals, as
well as to prevent wandering, increase the safety of and facilitate the rescue of these vulnerable citizens; and

WHEREAS, the City of Knoxville desires to apply for and accept this grant award on behalf of the Knoxville Police Department.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: That the Mayor of the City of Knoxville be, and hereby is, authorized to execute any and all documents necessary to apply for and accept a Kevin and Avonte Program grant from the Bureau of Justice Assistance Programs to implement a wanderer’s program to reduce the number of deaths and injuries of individuals with forms of dementia or developmental disabilities who, due to their condition, wander from safe environments, in the amount of ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS ($150,000.00), which requires no local match from the City of Knoxville, or in such other amounts or under such other terms as would be advantageous to the City, on behalf of the Knoxville Police Department.

SECTION 2: This Resolution will take effect from and after its passage, the welfare of the city requiring it.

________________________
Presiding Officer of the Council

______________________________
Recorder

R:\R Mills\GENERAL\COUNCIL\RESOLUTION\Kevin and Avonte Program Grant.docx
GRANT ROUTING FORM

INFORMATION TO BE COMPLETED BY INITIATING DEPARTMENT

Please complete 1-15 electronically.

1. Grant Identifying Number ______
2. Grantor BJA
3. Initiating Department Name Police
4. Organ Number 052310
5. Initiating Department Contact Stacey Payne
6. Is the following information attached to this form?
   a. Grant Application ☑ Yes □ No
   b. Sample Award Agreement (in duplicate) ☑ Yes □ No
   c. Request to Legal for Resolution ☑ Yes □ No
7. Grant Amount $150,000
   (This is the amount from the grantor, not including any contributions from the City)
8. Match Amount $0
9. Is match amount currently budgeted? □ Yes ☑ No
   If not, what is the proposed source of the match? ____________
10. Will any new positions be created by this grant? □ Yes ☑ No
    If so, how are these positions to be funded beyond the life of the grant? ____________
11. What other costs are associated with receipt of this grant? (Please note such things as future recurring costs needed to continue the relevant service.) None
12. Calculate the present value of the cost to the City of Knoxville for this grant, including any match or other upfront costs or future recurring costs. (Consult Jim York at 215-2013 for discount rate to be used.) Note
13. Are there any grant restrictions that will result in the rebate of all or some portion of the grant proceeds? No
14. What is the life of the grant? 10/01/2021 - 09/30/2024
15. Is this a reimbursement grant or an advance grant? Reimbursement

Print document and submit to Finance Dept. This document requires 8 ½” x 14” (Legal) size paper.

INFORMATION TO BE COMPLETED BY FINANCE DEPARTMENT

1. Date Received 2/1/2021
2. Date to Analyst 2/1/2021

ANALYST:

1. Responsible Analyst ____________
2. Are all costs (match or other) associated with this acceptance of this grant currently budgeted? There is no local match funding required

3. Comments ____________________________
4. Date to Finance Director 2/10/2021

FINANCE DIRECTOR:

1. Comments ____________________________
2. Finance Director’s Signature ____________
3. Date to Mayor 2/10/2021

INFORMATION TO BE COMPLETED BY MAYOR

1. Comments ____________________________
2. Mayor’s Signature ____________________________
   a. ☑ Approved (Forward to Legal)
   b. □ Denied (Return to Finance)
3. Date to Legal (if approved) or Finance (if denied) ____________________________

INFORMATION TO BE COMPLETED BY LEGAL DEPARTMENT

1. Resolution prepared by ____________________________
2. Date for Council Review ____________________________
3. Return this form to analyst noted above upon preparation of resolution.
AGENDA SUMMARY  A Resolution authorizing the Mayor to execute an agreement with Knox County, Tennessee to share costs associated with the operation of the Household Hazardous Waste Facility located at 1033 Elm Street with Knox County reimbursing the City for 50% of operating costs and commensurate share of disposal costs.

COUNCIL DISTRICT(S) AFFECTED
All

BACKGROUND
The Household Hazardous Waste (HHW) Facility located at 1033 Elm Street is a location where City and County residents may dispose of household chemicals. This facility takes most items that residents would not otherwise be able to dispose of properly. Items like oil-based paints, gasoline, pesticides, e-waste, plus many others can all be disposed of free-of-charge at this location. This is one of only four permitted permanent HHW facilities in the State.

Since 1997, this facility has been funded in part by The State of Tennessee’s Department of Environment and Conservation (TDEC). In recent years, TDEC provided an annual $85,000 grant, while the City of Knoxville and Knox County split the remaining costs (around $50,000 each annually). Last year due to budget constraints, TDEC opted to no longer fund the 4 statewide HHW Facilities. Due to this and other changes, this contract will replace Document No. C-17-0284, which was signed on April 1, 2017. With this document, the County agrees to accept responsibility for 50% of the costs with the City of Knoxville, up to $100,000.

OPTIONS
A. Approve the resolution
B. Deny the resolution

RECOMMENDATION
Approve the resolution.

ESTIMATED PROJECT SCHEDULE
The contract term will run five (5) years upon execution and include one additional five-year optional renewal term.
PRIOR ACTION/REVIEW

N/A

FISCAL INFORMATION

50% of cost incurred with the Household Hazardous Waste Facility.

ATTACHMENTS:

- Resolution (DOC)
- Contract (DOCX)
WHEREAS, the Tennessee Solid Waste Management Act of 1991, Tennessee Code Annotated § 68-211-801, et seq., established a statewide solid waste management program and directed counties and local planning regions to include management of household hazardous waste as part of local or regional plans for solid waste management; and

WHEREAS, the Tennessee Solid Waste Management Act defines household hazardous waste as solid wastes discarded from homes or similar sources as listed in 40 C.F.R. part 261.4(b)(1), that are either hazardous wastes as listed by the federal Environmental Protection Agency in 40 C.F.R. part 261.33(e) or (f), or wastes that exhibit any of the following characteristics as defined in 40 C.F.R. parts 261.21 through 261.24: ignitability, corrosivity, reactivity and TCLP toxicity; and
WHEREAS, the indiscriminate disposal of household hazardous waste (“HHW”) by residents of communities without adequate HHW collection and disposal options poses potential environmental and health hazards; and

WHEREAS, pursuant to the Solid Waste Management Act, the City of Knoxville (“the City”) and Knox County (“the County”) receive grants annually for the disposal of HHW, depending upon the availability of such funds from the State of Tennessee; and

WHEREAS, the City owns and operates a solid waste facility located at 1033 Elm Street, Knoxville, Tennessee which is known as the City of Knoxville Solid Waste Management Facility (the “Facility”); and

WHEREAS, the City of Knoxville Solid Waste Management Facility has included staffing, equipment and services related to the collection and disposal of HHW since 1997; and

WHEREAS, the County has cooperated with the City regarding the collection and disposal of HHW within the jurisdictional limits of the City of Knoxville and Knox County since 1997; and

WHEREAS, due to budget constraints, the Tennessee Department of Environment and Conservation opted to no longer fund the four statewide HHW Facilities; and

WHEREAS, due to this and other changes, the City and the County desire to enter into an agreement to replace the existing Agreement between the parties, in which new agreement the County agrees to accept responsibility for 50% of the costs to operate the Facility with the City of Knoxville for an amount up to ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000.00).

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE
SECTION 1: That the Mayor be, and hereby is, authorized to execute an Agreement with Knox County, Tennessee, a copy of which is attached hereto, to share the costs associated with the operation of the Household Hazardous Waste Facility located at 1033 Elm Street.

SECTION 2: This Resolution will take effect from and after its passage, the welfare of the City requiring it.

____________________________
Presiding Officer of the Council

____________________________________
Recorder
AGREEMENT

THIS AGREEMENT is made by and between the CITY OF KNOXVILLE, a municipal corporation organized and existing under the laws of the State of Tennessee ("CITY"), and KNOX COUNTY, a public corporation and political subdivision of the State of Tennessee ("COUNTY").

WITNESSETH:

WHEREAS, the Tennessee Solid Waste Management Act of 1991, Tennessee Code Annotated § 68-211-801 et seq., established a statewide solid waste management program and directed counties and local planning regions to include management of household hazardous waste as part of local or regional plans for solid waste management; and

WHEREAS, the Tennessee Solid Waste Management Act defines household hazardous waste as solid wastes discarded from homes or similar sources as listed in 40 C.F.R. part 261.4(b)(1), that are either hazardous wastes as listed by the federal Environmental Protection Agency in 40 C.F.R. parts 261.12 through 261.24: ignitability, corrosivity, reactivity and TCLP toxicity; and

WHEREAS, the indiscriminate disposal of household hazardous waste ("HHW") by residents of communities without adequate HHW collection and disposal options poses potential environmental and health hazards; and

WHEREAS, the City owns and operates a solid waste facility located at 1033 Elm Street, Knoxville, Tennessee which is known as the City of Knoxville Solid Waste Facility (the "Facility"); and
WHEREAS, the City of Knoxville Solid Waste Facility has included staffing, equipment and services related to the collection and disposal of HHW since 1997; and

WHEREAS, the County has cooperated with the City regarding the collection and disposal of HHW within the jurisdiction limits of the City of Knoxville and Knox County since 1997; and

WHEREAS, the City and the County, for the mutual considerations stated herein, agree as follows:

ARTICLE 1.
BASIC AGREEMENTS

1.1 CITY AND COUNTY COOPERATION. The City owns and operates a HHW collection and disposal site at the City of Knoxville Solid Waste Facility (the “Facility”) located at 1033 Elm Street, Knoxville, Tennessee. The City and the County will consult and cooperate with one another regarding the collection and disposal of HHW within their jurisdictional boundaries, and cooperate with respect to the HHW collection and disposal site at the Facility and from mobile HHW collection events. The City shall select an independent contractor to transport and dispose all HHW collected at the Facility. The City and the County shall share the costs associated with the collection and disposal of HHW at the HHW collection and disposal site and from mobile HHW collection events, the cost associated with the HHW transportation and disposal, and the operation of the HHW collection and disposal site as provided in Paragraph 1.5 of this Agreement.

All residents of the City of Knoxville and all residents of Knox County who live outside the City of Knoxville limits may use the HHW collection and disposal site for HHW generated by their households. Knox County Solid Waste may also periodically deliver HHW mistakenly accepted from Knox County residents at the seven Knox County Convenience Centers after calling the Facility to ensure enough City staff are available to accept and process the HHW.

Annually during the second quarter of the fiscal year, representatives of Knox County Solid Waste and City of Knoxville Waste and Resources Management will meet to discuss funding, projected budgets, and any grant opportunities. At this meeting, Knox County representatives may suggest changes in operations. The City reserves the right to make all final decisions regarding the HHW collection and disposal site through its duly authorized officials and representatives.

1.2 CONTROL OVER COLLECTION AND DISPOSAL. The City and the County will take necessary legal action to exclusively control the collection and disposal of HHW generated within the respective jurisdictional boundaries of the City and the County.
1.3 **HOUSEHOLD HAZARDOUS WASTE.** This Agreement is limited to the collection and disposal of HHW or other allowable materials of a similar nature that is generated by residents or other allowable generators residing within the jurisdictional boundaries of the City of Knoxville and Knox County or other jurisdictions that have been granted approval by the City of Knoxville. A current list of the various types and classes of HHW that may be collected by or disposed of at the HHW collection and disposal site can be found at www.knoxvilletn.gov/hhw, which is incorporated herein by reference and made a part hereof as if it were fully set out verbatim.

1.4 **TERM.** This Agreement will be effective upon its full execution by the appropriate officials shown on the signature page of this Agreement. The term of this Agreement will commence the date of execution by the appropriate officials shown on the signature page of this Agreement and shall expire five years from the date of execution, unless earlier terminated pursuant to the provisions of this Agreement or mutually extended as provided herein.

The term of this Agreement may be extended for an additional five (5) year period, under the same provisions, upon the prior written approval of the City and the County.

1.5 **DISTRIBUTION OF COSTS.**

- **Operating and Disposal Costs.** The City and the County will share operating costs associated with HHW collection and disposal site at the Facility and at mobile HHW collection events on an equal basis (50%/50%). Such operating costs include, but are not limited to, storage of HHW, staffing, training, office expenses, general and administrative overhead, utilities, supplies, testing, maintenance and inspections of monitoring, fire suppression or alarm systems, educational efforts and advertising. The City and the County will also share costs associated with the transportation and disposal of the HHW materials on an equal basis (50%/50%). If total annual Operating and Disposal Costs exceed $200,000 (or $100,000 costs for each party), or if funding is not available from either party due to budgetary constraints, remaining costs will be paid as decided by mutual agreement. If no mutual agreement can be reached, this Agreement will be terminated.

- **Cost Share.** Grants, stipends, fees collected, or other funds received for operating or disposal costs, as defined in Paragraph 1.5 of this Agreement, will be applied first towards the operating and disposal costs for HHW collection and disposal. The City and the County will pay an equal share (50%/50%) of any operating and disposal costs remaining as last-dollar costs after such grants, stipends, fees collected, or other funds received are applied.

1.6 **INVOICES AND PAYMENT SCHEDULE.** Quarterly the City will provide the County with an itemized invoice statement reflecting the County’s fifty percent (50%) share of the operating and disposal costs of the HHW collection and disposal site at the Facility and from any mobile HHW collection events for the preceding quarter. Quarterly payments by the County will be within thirty (30) days after receipt of an invoice statement.
1.7 **NOTICES.** Invoices, communications and details concerning this Agreement will be directed to the following representatives:

**Purchasing Agent**  
Penny Owens  
P.O. Box 1631  
Knoxville, TN 37901

**City of Knoxville**  
Chad Weth, Public Service Director  
P.O. Box 1631  
Knoxville, TN 37901  
(865) 215-6053

**Knox County**  
Solid Waste Department  
City/County Building, Ste. 620  
Knoxville, Tennessee 37917  
(865) 215-2300

**ARTICLE 2.**  
**TERMINATION**

Either party may terminate this Agreement at any time without penalty or recourse by giving written notice to the other party at least thirty (30) days before the effective termination date. The City will be entitled to receive payment from the County for the County’s share of operational and disposal costs incurred prior to the effective termination date in accord with Article 1, Paragraph 1.6.

Upon termination of this Agreement, all rights by County residents who reside outside the City of Knoxville limits to utilize the HHW collection and disposal site without fees will immediately cease. In this event, the City of Knoxville may elect, but is not required, to allow Knox County residents residing outside of Knoxville city limits to drop off HHW materials at the HHW disposal and collection site for a fee.

**ARTICLE 3.**  
**NON-DISCRIMINATION**

The parties to this Agreement:

(A) will not discriminate against any employee or applicant for employment because of race, age, color, religion, national origin, sex or disability;

(B) will take affirmative action to insure that applicants are employed and that employees are treated during employment, without regard to their race, age, color, religion, national origin, sex or disability;

(C) will, in all solicitations or advertisements for employees placed by or on behalf of it, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, national origin, sex or disability; and
(D) will include these provisions in every subcontract or sublease let by or for it.

ARTICLE 4.
ETHICAL STANDARDS

The County hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

(A) Sec. 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefor, where to the employee's knowledge there is a financial interest possessed by:

(1) The employee or the employee's immediate family;
(2) A business other than a public agency in which the employee or a member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or
(3) Any other person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment.

(B) Sec. 2-1049. Receipt of Benefits from City Contracts by Councilmembers, Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

(C) Sec. 2-1050. Gratuities and Kickbacks Prohibited.

Gratuities. It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

(1) An official action taken, or to be taken, or which could be taken;
(2) A legal duty performed, or to be performed, or which could be performed; or
(3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

**Kickbacks.** It is unlawful for any payment, gratuity or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

(D) **Sec. 2-1051. Covenant Relating to Contingent Fees.**

(a) **Representation of Contractor.** Every person, before being awarded a contract in excess of ten thousand dollars ($10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) **Intentional violation unlawful.** The intentional violation of the representation specified in subsection (a) of this section is unlawful.

(E) **Sec. 2-1052. Restrictions on Employment of Present and Former City Employees.**

**Contemporaneous employment prohibited.** It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

1. Oral or written warnings or reprimands;
2. Cancellation of transactions; and
3. Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

**ARTICLE 5. MISCELLANEOUS PROVISIONS**

5.1 **INDEPENDENT CONTRACTOR.** The County shall perform all obligations under this Agreement as an independent contractor; neither it nor its employees shall be considered
employees, partners or agents of the City, nor shall it or its employees be entitled to any benefits, insurance, pension, or workers’ compensation as an employee of the City.

5.2 **ASSIGNMENT.** The County shall not assign or transfer any interest in this Agreement without obtaining the prior written approval of the City.

5.3 **SUBCONTRACTS TO THE AGREEMENT.** The County shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.

5.4 **WRITTEN AMENDMENTS.** This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of this Agreement.

5.5 **REQUIRED APPROVALS.** Neither the County nor the City is bound by this Agreement until it is approved by the appropriate officials shown on the signature page of this Agreement.

5.6 **ARTICLE CAPTIONS.** The captions appearing in this Agreement are for convenience only and are not a part of this Agreement; they do not in any way limit or amplify the provisions of this Agreement.

5.7 **SEVERABILITY.** If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

5.8 **FEDERAL, STATE AND LOCAL REQUIREMENTS.** The County is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations.

5.9 **NO BENEFIT FOR THIRD PARTIES.** The services to be performed by the County pursuant to this agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on the County’s performance of its services hereunder, and no right to assert a claim against the City or the County, its officers, employees, agents or contractors shall accrue to the County or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety or any other third party as a result of this Agreement or the performance or non-performance of the County’s services hereunder.

5.10 **NON-RELIANCE OF PARTIES.** Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in this Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.
5.11 **FORCE MAJEURE.** Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term “force majeure” as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

5.12 **EEO/AA.** The City of Knoxville is an EEO/AA/Title VI/Section 504/ ADA/ADEA Employer.

5.13 **GOVERNING LAW AND VENUE.** This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. Any action for breach of this Agreement or to enforce or nullify any provision of this agreement shall be instituted only in a court of appropriate jurisdiction in Knox County, Tennessee.

5.14 **ENTIRE AGREEMENT.** This Agreement forms the entire Agreement between the City and the County. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, shall be of no force or effect.

**IN WITNESS WHEREOF,** the City and the County have executed this Agreement in two (2) copies as of the latest date written below.

**APPROVED AS TO FORM:**

CITY OF KNOXVILLE

____________________________________
CHARLES W. SWANSON
LAW DIRECTOR

BY: ________________________________
INDYA KINCANNON
MAYOR

DATE: ______________________________
DATE: ______________________________

Attachment: Contract (8147 : Household Hazardous Waste - Knox County Agreement)
FUNDS CERTIFIED:

____________________________________
SUSAN A. GENNOE  
FINANCE DIRECTOR

DATE: _____________________________
APPROVED AS TO FORM:  

KNOX COUNTY, TENNESSEE

____________________________________
BY: ________________________________
CHARLES F. STERCHI
CHIEF DEPUTY LAW DIRECTOR
CONTRACT #: __________________
DATE: ____________________________
FUNDS CERTIFIED:
DATE: ____________________________

______________________________
CHRIS CALDWELL
FINANCE DIRECTOR
DATE: ____________________________

Required Documents:  
Certificate of Insurance    X
AGENDA SUMMARY: A Resolution granting a pension of $6,752.70 per month to Cynthia A. Gass, an employee of the Knoxville Police Department.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

Pension Board approved on February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:

- Resolution - Cynthia A. Gass - KPD (DOC)
- Cynthia Gass C (DOC)
RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE GRANTING A PENSION OF $6,752.70 PER MONTH TO CYNTHIA A. GASS, AN EMPLOYEE OF THE KNOXVILLE POLICE DEPARTMENT.

RESOLUTION NO: _________________
REQUESTED BY: Pension Board
PREPARED BY: Law
APPROVED: ________________________
APPROVED AS AN EMERGENCY MEASURE: _________________________
MINUTE BOOK: _______ PAGE ______

WHEREAS, Cynthia A. Gass, born February 7, 1956, now 64 years of age, has been employed by the Knoxville Police Department with 46 years, 8 months, 2 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Cynthia A. Gass made application for retirement benefits payable in accordance with Section 1390.22 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Cynthia A. Gass be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: Cynthia A. Gass is granted a pension of $6,752.70 per month, effective February 1, 2021, the same to be paid out of the City Employees' Pension Fund in accordance with Section 1390.22 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________
Presiding Officer of the Council

__________________________
Recorder
<table>
<thead>
<tr>
<th>NAME:</th>
<th>Cynthia A Gass</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE OF BIRTH:</td>
<td>February 7, 1956</td>
</tr>
<tr>
<td>AGE:</td>
<td>64</td>
</tr>
<tr>
<td>DIVISION:</td>
<td>Police Dept - Uniformed</td>
</tr>
<tr>
<td>TYPE OF RETIREMENT:</td>
<td>Drop</td>
</tr>
<tr>
<td>PENSION PLAN:</td>
<td>C</td>
</tr>
<tr>
<td>CHARTER SECTION:</td>
<td>1390.22</td>
</tr>
<tr>
<td>CREDITED SERVICE TIME:</td>
<td>46 years 8 months 2 days *</td>
</tr>
<tr>
<td></td>
<td>*30 years maximum credit service per Charter Section 1390.8</td>
</tr>
<tr>
<td>MONTHLY BENEFIT:</td>
<td>$6,752.70</td>
</tr>
<tr>
<td>EFFECTIVE DATE:</td>
<td>February 1, 2021</td>
</tr>
</tbody>
</table>

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA SUMMARY A Resolution granting a pension of $1,801.28 per month to John R. Vineyard, an employee of the Knoxville General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

FISCAL INFORMATION

ATTACHMENTS:

- Resolution - John R. Vineyard - Gen. Gov (DOC)
- JVineyard G2 (PDF)
RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE GRANTING A PENSION OF $1,801.28 PER MONTH TO JOHN R. VINEYARD, AN EMPLOYEE OF THE KNOXVILLE GENERAL GOVERNMENT.

WHEREAS, John R. Vineyard, born February 22, 1958, now 62 years of age, has been employed by the Knoxville General Government with 25 years, 3 months, 16 days credited service, and is entitled to a pension from the City Employees' Pension Fund; and

WHEREAS, John R. Vineyard made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that John R. Vineyard be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: John R. Vineyard is granted a pension of $1,801.28 per month, effective February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

________________________________________
Presiding Officer of the Council

________________________________________
Recorder
CITY COUNCIL FORM

<table>
<thead>
<tr>
<th>NAME:</th>
<th>JOHN R. VINEYARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE OF BIRTH:</td>
<td>February 22, 1958</td>
</tr>
<tr>
<td>AGE:</td>
<td>62</td>
</tr>
<tr>
<td>DIVISION:</td>
<td>General Government</td>
</tr>
<tr>
<td>TYPE OF RETIREMENT:</td>
<td>DROP</td>
</tr>
<tr>
<td>PENSION PLAN:</td>
<td>G2</td>
</tr>
<tr>
<td>CHARTER SECTION:</td>
<td>1360.12</td>
</tr>
<tr>
<td>CREDITED SERVICE TIME:</td>
<td>25 years 3 months 16 days</td>
</tr>
<tr>
<td>MONTHLY BENEFIT:</td>
<td>$1,801.28</td>
</tr>
<tr>
<td>EFFECTIVE DATE:</td>
<td>February 1, 2021</td>
</tr>
</tbody>
</table>

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA SUMMARY: A Resolution granting a pension of $4,156.31 per month to Robin L. Tipton, an employee of the Knoxville General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

Pension Board approved on February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:
- Resolution -Robin L. Tipton - Gen. Gov  (DOC)
- RTipton G2  (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE GRANTING A PENSION OF $4,156.31 PER MONTH TO ROBIN L. TIPTON, AN EMPLOYEE OF THE KNOXVILLE GENERAL GOVERNMENT.

RESOLUTION NO: _________________
REQUESTED BY: Pension Board
PREPARED BY: Law
APPROVED: ________________________
APPROVED AS AN EMERGENCY MEASURE: _________________________
MINUTE BOOK: _______ PAGE _____

WHEREAS, Robin L. Tipton, born July 7, 1961, now 59 years of age, has been employed by the Knoxville General Government with 24 years, 5 months, 27 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Robin L. Tipton made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Robin L. Tipton be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: Robin L. Tipton is granted a pension of $4,156.31 per month, effective February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________
Presiding Officer of the Council

______________________________
Recorder
CITY COUNCIL FORM

NAME: ROBIN L. TIPTON
DATE OF BIRTH: July 7, 1961
AGE: 59
DIVISION: General Government
TYPE OF RETIREMENT: DROP
PENSION PLAN: G2
CHARTER SECTION: 1360.12
CREDITED SERVICE TIME: 24 years 5 months 27 days
MONTHLY BENEFIT: $4,156.31
EFFECTIVE DATE: February 1, 2021

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA DATE: March 9, 2021
DEPARTMENT: Pension Board
DIRECTOR: Kristi Paczkowski

AGENDA SUMMARY A Resolution granting a pension of $2,546.97 per month to Gregory M. Taylor, an employee of the Knoxville General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

Pension Board approved February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:
- Resolution - Gregory M. Taylor - Gen. Gov (DOC)
- GTaylor G2 (PDF)
RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE GRANTING A PENSION OF $2,546.97 PER MONTH TO GREGORY M. TAYLOR, AN EMPLOYEE OF THE KNOXVILLE GENERAL GOVERNMENT.

RESOLUTION NO: _______________ REQUESTED BY: Pension Board
PREPARED BY: Law APPROVED: _______________
APPROVED AS AN EMERGENCY MEASURE: _______________
MINUTE BOOK: _______ PAGE ______

WHEREAS, Gregory M. Taylor, born November 14, 1959, now 61 years of age, has been employed by the Knoxville General Government with 23 years, 9 months, 30 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Gregory M. Taylor made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Gregory M. Taylor be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: Gregory M. Taylor is granted a pension of $2,546.97 per month, effective February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________
Presiding Officer of the Council

__________________________
Recorder
NAME: GREGORY M. TAYLOR

DATE OF BIRTH: November 14, 1959

AGE: 61

DIVISION: General Government

TYPE OF RETIREMENT: RULE OF 80

PENSION PLAN: G2

CHARTER SECTION: 1360.12

CREDITED SERVICE TIME: 23 years 9 months 30 days

MONTHLY BENEFIT: $2,546.97

EFFECTIVE DATE: February 1, 2021

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA SUMMARY A Resolution granting a pension of $1,775.46 per month to Mark E. Pinkston, an employee of the Knoxville General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

Pension Board approved February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:
- Resolution - Mark E. Pinkston - Gen. Gov (DOC)
- MPinkston G2 (PDF)
WHEREAS, Mark E. Pinkston, born April 13, 1961, now 59 years of age, has been employed by the Knoxville General Government with 24 years, 8 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Mark E. Pinkston made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Mark E. Pinkston be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: Mark E. Pinkston is granted a pension of $1,775.46 per month, effective February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________
Presiding Officer of the Council

__________________________
Recorder
NAME: MARK E. PINKSTON
DATE OF BIRTH: April 13, 1961
AGE: 59
DIVISION: General Government
TYPE OF RETIREMENT: DROP
PENSION PLAN: G2
CHARTER SECTION: 1360.12
CREDITED SERVICE TIME: 24 years 0 months 8 days
MONTHLY BENEFIT: $1,775.46
EFFECTIVE DATE: February 1, 2021

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA DATE: March 9, 2021
DEPARTMENT: Pension Board
DIRECTOR: Kristi Paczkowski

AGENDA SUMMARY A Resolution granting a pension of $753.47 per month to Mary W. Lewis, an employee of the Knoxville General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

Pension Board approved February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:
- Resolution - Mary W. Lewis - Gen. Gov (DOC)
- MLewis G2 (PDF)
A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE GRANTING A PENSION OF $753.47 PER MONTH TO MARY W. LEWIS, AN EMPLOYEE OF THE KNOXVILLE GENERAL GOVERNMENT.

WHEREAS, Mary W. Lewis, born June 25, 1954, now 66 years of age, has been employed by the Knoxville General Government with 12 years, 7 months, 6 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Mary W. Lewis made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Mary W. Lewis be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: Mary W. Lewis is granted a pension of $753.47 per month, effective
February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in
accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be
subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the
welfare of the City requiring it.

__________________________
Presiding Officer of the Council

__________________________
Recorder
NAME: MARY W. LEWIS
DATE OF BIRTH: June 25, 1954
AGE: 66
DIVISION: General Government
TYPE OF RETIREMENT: DROP
PENSION PLAN: G2
CHARTER SECTION: 1360.12
CREDITED SERVICE TIME: 12 years 7 months 6 days
MONTHLY BENEFIT: $753.47
EFFECTIVE DATE: February 1, 2021

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA DATE: March 9, 2021
DEPARTMENT: Pension Board
DIRECTOR: Kristi Paczkowski

AGENDA SUMMARY
A Resolution granting a pension of $1,217.41 per month (defined benefit only) to Karen E. Ellis, an employee of the Knoxville General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW
Pension Board approved February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:
- Resolution - Karen E. Ellis - Defined Benefit Only - Gen Gov (DOC)
- KEllis G1 (PDF)
WHEREAS, Karen E. Ellis, born August 13, 1969, now 51 years of age, has been employed by the Knoxville General Government with 28 years, 9 months, 20 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Karen E. Ellis made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Karen E. Ellis be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: Karen E. Ellis is granted a pension of $1,217.41 per month (defined benefit only), effective February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

__________________________
Presiding Officer of the Council

__________________________
Recorder
CITY COUNCIL FORM

NAME: KAREN E. ELLIS
DATE OF BIRTH: August 13, 1969
AGE: 51
DIVISION: General Government
TYPE OF RETIREMENT: RULE OF 80
PENSION PLAN: G1
CHARTER SECTION: 1360.12
CREDITED SERVICE TIME: 28 years 9 months 20 days
MONTHLY BENEFIT: $1,217.41*
EFFECTIVE DATE: February 1, 2021

*Defined Benefit Only

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA SUMMARY  A Resolution granting a pension of $2,454.35 per month to Harry B. Boss, an employee of the General Government.

COUNCIL DISTRICT(S) AFFECTED

BACKGROUND

OPTIONS

RECOMMENDATION

ESTIMATED PROJECT SCHEDULE

PRIOR ACTION/REVIEW

Pension Board approved February 12, 2021.

FISCAL INFORMATION

ATTACHMENTS:

- Resolution - Harry B. Boss - Gen. Gov (DOC)
- HBoss G2 (PDF)
WHEREAS, Harry B. Boss, born December 6, 1966, now 54 years of age, has been employed by the Knoxville General Government with 29 years, 7 months, 14 days credited service, and is entitled to a pension from the City Employees’ Pension Fund; and

WHEREAS, Harry B. Boss made application for retirement benefits payable in accordance with Section 1360.12 of the Charter of the City of Knoxville; and

WHEREAS, the Pension Board has recommended that Harry B. Boss be granted a pension.
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF KNOXVILLE:

SECTION 1: Harry B. Boss is granted a pension of $2,454.35 per month, effective February 1, 2021, the same to be paid out of the City Employees’ Pension Fund in accordance with Section 1360.12 of the Charter of the City of Knoxville and shall be subject to all requirements and conditions contained in said Charter.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

____________________________________
Presiding Officer of the Council

____________________________________
Recorder
CITY COUNCIL FORM

<table>
<thead>
<tr>
<th>NAME:</th>
<th>HARRY B. BOSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE OF BIRTH:</td>
<td>December 6, 1966</td>
</tr>
<tr>
<td>AGE:</td>
<td>54</td>
</tr>
<tr>
<td>DIVISION:</td>
<td>General Government</td>
</tr>
<tr>
<td>TYPE OF RETIREMENT:</td>
<td>DROP</td>
</tr>
<tr>
<td>PENSION PLAN:</td>
<td>G2</td>
</tr>
<tr>
<td>CHARTER SECTION:</td>
<td>1360.12</td>
</tr>
<tr>
<td>CREDITED SERVICE TIME:</td>
<td>29 years 7 months 14 days</td>
</tr>
<tr>
<td>MONTHLY BENEFIT:</td>
<td>$2,454.35</td>
</tr>
<tr>
<td>EFFECTIVE DATE:</td>
<td>February 1, 2021</td>
</tr>
</tbody>
</table>

PENSION BOARD APPROVAL DATE: February 12, 2021
AGENDA DATE: March 9, 2021
DEPARTMENT: Finance
DIRECTOR: Susan Gennoe

AGENDA SUMMARY An Ordinance to amend the Operating and Capital Budgets for Fiscal Year 20/21.

COUNCIL DISTRICT(S) AFFECTED
All

BACKGROUND
Each year a "housekeeping" budget amendment is brought to council to re-appropriate prior year encumbrances into the current fiscal year. This ordinance re-appropriates all encumbrances as of June 30, 2020 totaling $5,233,668.06. An encumbrance is a commitment either in the form of a purchase order or contract that is yet to be completed. Governmental accounting principles call for any encumbrances as of the end of the fiscal year to be re-appropriated in the subsequent year.

OPTIONS
Approve/Disapprove

RECOMMENDATION
Approve

ESTIMATED PROJECT SCHEDULE
The re-appropriation of FY 19/20 encumbrances will occur following the 2nd reading/approval of this ordinance on or about March 23, 2021.

PRIOR ACTION/REVIEW N/A.

FISCAL INFORMATION This budget ordinance amendment re-appropriates $5,233,668.06 worth of encumbrances from FY 19/20 into FY 20/21.

ATTACHMENTS:
- 20-21, amend operating and capital budgets (DOC)
- FY 20-21 Amended Budget 20210309 (PDF)
WHEREAS, in keeping with Generally Accepted Accounting Principles ("GAAP"), it is necessary to re-appropriate all non-project related encumbrances as of June 30, 2020, including all contracts and purchase orders open but not yet spent at fiscal year-end; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Operating and Capital Budgets for the fiscal year 2020/21 is hereby amended as follows:

- To re-appropriate all encumbrances as of June 30, 2020, which total $5,233,668.06 for all funds. The revenue source is reserve income (5688).

SECTION 2: To reflect the above changes the Operating and Capital Budget for the fiscal year 2020/21, shall read as follows:
The sources of revenue to fund general operations are as follows:

**SOURCE**

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>5100</td>
<td>Local Taxes</td>
<td>$195,925,180.00</td>
</tr>
<tr>
<td>5200</td>
<td>Licenses and Permits</td>
<td>355,540.00</td>
</tr>
<tr>
<td>5300</td>
<td>Intergovernmental Revenue</td>
<td>24,585,510.00</td>
</tr>
<tr>
<td>5400</td>
<td>Charges for Services</td>
<td>1,963,940.00</td>
</tr>
<tr>
<td>5500</td>
<td>Fines and Forfeits</td>
<td>659,810.00</td>
</tr>
<tr>
<td>5600</td>
<td>Other Revenues</td>
<td>2,184,066.05</td>
</tr>
<tr>
<td>5900</td>
<td>Transfers In</td>
<td>1,823,030.00</td>
</tr>
<tr>
<td>5998</td>
<td>Fund Balance</td>
<td>11,428,850.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

The uses of the general fund are as follows:

**APPROPRIATION**

<table>
<thead>
<tr>
<th>APPROPRIATION</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>11100</td>
<td>Administration</td>
<td>$6,234,463.90</td>
</tr>
<tr>
<td>21200</td>
<td>Finance</td>
<td>4,498,070.13</td>
</tr>
<tr>
<td>21400</td>
<td>Information Systems</td>
<td>4,657,865.57</td>
</tr>
<tr>
<td>23700</td>
<td>Community Development</td>
<td>3,786,724.29</td>
</tr>
</tbody>
</table>
The uses of the various other funds are as follows:

<table>
<thead>
<tr>
<th>FUND</th>
<th>NAME</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>State Street Aid</td>
<td>$6,319,349.75</td>
</tr>
<tr>
<td>202</td>
<td>Community Improvement</td>
<td>90,000.00</td>
</tr>
<tr>
<td>209</td>
<td>Abandoned Vehicles</td>
<td>881,441.08</td>
</tr>
<tr>
<td>211</td>
<td>Animal Control</td>
<td>45,000.00</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>213</td>
<td>City Court</td>
<td>$1,988,972.15</td>
</tr>
<tr>
<td>216</td>
<td>City Inspections</td>
<td>$3,009,878.17</td>
</tr>
<tr>
<td>220</td>
<td>Stormwater</td>
<td>$3,499,655.22</td>
</tr>
<tr>
<td>230</td>
<td>Solid Waste</td>
<td>$9,584,328.00</td>
</tr>
<tr>
<td>240</td>
<td>Miscellaneous Special Revenue</td>
<td>$10,016,911.68</td>
</tr>
<tr>
<td>264</td>
<td>Home Grants</td>
<td>$3,227,890.00</td>
</tr>
<tr>
<td>290</td>
<td>Community Development Block Grant</td>
<td>$3,222,471.83</td>
</tr>
<tr>
<td>293</td>
<td>HUD Section 108 Loan - 2016</td>
<td>$170,000.00</td>
</tr>
<tr>
<td>305</td>
<td>Debt Services</td>
<td>$22,370,760.00</td>
</tr>
<tr>
<td>306</td>
<td>Tax Increment</td>
<td>$2,884,810.00</td>
</tr>
<tr>
<td>401</td>
<td>Capital Projects</td>
<td>$28,544,730.00</td>
</tr>
<tr>
<td>503</td>
<td>Public Assembly Facilities</td>
<td>$8,321,390.00</td>
</tr>
<tr>
<td>504</td>
<td>Metro Parking</td>
<td>$5,069,850.00</td>
</tr>
<tr>
<td>506</td>
<td>Convention Center</td>
<td>$19,943,097.00</td>
</tr>
<tr>
<td>507</td>
<td>Mass Transportation</td>
<td>$28,392,272.75</td>
</tr>
<tr>
<td>508</td>
<td>Municipal Golf Course</td>
<td>$1,505,420.00</td>
</tr>
<tr>
<td>702</td>
<td>Fleet Services</td>
<td>$16,017,705.05</td>
</tr>
<tr>
<td>704</td>
<td>Risk Management</td>
<td>$7,000,923.95</td>
</tr>
<tr>
<td>705</td>
<td>Health Care</td>
<td>$21,892,480.38</td>
</tr>
<tr>
<td>706</td>
<td>Equipment Replacement</td>
<td>$4,630,545.00</td>
</tr>
<tr>
<td>707</td>
<td>City Building</td>
<td>$2,867,760.00</td>
</tr>
</tbody>
</table>

**SECTION 3:** This Ordinance shall take effect from and after its passage, the welfare of the City requiring it.

___________________________
Presiding Officer of the Council

__________________________
Recorder
### FY 2021 Budget Proposed Budget Amendment

<table>
<thead>
<tr>
<th>Number</th>
<th>Fund Name</th>
<th>FY 20/21 Adopted Budget</th>
<th>Cumulative Changes To Date</th>
<th>Proposed Ordinance Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>5100</td>
<td>Local Taxes</td>
<td>195,925,180.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5200</td>
<td>Licenses and Permits</td>
<td>355,540.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5300</td>
<td>Intergovernmental Revenue</td>
<td>21,773,010.00</td>
<td>2,812,500.00</td>
<td>-</td>
</tr>
<tr>
<td>5400</td>
<td>Charges for Services</td>
<td>1,963,940.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5500</td>
<td>Fines and Forfeits</td>
<td>659,810.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5600</td>
<td>Other Revenues</td>
<td>1,612,670.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5900</td>
<td>Transfers In</td>
<td>926,110.00</td>
<td>996,920.00</td>
<td>-</td>
</tr>
<tr>
<td>5998</td>
<td>Appropriated Fund Balance</td>
<td>11,472,780.00</td>
<td>(43,930.00)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>234,589,040.00</td>
<td>376,490.00</td>
</tr>
<tr>
<td>11100</td>
<td>Administration</td>
<td>5,117,720.00</td>
<td>1,080,680.00</td>
<td>36,063.90</td>
</tr>
<tr>
<td>21200</td>
<td>Finance</td>
<td>4,639,840.00</td>
<td>(144,470.00)</td>
<td>2,700.13</td>
</tr>
<tr>
<td>21400</td>
<td>Information Systems</td>
<td>4,564,910.00</td>
<td>16,150.00</td>
<td>76,805.57</td>
</tr>
<tr>
<td>23700</td>
<td>Community Development</td>
<td>3,559,020.00</td>
<td>38,990.00</td>
<td>188,714.29</td>
</tr>
<tr>
<td>43100</td>
<td>Public Service</td>
<td>25,477,640.00</td>
<td>72,880.00</td>
<td>15,772.16</td>
</tr>
<tr>
<td>43300</td>
<td>Engineering</td>
<td>7,034,860.00</td>
<td>257,760.00</td>
<td>16,616.46</td>
</tr>
<tr>
<td>43700</td>
<td>Inspections</td>
<td>862,550.00</td>
<td>4,840.00</td>
<td>74.00</td>
</tr>
<tr>
<td>44300</td>
<td>Parks and Recreation</td>
<td>8,076,600.00</td>
<td>24,220.00</td>
<td>9,262.95</td>
</tr>
<tr>
<td>46100</td>
<td>Knoxville Area Transit (KAT)</td>
<td>724,120.00</td>
<td>-</td>
<td>7,241,120.00</td>
</tr>
<tr>
<td>51300</td>
<td>Law</td>
<td>2,066,090.00</td>
<td>5,920.00</td>
<td>36,453.42</td>
</tr>
<tr>
<td>62300</td>
<td>Police</td>
<td>58,056,210.00</td>
<td>1,293,190.00</td>
<td>149,502.59</td>
</tr>
<tr>
<td>72500</td>
<td>Fire</td>
<td>42,222,770.00</td>
<td>382,380.00</td>
<td>16,276.46</td>
</tr>
<tr>
<td>81500</td>
<td>Legislative</td>
<td>1,009,520.00</td>
<td>1,620.00</td>
<td>22,689.62</td>
</tr>
<tr>
<td>81700</td>
<td>Civil Service</td>
<td>1,095,320.00</td>
<td>(158,800.00)</td>
<td>464.50</td>
</tr>
<tr>
<td>81800</td>
<td>Human Resources</td>
<td>379,090.00</td>
<td>-</td>
<td>379,090.00</td>
</tr>
<tr>
<td>91900</td>
<td>City Elections</td>
<td>10,000.00</td>
<td>-</td>
<td>10,000.00</td>
</tr>
<tr>
<td>93900</td>
<td>Knoxville Partnership</td>
<td>641,300.00</td>
<td>-</td>
<td>641,300.00</td>
</tr>
<tr>
<td>95100</td>
<td>Metropolitan Planning Commission</td>
<td>1,266,900.00</td>
<td>-</td>
<td>1,266,900.00</td>
</tr>
<tr>
<td>95200</td>
<td>Knoxville Zoo</td>
<td>1,463,450.00</td>
<td>-</td>
<td>1,463,450.00</td>
</tr>
<tr>
<td>95300</td>
<td>Agency Grants</td>
<td>1,767,500.00</td>
<td>100,000.00</td>
<td>-</td>
</tr>
<tr>
<td>95600</td>
<td>Waterfront</td>
<td>794,450.00</td>
<td>-</td>
<td>794,450.00</td>
</tr>
<tr>
<td>95900</td>
<td>Community Action Committee (CAC)</td>
<td>968,640.00</td>
<td>-</td>
<td>968,640.00</td>
</tr>
<tr>
<td>98100</td>
<td>Reserve</td>
<td>2,315,000.00</td>
<td>-</td>
<td>2,315,000.00</td>
</tr>
<tr>
<td>99100</td>
<td>Transfers</td>
<td>60,854,630.00</td>
<td>409,040.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>234,589,040.00</td>
<td>376,490.00</td>
</tr>
</tbody>
</table>

| 201    | State Street Aid                       | 6,103,000.00              | 212,630.00                 | 3,719.75                  |
| 202    | Community Improvement                  | 90,000.00                 | -                          | 90,000.00                 |
| 209    | Abandoned Vehicles                     | 876,030.00                | 5,380.00                   | 31.08                     |
| 211    | Animal Control                         | 45,000.00                 | -                          | 45,000.00                 |
| 213    | City Court                             | 1,981,340.00              | 7,540.00                   | 92.15                     |
| 216    | City Inspections                       | 2,992,290.00              | 15,610.00                  | 38.17                     |
| 220    | Stormwater                             | 3,476,760.00              | 22,600.00                  | 295.22                    |
| 230    | Solid Waste                            | 9,577,270.00              | 7,000.00                   | 58.00                     |
| 240    | Miscellaneous Special Revenue          | 6,590,980.00              | 14,040.00                  | 3,411,891.68              |
| 264    | Home Grants                            | 3,226,270.00              | 1,620.00                   | -                         |
| 290    | Community Development Block Grant      | 2,221,800.00              | 4,840.00                   | 995,831.83                |
| 293    | HUD Section 108 Loan - 2016            | -                        | 170,000.00                 | -                         |
| 305    | Debt Services                          | 22,200,760.00             | 170,000.00                 | -                         |
| 306    | Tax Increment                          | 2,884,810.00              | -                          | 2,884,810.00              |
| 401    | Capital Projects                       | 24,073,540.00             | 4,471,190.00               | -                         |
| 503    | Public Assembly Facilities             | 8,321,390.00              | -                          | 8,321,390.00              |
| 504    | Metro Parking                          | 5,067,700.00              | 2,150.00                   | -                         |
| 506    | Convention Center                      | 19,926,530.00             | -                          | 16,567.00                 |
| 507    | Mass Transportation                    | 28,366,820.00             | -                          | 25,452.75                 |
| 508    | Municipal Golf Course                  | 1,505,420.00              | -                          | 1,505,420.00              |
| 702    | Fleet Services                         | 15,395,460.00             | 533,150.00                 | 89,095.05                 |
| 704    | Risk Management                        | 6,895,810.00              | 4,310.00                   | 100,803.95                |
| 705    | Health Care                            | 21,872,160.00             | 2,150.00                   | 18,170.38                 |
| 706    | Equipment Replacement                  | 3,742,550.00              | 887,770.00                 | 225.00                    |
| 707    | City Building                          | 2,867,760.00              | -                          | 2,867,760.00              |

|        |                                        |                          | 434,892,430.00             | 10,297,470.00             |

<p>|        |                                        |                          | 5,233,668.06               | 450,423,568.06            |</p>
<table>
<thead>
<tr>
<th>Number</th>
<th>Fund Name</th>
<th>FY 20/21 Adopted Budget 5/26/2020</th>
<th>Cumulative Changes To Date</th>
<th>Proposed Ordinance</th>
<th>FY 20/21 Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>ME05</td>
<td>Sevier Avenue Improvements</td>
<td>1,000,000.00</td>
<td>-</td>
<td>-</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>MK01</td>
<td>Burlington District Improvements</td>
<td>25,000.00</td>
<td>-</td>
<td>-</td>
<td>25,000.00</td>
</tr>
<tr>
<td>MM02</td>
<td>Waterfront Drive Redevelopment</td>
<td>1,000,000.00</td>
<td>-</td>
<td>-</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>MM03</td>
<td>Morningside Improvements</td>
<td>200,000.00</td>
<td>-</td>
<td>-</td>
<td>200,000.00</td>
</tr>
<tr>
<td>MM04</td>
<td>San Laundry - Public Parking</td>
<td>50,000.00</td>
<td>-</td>
<td>-</td>
<td>50,000.00</td>
</tr>
<tr>
<td>MM05</td>
<td>Broadway Corridor Support</td>
<td>100,000.00</td>
<td>-</td>
<td>-</td>
<td>100,000.00</td>
</tr>
<tr>
<td>MM01</td>
<td>Sustainable Innovation Fund</td>
<td>50,000.00</td>
<td>-</td>
<td>-</td>
<td>50,000.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Administration</td>
<td>2,425,000.00</td>
<td></td>
<td></td>
<td>2,425,000.00</td>
</tr>
<tr>
<td>AJ01</td>
<td>PBA Project Management Services</td>
<td>275,840.00</td>
<td>-</td>
<td>-</td>
<td>275,840.00</td>
</tr>
<tr>
<td>AM01</td>
<td>CCB Improvements</td>
<td></td>
<td>88,260.00</td>
<td>-</td>
<td>88,260.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Finance</td>
<td>275,840.00</td>
<td>88,260.00</td>
<td>-</td>
<td>364,100.00</td>
</tr>
<tr>
<td>DA01</td>
<td>ADA Access Improvements</td>
<td>400,000.00</td>
<td>-</td>
<td>-</td>
<td>400,000.00</td>
</tr>
<tr>
<td>DL01</td>
<td>Austin Homes Renovation</td>
<td>4,500,000.00</td>
<td>-</td>
<td>-</td>
<td>4,500,000.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Community Development</td>
<td>4,900,000.00</td>
<td></td>
<td></td>
<td>4,900,000.00</td>
</tr>
<tr>
<td>VM01</td>
<td>Impound Emergency Generator</td>
<td>40,000.00</td>
<td>-</td>
<td>-</td>
<td>40,000.00</td>
</tr>
<tr>
<td>VM02</td>
<td>Light Equipment Shop Improvements</td>
<td>75,010.00</td>
<td>-</td>
<td>-</td>
<td>75,010.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Fleet Services</td>
<td>115,010.00</td>
<td></td>
<td></td>
<td>115,010.00</td>
</tr>
<tr>
<td>SA01</td>
<td>Roof/HVAC Maintenance Program</td>
<td>500,000.00</td>
<td>-</td>
<td>-</td>
<td>500,000.00</td>
</tr>
<tr>
<td>SE01</td>
<td>Loraine Public Works Complex</td>
<td></td>
<td>32,930.00</td>
<td>-</td>
<td>32,930.00</td>
</tr>
<tr>
<td>SL02</td>
<td>Ross Building Improvements</td>
<td>95,000.00</td>
<td>-</td>
<td>-</td>
<td>95,000.00</td>
</tr>
<tr>
<td>SM01</td>
<td>Safety Fencing</td>
<td>50,000.00</td>
<td>-</td>
<td>-</td>
<td>50,000.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Public Service</td>
<td>645,000.00</td>
<td></td>
<td></td>
<td>677,930.00</td>
</tr>
<tr>
<td>EA01</td>
<td>Bridge Maintenance Program</td>
<td>650,000.00</td>
<td>-</td>
<td>-</td>
<td>650,000.00</td>
</tr>
<tr>
<td>EA02</td>
<td>ADA Curb Cut Program</td>
<td>500,000.00</td>
<td>-</td>
<td>-</td>
<td>500,000.00</td>
</tr>
<tr>
<td>EA03</td>
<td>Sidewalk Safety Program</td>
<td>500,000.00</td>
<td>-</td>
<td>-</td>
<td>500,000.00</td>
</tr>
<tr>
<td>EA04</td>
<td>Citywide Resurfacing Program</td>
<td>7,300,000.00</td>
<td>-</td>
<td>-</td>
<td>7,300,000.00</td>
</tr>
<tr>
<td>EA06</td>
<td>Neighborhood Drainage Improvements Program</td>
<td>500,000.00</td>
<td>-</td>
<td>-</td>
<td>500,000.00</td>
</tr>
<tr>
<td>EA08</td>
<td>Traffic Signal Modernization</td>
<td>535,000.00</td>
<td>-</td>
<td>-</td>
<td>535,000.00</td>
</tr>
<tr>
<td>EA09</td>
<td>Pedestrian Infrastructure Improvement Program</td>
<td>150,000.00</td>
<td>-</td>
<td>-</td>
<td>150,000.00</td>
</tr>
<tr>
<td>EA11</td>
<td>Water Quality Improvements</td>
<td></td>
<td>150,000.00</td>
<td>-</td>
<td>150,000.00</td>
</tr>
<tr>
<td>EA12</td>
<td>Alley Paving</td>
<td>300,000.00</td>
<td>-</td>
<td>-</td>
<td>300,000.00</td>
</tr>
<tr>
<td>ED06</td>
<td>Washington Pike Improvements</td>
<td>10,000.00</td>
<td>-</td>
<td>-</td>
<td>10,000.00</td>
</tr>
<tr>
<td>EI02</td>
<td>Guardrail Replacement Program</td>
<td>100,000.00</td>
<td>-</td>
<td>-</td>
<td>100,000.00</td>
</tr>
<tr>
<td>EI03</td>
<td>School Zone Flasher Modernization</td>
<td>45,000.00</td>
<td>-</td>
<td>-</td>
<td>45,000.00</td>
</tr>
<tr>
<td>EJ04</td>
<td>Stormwater - Emergency Drainage Repairs</td>
<td>300,000.00</td>
<td>-</td>
<td>-</td>
<td>300,000.00</td>
</tr>
<tr>
<td>EL01</td>
<td>Traffic Modernization - LED</td>
<td>90,000.00</td>
<td>-</td>
<td>-</td>
<td>90,000.00</td>
</tr>
<tr>
<td>EM01</td>
<td>Papermill Drive Improvements</td>
<td>100,000.00</td>
<td>-</td>
<td>-</td>
<td>100,000.00</td>
</tr>
<tr>
<td>EM02</td>
<td>Ridley-Helton Ave Improvements</td>
<td>400,000.00</td>
<td>-</td>
<td>-</td>
<td>400,000.00</td>
</tr>
<tr>
<td>EM03</td>
<td>Dilapidated Pipe Remediation</td>
<td>376,750.00</td>
<td>-</td>
<td>-</td>
<td>376,750.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Engineering</td>
<td>11,856,750.00</td>
<td>150,000.00</td>
<td>-</td>
<td>12,006,750.00</td>
</tr>
<tr>
<td>IM01</td>
<td>Computer Upgrades</td>
<td>140,700.00</td>
<td>-</td>
<td>-</td>
<td>140,700.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Inspections</td>
<td>140,700.00</td>
<td>150,000.00</td>
<td>-</td>
<td>140,700.00</td>
</tr>
<tr>
<td>RA01</td>
<td>Ballfield, Tennis Court, Playground Improvements</td>
<td>300,000.00</td>
<td>-</td>
<td>-</td>
<td>300,000.00</td>
</tr>
<tr>
<td>RA03</td>
<td>Recreation Center Improvements</td>
<td></td>
<td>500,000.00</td>
<td>-</td>
<td>500,000.00</td>
</tr>
<tr>
<td>RG01</td>
<td>Greenway Corridors</td>
<td>500,000.00</td>
<td>-</td>
<td>-</td>
<td>500,000.00</td>
</tr>
<tr>
<td>RJ01</td>
<td>Inskip Pool Improvements</td>
<td>200,000.00</td>
<td>-</td>
<td>-</td>
<td>200,000.00</td>
</tr>
<tr>
<td>RM01</td>
<td>Fountain City Park Improvements</td>
<td>250,000.00</td>
<td>-</td>
<td>-</td>
<td>250,000.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal - Parks and Recreation</td>
<td>1,250,000.00</td>
<td>500,000.00</td>
<td>-</td>
<td>1,750,000.00</td>
</tr>
<tr>
<td>PD03</td>
<td>Public Safety Complex</td>
<td>-</td>
<td>3,600,000.00</td>
<td>-</td>
<td>3,600,000.00</td>
</tr>
<tr>
<td>PL05</td>
<td>ROS Vehicles</td>
<td>88,000.00</td>
<td>-</td>
<td>-</td>
<td>88,000.00</td>
</tr>
<tr>
<td>PM01</td>
<td>KPD Training Room Improvement</td>
<td>40,000.00</td>
<td>-</td>
<td>-</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Fund Name</td>
<td>FY 20/21 Adopted Budget 5/26/2020</td>
<td>Cumulative Changes To Date</td>
<td>Proposed Ordinance</td>
<td>FY 20/21 Amended Budget</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-----------------------------------</td>
<td>---------------------------</td>
<td>-------------------</td>
<td>------------------------</td>
<td></td>
</tr>
<tr>
<td>PM02 Police Equipment</td>
<td>258,240.00</td>
<td></td>
<td></td>
<td>258,240.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Police</td>
<td>386,240.00</td>
<td>3,600,000.00</td>
<td></td>
<td>3,986,240.00</td>
<td></td>
</tr>
<tr>
<td>VM03 Mobile Command Post Replacement</td>
<td>1,412,500.00</td>
<td>100,000.00</td>
<td></td>
<td>1,512,500.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Emergency Management</td>
<td>1,412,500.00</td>
<td>100,000.00</td>
<td></td>
<td>1,512,500.00</td>
<td></td>
</tr>
<tr>
<td>FL04 Fire Equipment</td>
<td>666,500.00</td>
<td></td>
<td></td>
<td>666,500.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Fire</td>
<td>666,500.00</td>
<td></td>
<td></td>
<td>666,500.00</td>
<td></td>
</tr>
<tr>
<td>Total - Fund 401</td>
<td>24,073,540.00</td>
<td>4,471,190.00</td>
<td></td>
<td>28,544,730.00</td>
<td></td>
</tr>
<tr>
<td>Enterprise Fund Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL04 KCAC Equipment</td>
<td>9,000.00</td>
<td></td>
<td></td>
<td>9,000.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Knoxville Civic Coliseum/Auditorium</td>
<td>9,000.00</td>
<td></td>
<td></td>
<td>9,000.00</td>
<td></td>
</tr>
<tr>
<td>Total - Fund 503</td>
<td>9,000.00</td>
<td></td>
<td></td>
<td>9,000.00</td>
<td></td>
</tr>
<tr>
<td>GL01 Parking Garage Equipment</td>
<td>190,000.00</td>
<td></td>
<td></td>
<td>190,000.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Engineering</td>
<td>190,000.00</td>
<td></td>
<td></td>
<td>190,000.00</td>
<td></td>
</tr>
<tr>
<td>Total - Fund 504</td>
<td>190,000.00</td>
<td></td>
<td></td>
<td>190,000.00</td>
<td></td>
</tr>
<tr>
<td>BK01 Convention Center Equipment</td>
<td>115,000.00</td>
<td></td>
<td></td>
<td>115,000.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Knoxville Convention Center</td>
<td>115,000.00</td>
<td></td>
<td></td>
<td>115,000.00</td>
<td></td>
</tr>
<tr>
<td>Total - Fund 506</td>
<td>115,000.00</td>
<td></td>
<td></td>
<td>115,000.00</td>
<td></td>
</tr>
<tr>
<td>VM04 Fuel Island - Public Safety Complex</td>
<td></td>
<td>510,000.00</td>
<td></td>
<td>510,000.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Fleet Services</td>
<td></td>
<td>510,000.00</td>
<td></td>
<td>510,000.00</td>
<td></td>
</tr>
<tr>
<td>Total - Fund 702</td>
<td></td>
<td>510,000.00</td>
<td></td>
<td>510,000.00</td>
<td></td>
</tr>
<tr>
<td>Total - Capital Projects</td>
<td>24,387,540.00</td>
<td>4,981,190.00</td>
<td></td>
<td>29,368,730.00</td>
<td></td>
</tr>
</tbody>
</table>
AGENDA SUMMARY: An Ordinance to amend the Knoxville City Code, Appendix B, Zoning Code to add social service centers as a special use in the C-G (General Commercial), C-R (Regional Commercial), and DK-E (Downtown Knoxville - Edge) Districts, Knoxville-Knox County Planning Commission, Applicant. (Planning Commission Approved 12-0 Consent) (File No. 1-A-21-OA) (All districts)

COUNCIL DISTRICT(S) AFFECTED: The proposed ordinance amendment affects all Council Districts.

BACKGROUND: The staff evaluated the appropriateness of adding social service centers to the DK-E Zoning District as a special use. Social service centers are currently allowed as a special use in the Highway Commercial Zoning District (C-H) and as a permitted use in the Institutional District (INST). Assignment of a new special use designation requires review and consideration by the Planning Commission to ensure that the proposed use is compatible with existing development (City of Knoxville Zoning Code Article 16.2).

Social Service Center Defined
Social service is an activity that promotes social, health, and financial well-being among a community’s residents. Social service centers often include philanthropic resources that provide assistance to individuals who would otherwise not have access. As defined in City of Knoxville Zoning Code Article 2.3, a social service center is a service establishment that provides assistance to those recovering from drug or alcohol dependency; survivors of abuse seeking support; those transitioning from homelessness or prior incarceration; and, those with health and disability challenges. It does not include in-patient, overnight, or living quarters for recipients of service or for staff. Such service does not include medical examinations or procedures, or medical detoxification, dispensing of drugs or medications, or other treatments normally conducted in a medical office.

Planning staff recommends approval of an amendment to the City of Knoxville Zoning Code to add social service centers as a special use in the General Commercial (C-G), Regional Commercial (C-R), and Downtown Knoxville - Edge (DK-E) Zoning Districts.


RECOMMENDATION: The Knoxville-Knox County Planning Commission recommended approval of an amendment to the City of Knoxville Zoning Code to add social service centers as a special use in the General Commercial (C-G), Regional Commercial (C-R), and Downtown Knoxville - Edge (DK-E) Zoning Districts, by a vote of 12-0 Consent.
ESTIMATED PROJECT SCHEDULE: N/A

PRIOR ACTION/REVIEW
Planning Commission Meeting 2/11/2021 Published ads on 12/12/20 & 1/21/21
Knoxville City Council 3/9/2021 Published ad on 2/18/2021

FISCAL INFORMATION: N/A

ATTACHMENTS:
- ORD: Social Service Centers - Code Amendment (CFM) (DOCX)
- Proposed Amendment Language (Labeled) (DOCX)
- 1-A-21-OA (Labeled) (PDF)

WHEREAS, Article 9.2 Use Matrix Table 9-1 of the City’s Zoning Code identifies the principal and temporary uses allowed within each zoning district and Article 5.2 provides additional use restrictions in the Commercial and Office Zoning Districts; and

WHEREAS, Planning staff evaluated the appropriateness of adding social service centers to the Edge Subdistrict of the Downtown Knoxville Zoning District (DK-E, or “Downtown Knoxville – Edge”) as a special use; and

WHEREAS, social service centers are currently allowed as a special use in the Highway Commercial Zoning District (C-H) and as a permitted use in the Institutional District (INST); and

WHEREAS, assignment of a new special use designation requires review and consideration by the Planning commission to ensure that the proposed use is compatible with existing development per Article 16.2 of the Zoning Code; and

WHEREAS, Planning staff recommended approval of an amendment to the City of Knoxville Zoning Code to add social service centers as a special use in the General Commercial (C-G), Regional Commercial (C-R) and Downtown Knoxville – Edge (DK-E) Zoning Districts, which

ORDINANCE NO: _________________
REQUESTED BY: Planning Commission
PREPARED BY: Law Department
APPROVED ON 1ST READING: _______________________
APPROVED ON 2ND READING: _______________________
APPROVED AS AN EMERGENCY MEASURE: _______________________
MINUTE BOOK: _______ PAGE ______
requires an amendment to the Knoxville Zoning Code at Article 9.2, Table 9-1: Use Matrix and at Article 5.2; and

WHEREAS, at its February 11, 2021 meeting, the Planning Commission recommended to the Council of the City of Knoxville that the amendment be adopted; and

WHEREAS, notice of the Planning Commission hearing of the proposed revised amendment was published in the *Knoxville News Sentinel* on December 12, 2020 and January 21, 2021 and notice of the City Council meeting on March 9, 2021 was published in the *Knoxville News Sentinel* on February 18, 2021.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Knoxville City Code, Appendix B, Zoning Code, at Article 9.2, Use Matrix Table 9-1 and at Article 5.2, is hereby amended to add social service centers as a special use in the General Commercial (C-G), Regional Commercial (C-R) and Downtown Knoxville – Edge (DK-E) Zoning Districts.

SECTION 2: The following Planning Commission documents are attached as Collective Exhibit 1 to this Ordinance and made a part hereof by reference: The Knoxville-Knox County Planning Commission File No. 1-A-21-OA, with all appendices including the January 21, 2021 Memorandum from Planning staff, the Proposed Amendment to Zoning Code, an excerpt from the Minutes of the Planning Commission meeting of February 11, 2021, and public notice.

SECTION 3: If any part, sentence, phrase, clause, term, word, section, subsection, or provision of this ordinance is declared by a court of competent jurisdiction to be unconstitutional, illegal, or invalid, such decision shall not affect the validity of the ordinance as a whole or any part other than the part so declared to be unconstitutional, illegal, or invalid.
SECTION 4: This Ordinance shall take effect seventeen days from and after its passage, the welfare of the City requiring it.

Presiding Officer of the Council

City Recorder
5.2 USES

A. Article 9 lists permitted and special principal uses and temporary uses for the commercial and office districts.

B. The following use restrictions apply to the DK District subdistricts:
   1. Multi-family dwellings are allowed in the DK District as follows. These restrictions apply only to a development that is residential use only; mixed-use developments/dwellings above the ground floor are allowed in all DK District subdistricts:
      a. In the DK-B Subdistrict.
      b. In the DK-E Subdistrict.
      c. In the DK-W Subdistrict for structures that are 50 years or older as of the effective date of this Code.
   2. Homeless shelters are allowed only in the DK-E Subdistrict.

   3. **Social Service Centers are allowed only in the DK-E Subdistrict.**

C. The following use restrictions apply to the OP District:
   1. Day care centers, eating and drinking establishments, personal service establishments, and retail goods establishments are prohibited as standalone structures. Such uses must be integrated into larger office buildings within an office park development.

(End of 5.2)
9.2 – USE MATRIX

TABLE 9-1: USE MATRIX  
*P* = Permitted Use *S* = Special Use *T* = Temporary Use

| PRINCIPAL USE                          | EN | RN-1 | RN-2 | RN-3 | RN-4 | RN-5 | RN-6 | RN-7 | C-N | C-G | C-H | C-R | DK | O   | OP   | I-MU | I-RD | I-G  | I-H  | AG  | INST | OS | NA | USE STAN- DARD (Section) |
|---------------------------------------|----|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|------|------|------|-----|-----|-----|-----|-----|----|----|------------------------|
| Halfway House                         |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    |                         |
| Healthcare Facility                   |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    |                         |
| Heavy Retail, Rental, and Service     |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    |                         |
| Heliport                              |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    |                         |
| Homeless Shelter                      |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    |                         |
| Hotel                                 |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    |                         |
| Salvage Yard                          |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.Z                     |
| Self-Storage Facility: Enclosed       |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.AA                    |
| Self-Storage Facility: Outdoor        |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.AA                    |
| Social Service Center                 |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.BB                    |
| Solar Farm                            |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.BB                    |
| Storage Yard, Outdoor                 |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.CC                    |
| Storage Yard, Outdoor — Secondary Use |    |      |      |      |      |      |      |      |     |     |     |     |     |     |      |      |      |     |     |     |     |     |     |    |    | 9.3.CC                    |

(End of 9.2)
MEMORANDUM

Date: January 21, 2021
To: Planning Commission
From: Amy Brooks, AICP, Interim Executive Director
Subject: Agenda Item 27, File # 1-A-21-OA

Recommendation

Staff recommends approval of an amendment to the City of Knoxville Zoning Code, Article 9.2, Table 9-1: Use Matrix to add social service center as a special use in the General Commercial (C-G), Regional Commercial (C-R), and Downtown Knoxville Edge Subdistrict (DK-E) Zoning Districts.

Background

At the request of a Planning Commissioner and two members of City Council, staff evaluated the appropriateness of adding social service centers to the DK-E Zoning District as a special use.

Social service centers are currently allowed as a special use in the Highway Commercial Zoning District (C-H) and as a permitted use in the Institutional District (INST).

Assignment of a new special use designation requires review and consideration by the Planning Commission to ensure that the proposed use is compatible with existing development (City of Knoxville Zoning Code Article 16.2).

Social Service Center Defined

Social service is an activity that promotes social, health, and financial well-being among a community’s residents. Social service centers often include philanthropic resources that provide assistance to individuals who would otherwise not have access.

As defined in City of Knoxville Zoning Code Article 2.3, a social service center is a service establishment that provides assistance to those recovering from drug or alcohol dependency; survivors of abuse seeking support; those transitioning from homelessness or prior incarceration; and, those with health and disability challenges. It does not include in-patient, overnight, or living quarters for recipients of service or for staff. Such service does not include medical examinations or procedures, or medical detoxification, dispensing of drugs or medications, or other treatments normally conducted in a medical office.

Analysis

The services provided by a social service center have several related, or, companion, uses as identified in City of Knoxville Zoning Code Article 9.2 Use Matrix. (The Use Matrix identifies the principal and temporary uses allowed within each zoning district. See Exhibit 1). Those uses which most closely align with social service center include homeless shelters and residential care facilities. It is logical to add social service centers as a special use to districts that also allow homeless shelters and residential care facilities.

Exhibit 1
facilities due to the compatibility of the uses. Expanding the number of districts that allow social service centers also increases the opportunity for resources to be in closer proximity to community members that may need them most.

Exhibit 1: Proposed amendment to Article 9.2, Table 9-1: Use Matrix
### TABLE 9-1: USE MATRIX

<table>
<thead>
<tr>
<th>PRINCIPAL USE</th>
<th>EN</th>
<th>RN-1</th>
<th>RN-2</th>
<th>RN-3</th>
<th>RN-4</th>
<th>RN-5</th>
<th>RN-6</th>
<th>RN-7</th>
<th>C-N</th>
<th>C-G</th>
<th>C-H</th>
<th>C-R</th>
<th>DK</th>
<th>O</th>
<th>OP</th>
<th>I-MU</th>
<th>I-RD</th>
<th>I-G</th>
<th>I-H</th>
<th>AG</th>
<th>INST</th>
<th>OS</th>
<th>NA</th>
<th>USE STANDARD (Section)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Storage Facility: Outdoor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.AA</td>
</tr>
<tr>
<td>Social Service Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>S</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.BB</td>
</tr>
<tr>
<td>Solar Farm</td>
<td></td>
<td>S</td>
<td>S</td>
<td>S</td>
<td></td>
<td>S</td>
<td>S</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>S</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.CC</td>
</tr>
<tr>
<td>Storage Yard, Outdoor</td>
<td></td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.CC</td>
</tr>
<tr>
<td>Storage Yard, Outdoor—Secondary Use</td>
<td></td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>S</td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.CC</td>
</tr>
<tr>
<td>Vehicle Dealership</td>
<td></td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.DD</td>
</tr>
<tr>
<td>Vehicle Operation Facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.DD</td>
</tr>
<tr>
<td>Vehicle Rental—Indoor</td>
<td></td>
<td>S</td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td>S</td>
<td></td>
<td>P</td>
<td></td>
<td>P</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.DD</td>
</tr>
<tr>
<td>Vehicle Rental—with Outdoor Storage/Display</td>
<td></td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.DD</td>
</tr>
<tr>
<td>Vehicle Repair/Service</td>
<td></td>
<td>S</td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.DD</td>
</tr>
<tr>
<td>Warehouse and Distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.3.DD</td>
</tr>
</tbody>
</table>
The Planning Commission met in regular session on February 11, 2021 at 1:30 p.m. via an electronic meeting through ZOOM.

**1. ROLL CALL, INVOCATION AND PLEDGE OF ALLEGIANCE**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Ms. Tamara Boyer</td>
<td>Ms. Gayle Bustin</td>
</tr>
<tr>
<td></td>
<td>Ms. Karyn Adams</td>
<td>Mr. Louis Browning</td>
</tr>
<tr>
<td></td>
<td>Ms. Sandra Korbelik</td>
<td>Mr. Mike Crowder</td>
</tr>
<tr>
<td></td>
<td>Mr. Chris Ooten</td>
<td>Mr. Richard Graf</td>
</tr>
<tr>
<td></td>
<td>Mr. Scott Smith, Vice-Chair</td>
<td>Mr. Patrick Phillips, Chair</td>
</tr>
<tr>
<td></td>
<td>Mr. Scott Smith, Vice-Chair</td>
<td>Mr. Tim Hill</td>
</tr>
<tr>
<td></td>
<td>A Mr. Eddie Smith</td>
<td>A Mr. Jeff Roth</td>
</tr>
</tbody>
</table>

* Arrived late to the meeting, ** Left early in the meeting, A – Absent from the meeting

**27. KNOXVILLE-KNOX COUNTY PLANNING 1-A-21-OA**

Consideration of an Amendment to the Knoxville City Code, Appendix B, Zoning Code, Article 9.2 Use Matrix Table 9-1 to add a social service center as a special use in the Downtown Knoxville (DK) Zoning District, General Commercial (C-G) Zoning District and Regional Commercial (C-R) Zoning District.

**1. STAFF RECOMMENDATION**

Staff recommends approval of an amendment to the City of Knoxville Zoning Code, Article 9.2, Table 9-1: Use Matrix to add social service center as a special use in the General Commercial (C-G), Regional Commercial (C-R), and Downtown Knoxville Edge Subdistrict (DK-E) Zoning Districts.

**APPROVED ON CONSENT EARLIER IN THE MEETING**

Commissioner Korbelik asked to remove Item #18 from Consent.

**MOTION (ROTH) AND SECOND (GRAF) WERE MADE TO APPROVE THE CONSENT ITEMS AS READ WITH THE EXCEPTION OF ITEM #18.**
A roll call vote was taken.

**MOTION CARRIED UNANIMOUSLY 12-0. APPROVED**
**KNOX CTY METRO PLANN**  
400 W MAIN ST # 403  
KNOXVILLE TN 37902-242

<table>
<thead>
<tr>
<th>Account</th>
<th>AD#</th>
<th>Net Amount</th>
<th>Tax Amount</th>
<th>Total Amount</th>
<th>Payment Method</th>
<th>Payment Amount</th>
<th>Amount D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1317419</td>
<td>0004605017</td>
<td>$99.36</td>
<td>$0.00</td>
<td>$99.36</td>
<td>Invoice</td>
<td>$0.00</td>
<td>$99.36</td>
</tr>
</tbody>
</table>

**Sales Rep:** ammarsh  
**Order Taker:** ammarsh  
**Order Created:** 02/16/2021

<table>
<thead>
<tr>
<th>Product</th>
<th># Ins</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNS-knoxnews.com</td>
<td>1</td>
<td>02/18/2021</td>
<td>02/18/2021</td>
</tr>
<tr>
<td>KNS-Knoxville News Sentinel</td>
<td>1</td>
<td>02/18/2021</td>
<td>02/18/2021</td>
</tr>
</tbody>
</table>

**Text of Ad:** 02/16/2021

**PUBLIC NOTICE**
The following items will be considered by the Knoxville City Council on March 9, 2021 at 6:00 p.m., in the Main Assembly Room, City County Bldg., 400 Main St., Knoxville, TN. For information related to these items, visit KnoxPlanning.org/agenda. If you need assistance or accommodation for a disability, please contact the City ADA coordinator at 215-2104.

**DUE TO THE CIRCUMSTANCES OF THE COVID-19 VIRUS, THIS MEETING MAY BE CONDUCTED BY ELECTRONIC MEANS.**
PLEASE VISIT THE KNOXVILLE CITY COUNCIL WEBSITE FREQUENTLY FOR UPDATES ON THIS PUBLIC MEETING.

**Rezonings/Plan Amendments**
JOAN NEWMAN - 622 & 624 Dry Gap Pk., / Parcel ID 37 M A 038.

**Ordinance Amendment**
KNOXVILLE-KNOX COUNTY PLANNING (REVISED) - Consideration of an Amendment to the Knoxville City Code, Appendix B, Zoning Code, Article 9.2 Use Matrix Table 9-1 to add a social service center as a special use in the Downtown Knoxville Edge Subdistrict (DK-E) Zoning District, General Commercial (C-G) Zoning District and Regional Commercial (C-R) Zoning District. Planning Commission Recommendation: Approve Amendment.
AGENDA DATE: March 9, 2021

DEPARTMENT: Knoxville-Knox County Planning Commission (formerly known as Metropolitan Planning Commission)

DIRECTOR: Amy Brooks

AGENDA SUMMARY
An Ordinance to rezone property located at 622 and 624 Dry Gap Pike from AG (Agricultural) District to RN-1 (Single-Family Residential Neighborhood) District, Joan Newman, Applicant. (Planning Commission Approved 12-0 Consent) (File No. 2-B-21-RZ) (Fifth District)

COUNCIL DISTRICT(S) AFFECTED: The proposed rezoning is located in Council District 5.

BACKGROUND: The applicant requested rezoning from AG (Agricultural) District to RN-1 (Single-Family Residential Neighborhood) District. Planning staff recommends approval of RN-1 (Single Family Residential Neighborhood) zoning because it is consistent with the North City Sector Plan designation and with surrounding development.


RECOMMENDATION: The Knoxville-Knox County Planning Commission recommended approval of approval of RN-1 (Single Family Residential Neighborhood) zoning because it is consistent with the North City Sector Plan designation and with surrounding development, by a vote of 12-0 Consent.

ESTIMATED PROJECT SCHEDULE: N/A

PRIOR ACTION/REVIEW
Planning Commission Meeting  2/11/2021  Published ad on 1/8/2021
Knoxville City Council    3/9/2021  Published ad on 2/18/2021

FISCAL INFORMATION: N/A

ATTACHMENTS:
- Joan Newman (File No. 2-B-21-RZ)  (DOCX)
- 2-B-21-RZ_pkg  (PDF)
ORDINANCE


ORDINANCE NO: ______________
Knoxville-Knox County
REQUESTED BY: Planning Commission
PREPARED BY: Law________________

APPROVED ON 1ST READING: ______________________
APPROVED ON 2ND READING: ______________________
APPROVED AS AN EMERGENCY MEASURE: _________________

MINUTE BOOK: _______ PAGE ______

WHEREAS, Joan Newman filed Application No. 2-B-21-RZ with the Knoxville-Knox County Planning Commission (“Planning Commission”) to have property located at 622 and 624 Dry Gap Pike, Parcel ID 57 MA 020, rezoned from AG (Agricultural) District to RN-1 (Single-Family Residential Neighborhood) District; and

WHEREAS, at its February 11, 2021 meeting, the Planning Commission recommended to the Council of the City of Knoxville that the request to change the zoning classification be approved; and

WHEREAS, public notice on the hearing of this petition was published in the Knoxville News Sentinel on January 8, 2021, and public notice for the City Council meeting on March 9, 2021 was published in the Knoxville News Sentinel on February 18, 2021.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KNOXVILLE:
SECTION 1: That “The City of Knoxville Zoning Code,” being Ordinance No. O-107-2019, be and the same is hereby amended, so as to change the zoning classification of property described as being located at 622 and 624 Dry Gap Pike, Parcel ID 57 MA 020, Fifth District, North City Sector, from AG (Agricultural) District to RN-1 (Single-Family Residential Neighborhood) District, Joan Newman, Applicant, File No. 2-B-21-RZ.

SECTION 2: The following Planning Commission documents are attached as Collective Exhibit 1 to this Ordinance and made a part hereof by reference: The Knoxville-Knox County Planning Commission Rezoning Report including all appendices; a portion of the Zoning Map on which the above described property is shaded; an excerpt from the Minutes of the Planning Commission meeting of February 11, 2021; the Development Request for Rezoning; and Public Notice.

SECTION 3: If any part, sentence, phrase, clause, term, word, section, subsection, or provision of this ordinance is declared by a court of competent jurisdiction to be unconstitutional, illegal, or invalid, such decision shall not affect the validity of the ordinance as a whole or any part other than the part so declared to be unconstitutional, illegal, or invalid.

SECTION 4: This Ordinance shall take effect seventeen (17) days from and after its passage, the welfare of the City requiring it.

_________________________________________
Presiding Officer of the Council

Recorder
FILE #: 2-B-21-RZ

APPLICANT: JOAN NEWMAN
OWNER(S): Joan Newman / New Again Properties, LLC

TAX ID NUMBER: 57 M A 020
JURISDICTION: City Council District 5
STREET ADDRESS: 622 & 624 Dry Gap Pk.

LOCATION: South side of Dry Gap Pk., south of Haynes Sterchi Rd.

APPX. SIZE OF TRACT: 1.5 acres
SECTOR PLAN: North City
GROWTH POLICY PLAN: Within City limits
ACCESSIBILITY: Dry Gap Pike is a major collector with a 17-ft pavement width within a 45-ft right-of-way.

UTILITIES: Water Source: Knoxville Utilities Board
Sewer Source: Knoxville Utilities Board
WATERSHED: Beaver Creek

PRESENT ZONING: AG (Agricultural)
ZONING REQUESTED: RN-1 (Single-Family Residential Neighborhood)
EXISTING LAND USE: Two detached single family houses are located on this parcel.

EXTENSION OF ZONE: Yes, RN-1 zoning is adjacent to the west.
HISTORY OF ZONING: This property was annexed into the City and zoned A-1 in 2002 (5-O-02-RZ).
SURROUNDING LAND USE AND ZONING:

North: Rural residential - A (Agricultural) zone in County
South: Single family residential - RB (General Residential) in Knox County
East: Single family residential - AG (Agricultural) District in City of Knoxville
West: Single family residential - RN-1 (Single Family Residential) in City of Knoxville

NEIGHBORHOOD CONTEXT: The surrounding area is comprised of single family detached residential dwellings. Side roads contain subdivisions while Dry Gap Pike is lined with single family residential lots on both sides.

STAFF RECOMMENDATION:

Approve RN-1 (Single Family Residential Neighborhood) zoning because it is consistent with the North City Sector Plan designation and with surrounding development.

COMMENTS:

REZONING REQUIREMENTS FROM ZONING ORDINANCES (must meet all of these):
THE PROPOSED AMENDMENT SHALL BE NECESSARY BECAUSE OF SUBSTANTIALLY CHANGED OR
CHANGING CONDITIONS IN THE AREA AND DISTRICTS AFFECTED, OR IN THE CITY GENERALLY:
1. The City of Knoxville continues to grow, as does demand for a variety of housing types. The proposed
rezoning would create an opportunity to meet this need.

THE PROPOSED AMENDMENT SHALL BE CONSISTENT WITH THE INTENT AND PURPOSE OF THE
APPLICABLE ZONING ORDINANCE:
1. The RN-1 (Single-Family Residential Neighborhood) Zoning District is intended to accommodate traditional
low density residential neighborhoods in the City of Knoxville, exhibiting a predominant development pattern of
single-family homes on relatively large lots and with generous setbacks. Two-family dwellings may also be
allowed by special use approval. Limited nonresidential uses that are compatible with the character of the
district may also be permitted.
2. The RN-1 zone is more aligned with development in the area than the existing AG (Agricultural) zone, which
is intended to “provide for agricultural uses that comprise an important part of the economy of Knoxville. The
intent is to permit lands best suited for agriculture to be used for agriculture purposes, and prevent the
encroachment of incompatible land uses on farm lands and protect the physical and economic well- being of
agricultural operations.” In this case, the housing is existing and is not an encroachment.
3. Rezonings should be based on the entire range of uses allowed within a zone to ensure that any
development brought forth at a future time would be compatible with the surrounding land uses.

THE PROPOSED AMENDMENT SHALL NOT ADVERSELY AFFECT ANY OTHER PART OF THE COUNTY,
NOR SHALL ANY DIRECT OR INDIRECT ADVERSE EFFECTS RESULT FROM SUCH AMENDMENT.
1. Neighboring lots to the west are zoned RN-1 and vary in size from 0.30 ac to 0.70 ac. Lots off of side streets
vary in size, though most are between 0.20 and 0.50 acres. The RN-1 zone has a minimum lot size of 10,000
square feet (or 0.23 acres), which is consistent with the smaller lot sizes in the area.
2. Built out at the maximum capacity, this property could accommodate up to 6 dwelling units.
3. This property is on the City-County boundary line, so surrounding properties are in both jurisdictions. County
lots are zoned RB (General Residential) and A (Agriculture), and City lots are zoned RN-1, though there is also
RN-2 (Single Family Residential) in the general vicinity. Given the mix of residential zoning already present,
including the adjacent RN-1 zone, additional RN-1 zoning in this area is not expected to create any adverse
impacts on surrounding properties.

THE PROPOSED AMENDMENT SHALL BE CONSISTENT WITH AND NOT IN CONFLICT WITH THE
GENERAL PLAN OF KNOXVILLE AND KNOX COUNTY, INCLUDING ANY OF ITS ELEMENTS, MAJOR
ROAD PLAN, LAND USE PLAN, COMMUNITY FACILITIES PLAN, AND OTHERS:
1. The North City Sector Plan’s LDR (Low Density Residential) designation supports RN-1 zoning.
2. The requested zoning is not in conflict with any of the other plans.

ESTIMATED TRAFFIC IMPACT: Not required.

ESTIMATED STUDENT YIELD: Not applicable.

If approved, this item will be forwarded to Knoxville City Council for action on 3/9/2021 and 3/23/2021. If
denied, Knoxville-Knox County Planning Commission’s action is final, unless the action to deny is appealed to
Knoxville City Council. The date of the appeal hearing will depend on when the appeal application is filed.
Appellants have 15 days to appeal a Planning Commission decision in the City.
EXHIBIT A. Contextual Images

2-B-21-RZ: Location Map
622 and 624 Dry Gap Pike
Knoxville - Knox County - KUB Geographic Information System

2-B-21-TOS: Aerial Map
622 and 624 Dry Gap Pike
Knoxville - Knox County - KUB Geographic Information System
EXHIBIT A. Contextual Images

2-B-21-RZ: Existing Land Use Map
622 and 624 Dry Gap Pike
Knoxville - Knox County - KUB Geographic Information System

2-B-21-RZ: One Year Plan Map
622 and 624 Dry Gap Pike
Knoxville - Knox County - KUB Geographic Information System
The Planning Commission met in regular session on February 11, 2021 at 1:30 p.m. via an electronic meeting through ZOOM.

1. **ROLL CALL, INVOCATION AND PLEDGE OF ALLEGIANCE**

   | A | Ms. Tamara Boyer | Ms. Gayle Bustin | Mr. Louis Browning |
   |   | Ms. Karyn Adams  | A Mr. Mike Crowder | Ms. Elizabeth Eason |
   |   | Ms. Sandra Korbelik | Mr. Richard Graf | Ms. Jacqueline Dent |
   |   | Mr. Chris Ooten | Mr. Patrick Phillips, Chair | Mr. Jeff Roth |
   |   | Mr. Scott Smith, Vice-Chair | Mr. Tim Hill | A Mr. Eddie Smith |

* Arrived late to the meeting, ** Left early in the meeting, A – Absent from the meeting

10. **JOAN NEWMAN**

    622 and 624 Dry Gap Pike / Parcel ID 57 M A 020, Council District 5.

    Rezoning from AG (Agricultural) to RN-1 (Single-Family Residential Neighborhood).

1. **STAFF RECOMMENDATION**

    Approve RN-1 (Single Family Residential Neighborhood) zoning because it is consistent with the North City Sector Plan designation and with surrounding development.

**APPROVED ON CONSENT EARLIER IN THE MEETING**

Commissioner Korbelik asked to remove Item #18 from Consent.

**MOTION (ROTH) AND SECOND (GRAF) WERE MADE TO APPROVE THE CONSENT ITEMS AS READ WITH THE EXCEPTION OF ITEM #18.**

A roll call vote was taken.

**MOTION CARRIED UNANIMOUSLY 12-0. APPROVED**
Development Request

DEVELOPMENT
☐ Development Plan
☐ Planned Development
☐ Use on Review / Special Use
☐ Hillside Protection COA

SUBDIVISION
☐ Concept Plan
☐ Final Plat

ZONING
☐ Plan Amendment
☐ SP ☐ OYP
☐ Rezoning

Joan Newman

Applicant Name

12/17/2020 12/28/2020
Date Filed Meeting Date (if applicable)

Affiliation

CORRESPONDENCE
All correspondence related to this application should be directed to the approved contact listed below.

☐ Applicant ☐ Owner ☐ Option Holder ☐ Project Surveyor ☐ Engineer ☐ Architect/Landscape Architect

Joan Newman New Again Properties, LLC
Name Company

194 Bull Run Rd.
Address

Luttrell TN 37779
City State ZIP

8656078027 jnewman@pstcc.edu
Phone Email

CURRENT PROPERTY INFO

Joan Newman same as above same
Owner Name (if different) Owner Address Owner Phone

622 and 624 Dry Gap Pike Knoxville, TN 37912 057MA020
Property Address Parcel ID

STAFF USE ONLY

S/S of Dry Gap Pike, due South of Haynes Sterchi Rd 1.5 ac.
General Location Tract Size

5th AG

Jurisdiction (specify district above) ☐ City ☐ County Zoning District

North City LDR Urban
Planning Sector Sector Plan Land Use Classification Growth Policy Plan Designation

SFR N KUB KUB
Existing Land Use Septic (Y/N) Sewer Provider Water Provider

File Number(s) 2-B-21-RZ

Packet Pg. 516
DEVELOPMENT REQUEST

☐ Development Plan  ☐ Use on Review / Special Use  ☐ Hillside Protection COA
☐ Residential  ☐ Non-Residential

Home Occupation (specify) 

Other (specify) 

SUBDIVISION REQUEST

Proposed Subdivision Name 

Related Rezoning File Number

Unit / Phase Number  ☐ Combine Parcels  ☐ Divide Parcel

Total Number of Lots Created

☐ Other (specify) 

☐ Attachments / Additional Requirements

ZONING REQUEST

☐ Zoning Change  RN-1

Proposed Zoning

Pending Plat File Number

☐ Plan Amendment Change

Proposed Plan Designation(s) 

5-02-RZ

Proposed Density (units/acre)  Previous Rezoning Requests

☐ Other (specify) 

STAFF USE ONLY

PLAT TYPE

☐ Staff Review  ☐ Planning Commission

ATTACHMENTS

☐ Property Owners / Option Holders  ☐ Variance Request

ADDITIONAL REQUIREMENTS

☐ Design Plan Certification (Final Plat)  ☐ Use on Review / Special Use (Concept Plan)
☐ Traffic Impact Study  ☐ COA Checklist (Hillside Protection)

AUTHORIZATION

By signing below, I certify I am the property owner, applicant or the owners authorized representative.

Joan Newman  12/17/2020

Applicant Signature  

600.00

Fee 1  

0324

600.00

Total

Fee 2

Fee 3

600.00

Marc Payne  12/17/2020

Staff Signature  

jnewman@pstcc.edu

8656078027

Phone Number  

Marc Payne  12/17/2020

Email  

Please Print  

Please Print  

Packet Pg. 517
KNOX Cty Metro Plann
400 W Main St # 403
Knoxville TN 37902--242

Sales Rep: ammarsh
Order Taker: ammarsh
Order Created 02/16/2021

<table>
<thead>
<tr>
<th>Product</th>
<th># Ins</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNS-knoxnews.com</td>
<td>1</td>
<td>02/18/2021</td>
<td>02/18/2021</td>
</tr>
<tr>
<td>KNS-Knoxville News Sentinel</td>
<td>1</td>
<td>02/18/2021</td>
<td>02/18/2021</td>
</tr>
</tbody>
</table>

*ALL TRANSACTIONS CONSIDERED PAID IN FULL UPON CLEARANCE OF FINANCIAL INSTITUTION*

Text of Ad: 02/16/2021

PUBLIC NOTICE
The following items will be considered by the Knoxville City Council on March 9, 2021 at 6:00 p.m. in the Main Assembly Room, City County Bldg., 400 Main St., Knoxville, TN. For information related to these items, visit KnoxPlanning.org/ agenda. If you need assistance or accommodation for a disability, please contact the City ADA coordinator at 215-2104.

DUE TO THE CIRCUMSTANCES OF THE COVID-19 VIRUS, THIS MEETING MAY BE CONDUCTED BY ELECTRONIC MEANS. PLEASE VISIT THE KNOXVILLE CITY COUNCIL WEBSITE FREQUENTLY FOR UPDATES ON THIS PUBLIC MEETING.

Rezonings/Plan Amendments

Ordinance Amendment
Knoxville-Knox County Planning (Revised) - Consideration of an Amendment to the Knoxville City Code, Appendix B, Zoning Code, Article 9.2 Use Matrix Table 9.1 to add a social service center as a special use in the Downtown Knoxville Edge Subdistrict (DK-E) Zoning District, General Commercial (C-G) Zoning District and Regional Commercial (C-R) Zoning District. Planning Commission Recommendation: Approve Amendment.