

**TENNESSEE STATE FUNDING BOARD**  
**SEPTEMBER 21, 2016**  
**AGENDA**

1. Call meeting to order
2. Approval of the minutes from the July 14, 2016, meeting
3. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:
  - **Automation Tool Company – Cookeville (Putnam County)**  
FastTrack Economic Development \$1,000,000
  - **Chattanooga Seating Systems, L.L.C. – Chattanooga (Hamilton County)**  
FastTrack Job Training Assistance \$ 611,652
  - **Eurotranciatura USA LLC – Paris (Henry County)**  
FastTrack Job Training Assistance \$ 42,000  
FastTrack Economic Development \$ 650,000
  - **Evergreen Packaging, Inc. – Memphis (Shelby County)**  
FastTrack Economic Development \$1,050,000
  - **Lowe’s Home Centers, LLC – Coopertown (Robertson County) FastTrack**  
Infrastructure Development \$ 742,500  
FastTrack Economic Development \$3,000,000
  - **Mullican Flooring – Johnson City (Washington County)**  
FastTrack Economic Development \$1,000,000
  - **Tenneco Automotive Operating Company – Spring Hill (Maury County)**  
FastTrack Job Training Assistance \$ 200,000  
FastTrack Economic Development \$ 330,230
4. Approval of a “Resolution Allocating from the Internal Service Fund to the Capital Projects Fund \$4,380,000 and Canceling Authorized Bonds”
5. Approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$1,400,000 and Canceling Authorized Bonds”
6. Approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$33.17 and Canceling Authorized Bonds”
7. Report on the results of the sale of General Obligation Bonds, 2016 Series A, 2016 Refunding Series B and 2016 Refunding Series C
8. Submission of the Report on Debt Obligation (CT-0253) for the 2016 Bond Sale
9. Consideration and approval of a revised Other Post Employment Benefit (OPEB) Trust for the Tennessee School Boards Association

**TENNESSEE STATE FUNDING BOARD**  
**JULY 14, 2016**

The Tennessee State Funding Board (the “Board”) met on Thursday, July 14, 2016, at 10:20 a.m., in the Legislative Plaza, Room LP-29, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
The Honorable Justin Wilson, Comptroller of the Treasury  
The Honorable David Lillard, State Treasurer  
Commissioner Larry Martin, Department of Finance and Administration

The following member was absent:

The Honorable Bill Haslam, Governor

Mr. Wilson recognized Mr. Lillard who introduced Mr. Brian Derrick, Deputy Director of Accounting for the Tennessee Department of Treasury. Mr. Derrick recognized Mr. Conner Burns and Ms. Hannah Willis, Union University; and Brittney Belanger, Tennessee Tech University, who were interns with the Treasury Office during the summer.

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the June 9, 2016, meeting. Mr. Hargett made a motion to approve the minutes. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Jamie Stitt, Deputy Assistant Commissioner of Business Development, Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Advisor for Fiscal Policy, ECD, to present the FastTrack funding report. Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was \$160,390,172.29. Since that time, \$172,047.22 in interest for the period December 2015 through May 2016 and \$80,893,400.00 in new appropriations for fiscal year 2017 were received; \$764,492.30 in funds had been deobligated and returned to the FastTrack program; \$10,244,481.00 in new loans had been approved and \$2,033,678.47 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants or loans of \$229,941,952.34 as of today’s meeting. Mr. VanderMeer reported that commitments had been made in the amount of \$154,721,054.60 resulting in an uncommitted FastTrack balance of \$75,220,897.74. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$2,040,000.00, and if these projects were approved, the uncommitted balance would be \$73,180,897.74, or 68.2% of FastTrack funds committed.

Ms. Stitt stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding \$750,000 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Borden then presented the following FastTrack project:

- **Lodge Manufacturing Company – South Pittsburg & New Hope (Marion County)**  
FastTrack Economic Development \$ 790,000
  
- **Schneider Electric USA, Inc. – Franklin (Williamson County)**  
FastTrack Economic Development \$1,250,000

Mr. Wilson stated that the Board received signed letters, FastTrack checklists, and incentive acceptance forms from the Commissioner of ECD. Mr. Wilson inquired if Ms. Stitt had reviewed the information

provided and if it appeared to be in order, true, and correct. Ms. Stitt replied affirmatively. Mr. Lillard made a motion to approve the FastTrack projects that were presented. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a “Resolution Allocating from Debt Service Fund to the Capital Projects Fund \$440,064.00 and Canceling Authorized Bonds”. Mr. Wilson explained that this Resolution was to cancel bonds related to the University of Memphis (UOM) project for acquisition of sites within UOM’s master plan. Mr. Wilson stated that the Funding Board had been notified by the Commissioner of Finance and Administration that, in accordance with the agreement between UOM and the Funding Board, UOM had made a payment of \$440,064.00 and that such funds had been deposited into the Debt Service Fund. Mr. Hargett made a motion to approve the Resolution. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$7,000,000 and Canceling Authorized Bonds.” Mr. Wilson explained that the Resolution was to cancel bonds authorized for the Department of Safety Interoperable Communication System, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Hargett made a motion to approve the Resolution. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a Declaration of Trust for Other Post Employment Benefits (OPEB) for the Board of Public Utilities of Cleveland, Tennessee. Mr. Wilson stated that both he and counsel within the Attorney General’s office had reviewed the OPEB Trust and that it contains the essential provisions required by law. Mr. Wilson then stated that during the review process, it was noted that some terminology in the OPEB Trust was unclear. Mr. Wilson made a motion to approve the OPEB Trust contingent upon revisions being made to the satisfaction of the Attorney General’s Office and the Office of State and Local Finance with the stipulation that Cleveland should submit the revisions before the end of business on August 31, 2016. Mr. Lillard seconded the motion, and it was unanimously approved.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

## FastTrack Report to State Funding Board

9/13/2016

|  |                 |
|--|-----------------|
| 1. Previous FastTrack Balance, as of Last Report                               | 229,941,952.34  |
| 2. + New Appropriations:   | 33,195.34       |
| 3. + Newly Deobligated Funds:  | 0.00            |
| 4. + Funds Transferred to FastTrack:   | 0.00            |
| 5. - Funds Transferred from FastTrack:   | 0.00            |
| 6. - FastTrack Grants or Loans Approved Greater Than \$750,000:                | (18,731,600.00) |
| 7. - FastTrack Grants or Loans Approved Less Than \$750,000:                   | (4,995,644.00)  |
| 8. - FastTrack Administration  | (144,001.01)    |
| 9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans: | 206,103,902.67  |
| <hr/>  |                 |
| 10. Total Amount of Commitments:   | 143,834,035.46  |
| <hr/>  |                 |
| 11. Uncommitted FastTrack:   | 62,269,867.21   |
| 12. Percentage Committed:  | 69.8%           |
| <hr/>  |                 |
| 13. Amount of Proposed Grants or Loans:  | 8,626,382.00    |
| 14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:        | 53,643,485.21   |
| 15. Percentage Committed:  | 74.0%           |

See next page for explanations of the above questions.

I have reviewed the above and believe it to be correct:


  
 Commissioner of Economic and Community Development

Date: 9-16-16



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

### **1. Automation Tool Company – Cookeville (Putnam County)**

Automation Tool Company (ATC) makes engineered-to-order advanced manufacturing solutions. ATC produces advanced manufacturing equipment for the automotive, medical, energy and consumer products markets. The company designs, engineers and builds assembly lines and test equipment for advanced manufacturers, ranging from small components to complete turnkey systems. ATC is owned by Berwind Group/TASI, which is a family-owned investment management company.

ATC has committed to create 110 new jobs and make a \$10,417,459 capital investment within five years. The company will have an average wage of \$27.71 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs ATC will incur in current building expansion and new construction of a two story office building. **(\$1,000,000)**

**Total FastTrack funds for this project - \$1,000,000**



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

### **2. Chattanooga Seating Systems, L.L.C. – Chattanooga (Hamilton County)**

Chattanooga Seating Systems, L.L.C. (Chattanooga Seating) operates as a joint venture between Magna Seating and Hollingsworth International, and is a supplier to Volkswagen Group of America with complete seat systems at the Chattanooga assembly facility. Currently, Chattanooga Seating employs 128 people at its 58,000 square foot manufacturing facility in Chattanooga. This expansion project is a result of Chattanooga Seating being awarded a contract from Volkswagen to do the seating for VW's new seven-passenger, 3-row SUV. Chattanooga Seating will be leasing an additional 40,000 square foot of space to accommodate the workload of this new contract.

Chattanooga Seating has committed to create 190 new jobs and make a \$5,395,000 capital investment within five years. The company will have an average wage rate of \$16.10 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$611,652)**

**Total FastTrack funds for this project - \$611,652**

### **3. Eurotranciatura USA LLC - Paris (Henry County)**

Eurotranciatura USA LLC (Eurotranciatura), a joint venture between Euro Group S.p.A and Kuroda Precision Industries Ltd., manufactures steel lamination products for electrical motors and generators. Eurotranciatura's Paris facility supplies the U.S. market for companies such as Stanley Black & Decker, Franklin Electric, ThyssenKrupp, Regal Beloit, Generac and Tecumseh Products.

Eurotranciatura's investment includes upgrades and new equipment for its existing manufacturing plant in Henry County. Eurotranciatura will also build a roughly 30,000 square foot distribution warehouse near its current plant to accommodate growth and reduce transportation costs.

Eurotranciatura has committed to create 173 new jobs and make a \$12,550,000 capital investment within five years. The company will have an average wage rate of \$15.23 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$42,000)**



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

FastTrack Economic Development Grant funds will be used to offset the costs Eurotranciatura will incur in construction of a new facility to be used for storage and slitting rolls of steel for their main operation. **(\$650,000)**

**Total FastTrack funds for this project - \$692,000**

#### **4. Evergreen Packaging, Inc. – Memphis (Shelby County)**

Evergreen Packaging, Inc. (Evergreen) is a manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk markets. Evergreen also produces paper products. Evergreen, Closure Systems International and Graham Packaging are members of Reynolds Group Holding. Reynolds has decided to consolidate Evergreen, Closure Systems International and Graham Packaging Company corporate headquarters and back office operations to form a global packaging organization, "Nuco," requiring an office space of 40,000 square feet. Together these three companies comprise 127 global manufacturing facilities in 36 countries with revenue in excess of \$5.5 billion with over 14,000 employees worldwide. The company anticipates approximately 40 existing employees to relocate from Pennsylvania and Indiana to Tennessee.

Evergreen will retain 103 high-wage employees and add 70 new jobs and make a \$1,150,000 capital investment within five years. The company will have an average wage rate of \$84.75 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs incurred in personnel and equipment relocation, as well as fixture improvements. **(\$1,050,000)**

**Total FastTrack funds for this project - \$1,050,000**

#### **5. Lowe's Home Centers, LLC – Coopertown (Robertson County)**

Lowe's Home Centers, LLC (Lowe's) is the second largest home improvement company in the world. The company was founded in 1946, and today Lowe's and its related businesses operate or service more than 2,355 retail locations in the United States, Canada and Mexico and have 285,000 employees. The company will build a 1.1 million square foot, direct fulfillment center, which will allow the company to offer customers more products online, consolidate multiple parcel shipments, and ship purchases directly to customers faster and more efficiently. Plans call for the facility to be operational by the third quarter of 2018.



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

Lowe's has committed to create 600 new jobs and make a \$100,000,000 capital investment within five years. The company will have an average wage rate of \$16.08 per hour for the new positions.

FastTrack Infrastructure Development Program funds will be used to offset the costs of construction of a 750,000 gallon water tank, which will provide adequate water pressure for the needs and fire suppression systems for the distribution center. In addition, the tank will generate additional capacity for the area, which will drive future increased development. **(\$742,500)**

FastTrack Economic Development Grant funds will be used to offset the costs incurred to construct the new distribution facility. **(\$3,000,000)**

**Total FastTrack funds for this project - \$3,742,500**

### **6. Mullican Flooring – Johnson City (Washington County)**

Mullican Flooring, which ranks among the nation's top five hardwood flooring producers, manufactures and sells hardwood flooring products. The company offers solid hardwood, prefinished flooring, engineered hardwood, prefinished hardwood flooring, and unfinished hardwood flooring products. Mullican Flooring sells its products through a network of distributors and retailers in the United States.

Mullican Flooring will acquire a 126,000 square foot warehouse. The building will be used to store raw materials and finished products. The extra capacity will provide additional space at the company's Johnson City headquarters and production plant to meet increased manufacturing needs.

Mullican Flooring has committed to create 200 new jobs and make a \$7,543,000 capital investment within five years. The company will have an average wage rate of \$13.09 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs for the purchase and retrofit of an additional building to be used as finished goods storage, as well as retrofit of the current manufacturing facility. **(\$1,000,000)**

**Total FastTrack funds for this project - \$1,000,000**





Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

**7. Tenneco Automotive Operating Company, Inc. – Spring Hill (Maury County)**

Tenneco Automotive Operating Company, Inc. (Tenneco) is one of the world's leading designers, manufacturers, and distributors of clean air and ride performance products and systems for the automotive, commercial truck, and off-highway markets, and the aftermarket. Tenneco is a Tier 1 supplier worldwide to: General Motors, Ford Motors, Volkswagen, Daimler, Toyota, BMW, Chrysler, Harley-Davidson, Nissan, Honda, Suzuki, Caterpillar, and International Truck. Aftermarket distributors include Napa, Advanced Auto Parts, O'Reilly, Pep Boys, etc.

General Motors has awarded Tenneco a contract for production of exhaust clean air systems to the Spring Hill complex and has requested a closer facility to cut down on supply transit times and cost. Tenneco will be adding a 117,000 square foot production facility.

Tenneco has committed to create 200 new jobs and make a \$32,491,000 capital investment within five years. The company will have an average wage rate of \$20.42 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$200,000)**

FastTrack Economic Development Grant funds will be used to offset the costs incurred from the building expansion. **(\$330,230)**

**Total FastTrack funds for this project - \$530,230**

In conclusion, I would like to thank the Board for its assistance and continued support of ECD as we strive to create job opportunities for the citizens of our State.

Sincerely,

  
Randy Boyd

9-16-16

RB:kl

### State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING      | RECIPIENT ENTITY  | GRANT AMOUNT       | LOAN AMOUNT |
|----------------------|---|--------------------|-------------|
| INFRASTRUCTURE       |   |                    |             |
| TRAINING*            |   |                    |             |
| ECONOMIC DEVELOPMENT | <b>Industrial Development Board of the City of Cookeville, TN</b> | <b>\$1,000,000</b> |             |
| <b>TOTAL</b>         |   | <b>\$1,000,000</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Automation Tool Company

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

**GENERAL STATUTORY COMPLIANCE**

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

Yes  No

- 7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)?*  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)?*  Yes  No

**INFRASTRUCTURE**

Yes  No

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)?*  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)?*  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)?*

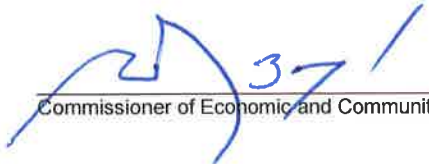
**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)?*
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)?* If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)?*  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)?*  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)?*  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)?* If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation.

I have reviewed this document and believe it to be correct.

  
 Commissioner of Economic and Community Development

9-16-16  
 Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

April 14, 2016

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Automation Tool Company intends, in good faith, to create 110 private sector jobs and make a capital investment of \$10,417,459 in exchange for incentives that will be memorialized in a grant agreement between Automation Tool Company and the State of Tennessee.

ECD OFFER SUMMARY

|                                       |                     |
|---------------------------------------|---------------------|
| FastTrack Economic Development Grant: | \$ 1,000,000        |
| <b>Total ECD Commitment:</b>          | <b>\$ 1,000,000</b> |

Please sign your name in the space below to signify Automation Tool Company's acceptance of ECD's offer set forth above and return it by July 13, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.

Signature: *Bill Haslam*  
(Authorized Representative of Company)

Date: 9/6/16



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of the City of Cookeville, TN for the benefit of Automation Tool Company (ATC) in the amount of \$1,000,000 to offset the costs ATC will incur in current building expansion and new construction of a two story office building. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. ATC has committed to create 110 new jobs and to make a \$10,417,459 capital investment within five years. The company will have an average wage of \$27.71 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to be "Randy Boyd", written over a horizontal line.

Randy Boyd

**State Funding Board FastTrack Checklist**

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING      | RECIPIENT ENTITY                    | GRANT AMOUNT     | LOAN AMOUNT |
|----------------------|-------------------------------------|------------------|-------------|
| INFRASTRUCTURE       |                                     |                  |             |
| TRAINING*            | Chattanooga Seating Systems, L.L.C. | \$611,652        |             |
| ECONOMIC DEVELOPMENT |                                     |                  |             |
| <b>TOTAL</b>         |                                     | <b>\$611,652</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Chattanooga Seating Systems, L.L.C.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

**GENERAL STATUTORY COMPLIANCE**

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  Yes  No  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

**Identify which of the following apply:**

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

**Applicant must answer "Yes" to a or b.**

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?  Yes  No

**INFRASTRUCTURE**

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?  Yes  No

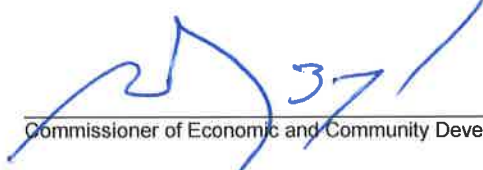
**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

I have reviewed this document and believe it to be correct.

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

9-16-16  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

April 22, 2016

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Chattanooga Seating Systems, L.L.C. intends, in good faith, to create 190 private sector jobs and make a capital investment of \$5,395,000 in exchange for incentives that will be memorialized in a grant agreement between Chattanooga Seating Systems, L.L.C. and the State of Tennessee.

ECD OFFER SUMMARY

|                               |            |
|-------------------------------|------------|
| FastTrack Job Training Grant: | \$ 611,652 |
| Total ECD Commitment:         | \$ 611,652 |

Please sign your name in the space below to signify Chattanooga Seating Systems, L.L.C.'s acceptance of ECD's offer set forth above and return it by July 21, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.

Signature: \_\_\_\_\_  
(Authorized Representative of Company)

Date: 7/15/2016



### State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING      | RECIPIENT ENTITY  | GRANT AMOUNT     | LOAN AMOUNT |
|----------------------|---|------------------|-------------|
| INFRASTRUCTURE       |   |                  |             |
| TRAINING*            | Eurotranciatura USA LLC                                   | \$42,000         |             |
| ECONOMIC DEVELOPMENT | The Industrial Development Board of the City of Paris, TN | \$650,000        |             |
| <b>TOTAL</b>         |   | <b>\$692,000</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Eurotranciatura USA LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

**GENERAL STATUTORY COMPLIANCE**

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  Yes  No  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

**Identify which of the following apply:**

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

**Applicant must answer "Yes" to a or b.**

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?  Yes  No

**INFRASTRUCTURE**

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?  Yes  No

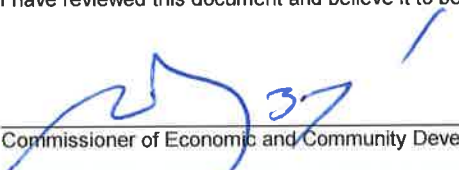
**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

I have reviewed this document and believe it to be correct.

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

9-16-16  
Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 9, 2016

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Eurotranciatura USA LLC intends, in good faith, to create 173 private sector jobs and make a capital investment of \$12,550,000 in exchange for incentives that will be memorialized in a grant agreement between Eurotranciatura USA LLC and the State of Tennessee.

ECD OFFER SUMMARY

|                                       |                   |
|---------------------------------------|-------------------|
| FastTrack Job Training Grant:         | \$ 42,000         |
| FastTrack Economic Development Grant: | \$ 650,000        |
| <b>Total ECD Commitment:</b>          | <b>\$ 692,000</b> |

Please sign your name in the space below to signify Eurotranciatura USA LLC's acceptance of ECD's offer set forth above and return it by December 8, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.

Signature:  MATTEO FASSIO  
(Authorized Representative of Company)

Date: 09/09/2016



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to The Industrial Development Board for the City of Paris, TN for the benefit of Eurotranciatura USA LLC (Eurotranciatura) in the amount of \$650,000 to offset the costs Eurotranciatura will incur in construction of a new facility to be used for the storage and slitting of rolls of steel. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. Eurotranciatura has committed to create 173 new jobs and to make a \$12,550,000 capital investment within five years. The company will have an average wage of \$15.23 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to be "Randy Boyd", with a large flourish extending to the right.

Randy Boyd

### State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING      | RECIPIENT ENTITY   | GRANT AMOUNT       | LOAN AMOUNT |
|----------------------|--|--------------------|-------------|
| INFRASTRUCTURE       |  |                    |             |
| TRAINING*            |  |                    |             |
| ECONOMIC DEVELOPMENT | The Economic Development Growth Engine for Memphis and Shelby County | \$1,050,000        |             |
| <b>TOTAL</b>         |  | <b>\$1,050,000</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Evergreen Packaging, Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

**GENERAL STATUTORY COMPLIANCE**

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

Yes  No

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?  Yes  No

**INFRASTRUCTURE**

Yes  No

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?

**Applicant must answer "Yes" to a or b.**

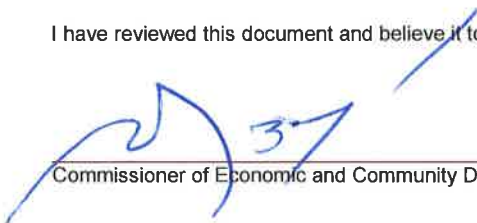
- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

Yes  No

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

I have reviewed this document and believe it to be correct.

 37  
 Commissioner of Economic and Community Development

9-16-16  
 Date



## Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 13, 2016

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Evergreen Packaging, Inc. intends, in good faith, to create 70 private sector jobs and make a capital investment of \$1,150,000 in exchange for incentives that will be memorialized in a grant agreement between Evergreen Packaging, Inc. and the State of Tennessee.

#### ECD OFFER SUMMARY

|                                       |                     |
|---------------------------------------|---------------------|
| FastTrack Economic Development Grant: | \$ 1,050,000        |
| <b>Total ECD Commitment:</b>          | <b>\$ 1,050,000</b> |

Please sign your name in the space below to signify Evergreen Packaging, Inc.'s acceptance of ECD's offer set forth above and return it by October 11, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

**Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.**

Signature: *Kenneth K. Boyd*  
(Authorized Representative of Company)

Date: 4/20/16



Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to The Economic Development Growth Engine for Memphis and Shelby County for the benefit of Evergreen Packaging, Inc. (Evergreen) in the amount of \$1,050,000 to offset the costs Evergreen will incur in personnel and equipment relocation, as well as fixture improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. Evergreen Packaging will retain 103 high-wage employees and add 70 new jobs and make a \$1,150,000 capital investment within five years. The company will have an average wage of \$84.75 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,



Randy Boyd



## State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING      | RECIPIENT ENTITY                                 | GRANT AMOUNT       | LOAN AMOUNT |
|----------------------|--|--------------------|-------------|
| INFRASTRUCTURE       | Town of Coopertown                               | \$742,500          |             |
| TRAINING*            |  |                    |             |
| ECONOMIC DEVELOPMENT | Industrial Development Board of Robertson County | \$3,000,000        |             |
| <b>TOTAL</b>         |  | <b>\$3,742,500</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Lowe's Home Centers, LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

### GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

### Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

### Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?  Yes  No

**INFRASTRUCTURE**

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?  Yes  No

**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.  Yes  No

I have reviewed this document and believe it to be correct.

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

9-16-16  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

August 20, 2015

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Project Ally intends, in good faith, to create 600 private sector jobs and make a capital investment of \$100,000,000 in exchange for incentives that will be memorialized in a grant agreement between Project Ally and the State of Tennessee.

ECD OFFER SUMMARY

|                                       |                     |
|---------------------------------------|---------------------|
| FastTrack Infrastructure Grant:       | \$ 742,500          |
| FastTrack Economic Development Grant: | \$ 3,000,000        |
| <b>Total ECD Commitment:</b>          | <b>\$ 3,742,500</b> |

Please sign your name in the space below to signify Project Ally's acceptance of ECD's offer set forth above and return it by November 20, 2015 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylor Sloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.

UNDISCLOSED COMPANY

Signature: Gary E. Wyatt Date: 11-19-15  
Gary E. Wyatt,

as Company representative, and not individually

RUT  
bsh



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of Robertson County for the benefit of Lowe's Home Centers, LLC (Lowe's) in the amount of \$3,000,000 to offset the costs Lowe's will incur in construction of the new distribution facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. Lowe's has committed to create 600 new jobs and to make a \$100,000,000 capital investment within five years. The company will have an average wage of \$16.08 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to be "Randy Boyd", is written over the typed name. The signature is stylized and includes a large flourish that extends to the right.

Randy Boyd

### State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING      | RECIPIENT ENTITY                                      | GRANT AMOUNT       | LOAN AMOUNT |
|----------------------|---|--------------------|-------------|
| INFRASTRUCTURE       |   |                    |             |
| TRAINING*            |   |                    |             |
| ECONOMIC DEVELOPMENT | <b>Washington County Economic Development Council</b> | <b>\$1,000,000</b> |             |
| <b>TOTAL</b>         |   | <b>\$1,000,000</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Mullican Flooring

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

**GENERAL STATUTORY COMPLIANCE**

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
  
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
  
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
  
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

**Identify which of the following apply:**

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
  
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
  
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
  
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

**Applicant must answer "Yes" to a or b.**

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
  
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

Yes  No

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?

Yes  No

**INFRASTRUCTURE**

Yes  No

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?

Yes  No

Yes  No

**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

Yes  No

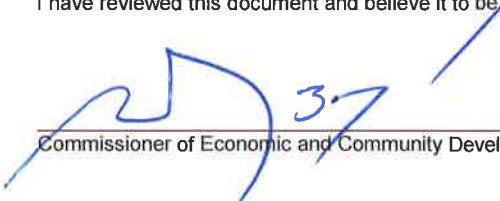
- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

Yes  No

Yes  No

Yes  No

I have reviewed this document and believe it to be correct.

 37  
 Commissioner of Economic and Community Development

9-16-16  
 Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 9, 2016

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Mullican Flooring intends, in good faith, to create 200 private sector jobs and make a capital investment of \$7,543,000 in exchange for incentives that will be memorialized in a grant agreement between Mullican Flooring and the State of Tennessee.

**ECD OFFER SUMMARY**

|                                       |                     |
|---------------------------------------|---------------------|
| FastTrack Economic Development Grant: | \$ 1,000,000        |
| <b>Total ECD Commitment:</b>          | <b>\$ 1,000,000</b> |

Please sign your name in the space below to signify Mullican Flooring's acceptance of ECD's offer set forth above and return it by December 8, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

**Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.**

Signature:   
(Authorized Representative of Company)

Date: 9/9/16



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Washington County Economic Development Council for the benefit of Mullican Flooring in the amount of \$1,000,000 to offset the costs for the purchase and retrofit of an additional building to be used as finished goods storage, as well as retrofit of the current manufacturing facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. Mullican Flooring has committed to create 200 new jobs and to make a \$7,543,000 capital investment within five years. The company will have an average wage of \$13.09 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Boyd", is written over the typed name.

Randy Boyd



### State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING             | RECIPIENT ENTITY                                    | GRANT AMOUNT     | LOAN AMOUNT |
|-----------------------------|---|------------------|-------------|
| <b>INFRASTRUCTURE</b>       |   |                  |             |
| <b>TRAINING*</b>            | <b>Tenneco Automotive Operating Company, Inc.</b>   | <b>\$200,000</b> |             |
| <b>ECONOMIC DEVELOPMENT</b> | <b>Industrial Development Board of Maury County</b> | <b>\$330,230</b> |             |
| <b>TOTAL</b>                |   | <b>\$530,230</b> |             |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Tenneco Automotive Operating Company, Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

**GENERAL STATUTORY COMPLIANCE**

- Yes  No
- 1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
- 2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
- 3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
- 4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?

**Identify which of the following apply:**

- 5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

**Applicant must answer "Yes" to a or b.**

- 6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?

8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?

Yes  No

Yes  No

**INFRASTRUCTURE**

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?

Yes  No

10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?

Yes  No

11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?

Yes  No

**Applicant must answer "Yes" to a or b.**

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?

b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?

14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?

Yes  No

15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?

Yes  No

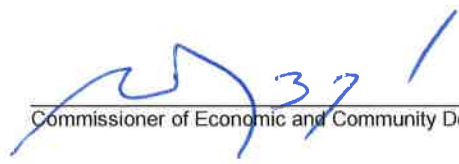
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.

Yes  No

17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

Yes  No

I have reviewed this document and believe it to be correct.

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

9-16-16  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

March 24, 2016

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Tenneco Automotive Operating Company, Inc. intends, in good faith, to create 200 private sector jobs and make a capital investment of \$32,491,000 in exchange for incentives that will be memorialized in a grant agreement between Tenneco Automotive Operating Company, Inc. and the State of Tennessee.

**ECD OFFER SUMMARY**

|                                       |                   |
|---------------------------------------|-------------------|
| FastTrack Job Training Grant:         | \$ 200,000        |
| FastTrack Economic Development Grant: | \$ 330,230        |
| <b>Total ECD Commitment:</b>          | <b>\$ 530,230</b> |

Please sign your name in the space below to signify Tenneco Automotive Operating Company, Inc.'s acceptance of ECD's offer set forth above and return it by June 22, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.

Signature:   
(Authorized Representative of Company)

Date: 6/1/2016



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

September 21, 2016

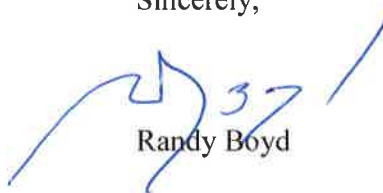
Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of Maury County for the benefit of Tenneco Automotive Operating Company, Inc. (Tenneco) in the amount of \$330,230 to offset the costs Tenneco will incur in the building expansion. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. Tenneco has committed to create 200 new jobs and to make a \$32,491,000 capital investment within five years. The company will have an average wage of \$20.42 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Boyd", is written over the typed name. The signature is stylized and includes a large flourish.

Randy Boyd

**RESOLUTION ALLOCATING FROM INTERNAL SERVICE FUND  
TO THE CAPITAL PROJECTS FUND \$4,380,000 AND CANCELING  
AUTHORIZED BONDS**

**Recitals**

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 962, Public Acts of Tennessee, 2006 (the “2006 Act”), to issue and sell its general obligation bonds in an amount not to exceed Five Hundred Eighty-Six Million, Nine Hundred Thousand Dollars and no cents (\$586,900,000.00), of which Eighty-One Million, Three Hundred Thousand Dollars and no cents (\$81,300,000.00) is allocated pursuant to Section 4(3) of the 2006 Act to the Department of Finance and Administration, to provide funds for the acquisition and implementation of enterprise resource planning software (the “2006 Act ERP Bonds”).

The Funding Board has previously canceled Sixty-Eight Million, One Hundred Sixty Thousand, Sixty-Nine Dollars and Thirty-Three Cents (\$68,160,069.33) of the 2006 Act ERP Bonds; none of the remaining Thirteen Million, One Hundred Thirty-Nine Thousand, Nine Hundred Thirty Dollars and Sixty-Seven Cents (\$13,139,930.67) principal amount has been issued as 2006 Act ERP Bonds but bond anticipation notes in the form of commercial paper have been issued.

By memorandum dated August 24, 2016, the Commissioner of Finance and Administration notified the Funding Board that Four Million, Three Hundred Eighty Thousand Dollars and no Cents (\$4,380,000.00) is available for the 2006 Act ERP Bonds from funds not required for debt service and recommended that: (1) a like amount of commercial paper should be retired without the issuance of bonds and (2) a like amount of authorization be canceled.

**Be It Resolved By the Funding Board of the State of Tennessee:**

1. The project authorized to be financed by the 2006 Act ERP Bonds has been financed in part with commercial paper and Four Million, Three Hundred Eighty Thousand Dollars and no Cents (\$4,380,000.00) is no longer needed to fund such authorized project.
2. Four Million Three Hundred Eighty Thousand Dollars and no Cents (\$4,380,000.00) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-208 is allocated from the Internal Service Fund to the Capital Projects Fund to defray the cost of a portion of the 2006 Act ERP Bonds.
3. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-208 and the memorandum from the Commissioner of Finance and Administration dated August 24, 2016, the Funding Board cancels Four Million, Three Hundred Eighty Thousand Dollars and no Cents (\$4,380,000.00) of the principal amount authorized by the 2006 Act for the 2006 Act ERP Bonds.
4. This resolution shall be effective as of September 21, 2016, and all resolutions in conflict herewith are hereby repealed.

Adopted this 21<sup>st</sup> day of September 2016.

---

JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE FUND TO  
THE CAPITAL PROJECTS FUND \$1,400,000 AND CANCELING  
AUTHORIZED BONDS**

**RECITALS**

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 552, Public Acts of Tennessee, 2009 (the "2009 Act"), to issue and sell its general obligation bonds in an amount not to exceed Seven Hundred One Million, One Hundred Thousand Dollars and no Cents (\$701,100,000.00) of which Two Hundred Ten Million, Nine Hundred Thousand Dollars and no Cents (\$210,900,000.00) is allocated pursuant to Section 4(1) of the 2009 Act (the "2009 Act Bonds") to the Department of Finance and Administration. Twenty-Seven Million, Three Hundred Thousand Dollars and no Cents (\$27,300,000.00) of the 2009 Act Bonds authorized is to provide funds for the West Tennessee Megasite Land and Right of Way (the "West TN Megasite") project.

The Funding Board has previously canceled Nine Million, Eight Hundred Thousand Dollars and no Cents (\$9,800,000) of the 2009 Act Bonds allocated to the West TN Megasite; none of the remaining Seventeen Million, Five Hundred Thousand Dollars and no Cents (\$17,500,000.00) principal amount has been issued as 2009 Act Bonds but bond anticipation notes in the form of commercial paper have been issued.

By memorandum dated September 6, 2016, the Commissioner of Finance and Administration notified the Funding Board that One Million, Four Hundred Thousand Dollars and no Cents (\$1,400,000.00) is available for the West TN Megasite from funds not required for debt service and recommended that: (1) a like amount of commercial paper should be retired without the issuance of bonds and (2) a like amount of authorization be canceled.

**Be It Resolved By the Funding Board of the State of Tennessee:**

1. The project authorized to be financed by the 2009 Act Bonds has been financed in part with commercial paper and One Million, Four Hundred Thousand Dollars and no Cents (\$1,400,000.00) is no longer needed to fund such authorized project.
2. One Million, Four Hundred Thousand Dollars and no Cents (\$1,400,000.00) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion of the 2009 Act Bonds.
3. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated September 6, 2016, the Funding Board hereby cancels One Million, Four Hundred Thousand Dollars and no Cents (\$1,400,000.00) of the principal amount authorized by the 2009 Act for the 2009 Act Bonds.
4. This resolution shall be effective as of September 21, 2016 and all resolutions in conflict herewith are hereby repealed.

Adopted this 21<sup>st</sup> day of September, 2016.

---

JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE FUND TO  
THE CAPITAL PROJECTS FUND \$33.17 AND CANCELING  
AUTHORIZED BONDS**

**RECITALS**

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 958, Public Acts of Tennessee, 2004 (the "2004 Act") to issue and sell its general obligation bonds in an amount not to exceed Four Hundred Seventy-Three Million, Seven Hundred Thousand Dollars and no cents (\$473,700,000.00) of which Two Hundred Sixty-Nine Million, Four Hundred Thousand Dollars and no cents (\$269,400,000.00) is allocated pursuant to Section 4(1) of the 2004 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the "2004 Act Bonds").

By memorandum dated September 13, 2016, the Commissioner of Finance and Administration has notified the Funding Board that Thirty-Three Dollars and Seventeen Cents (\$33.17) is available from funds in the debt service fund for fiscal year 2016-2017 for the 2004 Act Bonds and recommended that a like amount of authorization be canceled.

**Be It Resolved By the Funding Board of the State of Tennessee:**

1. The projects authorized to be financed by the 2004 Act Bonds were financed in whole or in part with current funds and Thirty-Three Dollars and Seventeen Cents (\$33.17) is no longer needed to fund such projects.
2. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, it is hereby requested that Thirty-Three Dollars and Seventeen Cents (\$33.17) be allocated from the Debt Service Fund to the Capital Projects Fund and such allocation is hereby made.
3. In accordance with authority provided by Tennessee Code Annotated Section 9-9-205 and 9-9-208, and memorandum from the Commissioner of Finance and Administration dated September 13, 2006, the Funding Board hereby cancels Thirty-Three Dollars and Seventeen Cents (\$33.17) of the 2004 Act Bonds.
4. This resolution shall be effective as of September 21, 2016 and all resolutions in conflict herewith are hereby repealed.

Adopted this 21<sup>st</sup> day of September 2016.

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JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD



**STATE OF TENNESSEE**  
**RESULTS OF 2016 SERIES A, B and C BOND SALE**  
**For Bonds Sold July 27, 2016**

|  | <b>2016 Series A<br/>Tax-Exempt<br/>New Money</b> | <b>2016 Series B<br/>Tax-Exempt<br/>Refunding</b> | <b>2016 Series C<br/>Taxable<br/>Refunding</b> | <b>Total 2016<br/>Series A, B &amp; C</b> |
|--|---|---|--|---|
| <b>Bond Proceeds:</b>                                  |   |   |  |   |
| Par Amount   | \$ 175,865,000.00                                 | \$ 124,900,000.00                                 | \$ 65,385,000.00                               | \$ 366,150,000.00                         |
| Bond Premium   | 42,513,156.35                                     | 35,745,897.10                                     |  | 78,259,053.45                             |
| Total Proceeds   | <u>\$ 218,378,156.35</u>                          | <u>\$ 160,645,897.10</u>                          | <u>\$ 65,385,000.00</u>                        | <u>\$ 444,409,053.45</u>                  |
| <b>Statistics:</b>                                     |   |   |  |   |
| Final Maturity   | August 1, 2036                                    | August 1, 2031                                    | August 1, 2031                                 |   |
| Range of Yields  | 0.45% - 2.05%                                     | 0.40% - 1.82%                                     | 0.63% - 2.67%                                  |   |
| True Interest Cost                                     | 2.29%   | 2.00%   | 2.12%  | 2.16%                                     |
| <b>Underwriter's Discount:</b>                         | <b>\$ 125,767.13</b>                              | <b>\$ 91,223.88</b>                               | <b>\$ 47,210.70</b>                            | <b>\$ 264,201.71</b>                      |
| Average Underwriter Discount per Bond (excluding fees) | \$0.47 per bond                                   | \$0.49 per bond                                   | \$0.48 per bond                                |   |
| Average Underwriter Discount per Bond (inc. fees)      | \$0.72 per bond                                   | \$0.73 per bond                                   | \$0.72 per bond                                |   |

**Net Present Value Savings**

|                                 | <u>2016 Series B</u> | <u>2016 Series C</u> |
|---------------------------------|----------------------|----------------------|
| Net PV Savings                  | \$ 15,148,862.02     | \$ 7,659,549.67      |
| PV Savings as a % of Par Amount | 10.93%               | 13.68%               |



### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**1. Public Entity:**  
 Name: State of Tennessee  
 Address: 505 Deaderick Street, Suite 1600  
Nashville, TN 37243  
 Debt Issue Name: General Obligation Bonds, 2016 Series A  
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:** \$ 175,865,000.00  
 Premium/Discount: \$ 42,513,156.35

**3. Interest Cost:** 2.2900 %  Tax-exempt  Taxable  
 TIC  NIC  
 Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or  
 Variable: Remarketing Agent \_\_\_\_\_  
 Other: \_\_\_\_\_

**4. Debt Obligation:**  
 TRAN  RAN  CON  
 BAN  CRAN  GAN  
 Bond  Loan Agreement  Capital Lease  
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").

**5. Ratings:**  
 Unrated  
 Moody's Aaa Standard & Poor's AAA Fitch AAA

**6. Purpose:**

|  |                 | BRIEF DESCRIPTION                            |
|--|-----------------|--|
| <input checked="" type="checkbox"/> General Government | <u>100.00</u> % | <u>certain capital projects of the State</u> |
| <input type="checkbox"/> Education                     | _____ %         | _____  |
| <input type="checkbox"/> Utilities                     | _____ %         | _____  |
| <input type="checkbox"/> Other                         | _____ %         | _____  |
| <input type="checkbox"/> Refunding/Renewal             | _____ %         | _____  |

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

**8. Type of Sale:**  
 Competitive Public Sale  Interfund Loan \_\_\_\_\_  
 Negotiated Sale  Loan Program \_\_\_\_\_  
 Informal Bid

**9. Date:**  
 Dated Date: 08/25/2016 Issue/Closing Date: 08/25/2016

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:** See inside cover of attached Official Statement

| Year | Amount | Interest Rate | Year | Amount | Interest Rate |
|------|--------|---------------|------|--------|---------------|
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |

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:**

No costs or professionals

|                                      | AMOUNT<br><small>(Round to nearest \$)</small> | FIRM NAME                   |
|--------------------------------------|--|-----------------------------|
| Financial Advisor Fees               | \$ 38,425                                      | Public Financial Management |
| Legal Fees                           | \$ 0   |                             |
| Bond Counsel                         | \$ 52,834                                      | Hawkins, Delafield & Wood   |
| Issuer's Counsel                     | \$ 0   |                             |
| Trustee's Counsel                    | \$ 0   |                             |
| Bank Counsel                         | \$ 0   |                             |
| Disclosure Counsel                   | \$ 0   |                             |
| _____                                | \$ 0   |                             |
| Paying Agent Fees                    | \$ 0   |                             |
| Registrar Fees                       | \$ 0   |                             |
| Trustee Fees                         | \$ 0   |                             |
| Remarketing Agent Fees               | \$ 0   |                             |
| Liquidity Fees                       | \$ 0   |                             |
| Rating Agency Fees                   | \$ 119,789                                     | Moodys, S&P, Fitch          |
| Credit Enhancement Fees              | \$ 0   |                             |
| Bank Closing Costs                   | \$ 0   |                             |
| Underwriter's Discount <u>0.72</u> % |  |                             |
| Take Down                            | \$ 82,746                                      | Citigroup                   |
| Management Fee                       | \$ 0   |                             |
| Risk Premium                         | \$ 0   |                             |
| Underwriter's Counsel                | \$ 19,212                                      | Bass, Berry & Sims          |
| Other expenses                       | \$ 23,809                                      | Various                     |
| Printing and Advertising Fees        | \$ 764   | Imagemaster                 |
| Issuer/Administrator Program Fees    | \$ 0   |                             |
| Real Estate Fees                     | \$ 0   |                             |
| Sponsorship/Referral Fee             | \$ 0   |                             |
| Other Costs _____                    | \$ 0   |                             |
| <b>TOTAL COSTS</b>                   | <b>\$ 337,578</b>                              |                             |

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**

No Recurring Costs

|                                | AMOUNT<br>(Basis points/\$) | FIRM NAME<br>(If different from #11) |
|--------------------------------|-----------------------------|--------------------------------------|
| Remarketing Agent              | _____                       | _____                                |
| Paying Agent / Registrar       | _____                       | _____                                |
| Trustee                        | _____                       | _____                                |
| Liquidity / Credit Enhancement | _____                       | _____                                |
| Escrow Agent                   | _____                       | _____                                |
| Sponsorship / Program / Admin  | _____                       | _____                                |
| Other _____                    | _____                       | _____                                |

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached

**14. Continuing Disclosure Obligations:**

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?  Yes  No

If yes to either question, date that disclosure is due January 31, 2017

Name and title of person responsible for compliance Sandra Thompson, Director OSLF

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 09/16/2016

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on 09/21/2016 and presented at public meeting held on 09/21/2016

Copy to Director to OSLF: on 09/21/2016 either by:

Mail to: \_\_\_\_\_ OR  Email to: [StateAndLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateAndLocalFinance.PublicDebtForm@cot.tn.gov)

505 Deaderick Street, Suite 1600  
James K. Polk State Office Building  
Nashville, TN 37243-1402

**18. Signatures:**

|       | AUTHORIZED REPRESENTATIVE                          | PREPARER   |
|-------|--|--|
| Name  | <u>Sandra Thompson</u>                             | <u>Cindy Liddell</u>                               |
| Title | <u>Director, Office of State and Local Finance</u> | <u>Program Accountant, State and Local Finance</u> |
| Firm  | _____  | _____  |
| Email | <u>Sandi.Thompson@cot.tn.gov</u>                   | _____  |
| Date  | _____  | _____  |

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

|  |  |
|--|--|
| <b>1. Public Entity:</b>   |  |
| Name:  | <u>State of Tennessee</u>                      |
| Address  | <u>505 Deaderick Street, Suite 1600</u>        |
|  | <u>Nashville, TN 37243</u>                     |
| Debt Issue Name:   | <u>General Obligation Bonds, 2016 Series B</u> |
| If disclosing initially for a program, attach the form specified for updates, indicating the frequency required. |  |

|                        |                          |
|------------------------|--------------------------|
| <b>2. Face Amount:</b> | \$ <u>124,900,000.00</u> |
| Premium/Discount:      | \$ <u>35,745,897.10</u>  |

|   |   |  |                                  |
|---|---|--|----------------------------------|
| <b>3. Interest Cost:</b>                | <u>2.0040</u> %                         | <input checked="" type="checkbox"/> Tax-exempt | <input type="checkbox"/> Taxable |
| <input checked="" type="checkbox"/> TIC | <input type="checkbox"/> NIC            |  |                                  |
| <input type="checkbox"/> Variable:      | Index _____ plus _____ basis points; or |  |                                  |
| <input type="checkbox"/> Variable:      | Remarketing Agent _____                 |  |                                  |
| <input type="checkbox"/> Other:         | _____                                   |  |                                  |

|   |   |  |  |
|---|---|--|--|
| <b>4. Debt Obligation:</b>  |   |  |  |
| <input type="checkbox"/> TRAN   | <input type="checkbox"/> RAN            | <input type="checkbox"/> CON           |  |
| <input type="checkbox"/> BAN  | <input type="checkbox"/> CRAN           | <input type="checkbox"/> GAN           |  |
| <input checked="" type="checkbox"/> Bond  | <input type="checkbox"/> Loan Agreement | <input type="checkbox"/> Capital Lease |  |
| If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF"). |   |  |  |

|                                  |                              |                  |  |
|----------------------------------|------------------------------|------------------|--|
| <b>5. Ratings:</b>               |                              |                  |  |
| <input type="checkbox"/> Unrated |                              |                  |  |
| Moody's <u>Aaa</u>               | Standard & Poor's <u>AAA</u> | Fitch <u>AAA</u> |  |

|   |                 |  |
|---|-----------------|--|
| <b>6. Purpose:</b>                                    |                 | <b>BRIEF DESCRIPTION</b>                                     |
| <input type="checkbox"/> General Government           | _____ %         | _____  |
| <input type="checkbox"/> Education                    | _____ %         | _____  |
| <input type="checkbox"/> Utilities                    | _____ %         | _____  |
| <input type="checkbox"/> Other                        | _____ %         | _____  |
| <input checked="" type="checkbox"/> Refunding/Renewal | <u>100.00</u> % | <u>to refund certain of the State's outstanding GO Bonds</u> |

|  |   |  |
|--|---|--|
| <b>7. Security:</b>  |   |  |
| <input checked="" type="checkbox"/> General Obligation             | <input type="checkbox"/> General Obligation + Revenue/Tax |  |
| <input type="checkbox"/> Revenue                                   | <input type="checkbox"/> Tax Increment Financing (TIF)    |  |
| <input type="checkbox"/> Annual Appropriation (Capital Lease Only) | <input type="checkbox"/> Other (Describe): _____          |  |

|   |   |       |
|---|---|-------|
| <b>8. Type of Sale:</b>                             |   |       |
| <input type="checkbox"/> Competitive Public Sale    | <input type="checkbox"/> Interfund Loan | _____ |
| <input checked="" type="checkbox"/> Negotiated Sale | <input type="checkbox"/> Loan Program   | _____ |
| <input type="checkbox"/> Informal Bid               |   |       |

|                               |                                       |  |
|-------------------------------|---------------------------------------|--|
| <b>9. Date:</b>               |                                       |  |
| Dated Date: <u>08/25/2016</u> | Issue/Closing Date: <u>08/25/2016</u> |  |

### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:** See inside cover of attached Official Statement

| Year | Amount | Interest Rate | Year | Amount | Interest Rate |
|------|--------|---------------|------|--------|---------------|
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |

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:**

No costs or professionals

|                                   | <b>AMOUNT</b><br><small>(Round to nearest \$)</small> | <b>FIRM NAME</b>                         |
|-----------------------------------|---|--|
| Financial Advisor Fees            | \$ 27,289   | Public Financial Management              |
| Legal Fees                        | \$ 0  |  |
| Bond Counsel                      | \$ 37,523   | Hawkins, Delafield & Wood                |
| Issuer's Counsel                  | \$ 0  |  |
| Trustee's Counsel                 | \$ 0  |  |
| Bank Counsel                      | \$ 0  |  |
| Disclosure Counsel                | \$ 0  |  |
| Paying Agent Fees                 | \$ 5,251  | Regions Bank                             |
| Registrar Fees                    | \$ 0  |  |
| Trustee Fees                      | \$ 0  |  |
| Remarketing Agent Fees            | \$ 0  |  |
| Liquidity Fees                    | \$ 0  |  |
| Rating Agency Fees                | \$ 85,075   | Moodys, S&P, Fitch                       |
| Credit Enhancement Fees           | \$ 0  |  |
| Bank Closing Costs                | \$ 0  |  |
| Underwriter's Discount 0.73 %     |   |  |
| Take Down                         | \$ 60,670   | Citigroup                                |
| Management Fee                    | \$ 0  |  |
| Risk Premium                      | \$ 0  |  |
| Underwriter's Counsel             | \$ 13,645   | Bass, Berry & Sims                       |
| Other expenses                    | \$ 16,909   | Various                                  |
| Printing and Advertising Fees     | \$ 542  | Imagemaster                              |
| Issuer/Administrator Program Fees | \$ 0  |  |
| Real Estate Fees                  | \$ 0  |  |
| Sponsorship/Referral Fee          | \$ 0  |  |
| Other Costs                       | \$ 24,844   | Robert Thomas, CPA; PFM Asset Management |
| <b>TOTAL COSTS</b>                | <b>\$ 271,748</b>                                     |  |

### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**

No Recurring Costs

|                                | AMOUNT<br>(Basis points/\$) | FIRM NAME<br>(If different from #11) |
|--------------------------------|-----------------------------|--------------------------------------|
| Remarketing Agent              | _____                       | _____                                |
| Paying Agent / Registrar       | _____                       | _____                                |
| Trustee                        | _____                       | _____                                |
| Liquidity / Credit Enhancement | _____                       | _____                                |
| Escrow Agent                   | 750                         | Regions Bank                         |
| Sponsorship / Program / Admin  | _____                       | _____                                |
| Other _____                    | _____                       | _____                                |

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached

**14. Continuing Disclosure Obligations:**

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?  Yes  No

If yes to either question, date that disclosure is due January 31, 2017

Name and title of person responsible for compliance Sandra Thompson, Director OSLF

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 09/16/2016

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on 09/21/2016 and presented at public meeting held on 09/21/2016

Copy to Director to OSLF: on 09/21/2016 either by:

Mail to: \_\_\_\_\_ OR  Email to: [StateAndLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateAndLocalFinance.PublicDebtForm@cot.tn.gov)

505 Deaderick Street, Suite 1600  
James K. Polk State Office Building  
Nashville, TN 37243-1402

**18. Signatures:**

|       | AUTHORIZED REPRESENTATIVE                          | PREPARER   |
|-------|--|--|
| Name  | <u>Sandra Thompson</u>                             | <u>Cindy Liddell</u>                               |
| Title | <u>Director, Office of State and Local Finance</u> | <u>Program Accountant, State and Local Finance</u> |
| Firm  | _____  | _____  |
| Email | <u>Sandi.Thompson@cot.tn.gov</u>                   | _____  |
| Date  | _____  | _____  |

### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**1. Public Entity:**  
 Name: State of Tennessee  
 Address: 505 Deaderick Street, Suite 1600  
Nashville, TN 37243  
 Debt Issue Name: General Obligation Bonds, 2016 Refunding Series C  
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:** \$ 65,385,000.00  
 Premium/Discount: \$ \_\_\_\_\_

**3. Interest Cost:** \_\_\_\_\_ 2.1180 %  Tax-exempt  Taxable  
 TIC  NIC  
 Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or  
 Variable: Remarketing Agent \_\_\_\_\_  
 Other: \_\_\_\_\_

**4. Debt Obligation:**  
 TRAN  RAN  CON  
 BAN  CRAN  GAN  
 Bond  Loan Agreement  Capital Lease  
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").

**5. Ratings:**  
 Unrated  
 Moody's Aaa Standard & Poor's AAA Fitch AAA

**6. Purpose:**

|   | PERCENTAGE      | BRIEF DESCRIPTION  |
|---|-----------------|--|
| <input type="checkbox"/> General Government           | _____ %         | _____  |
| <input type="checkbox"/> Education                    | _____ %         | _____  |
| <input type="checkbox"/> Utilities                    | _____ %         | _____  |
| <input type="checkbox"/> Other                        | _____ %         | _____  |
| <input checked="" type="checkbox"/> Refunding/Renewal | <u>100.00</u> % | <u>to refund certain of the State's outstanding GO Bonds</u> |

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

**8. Type of Sale:**  
 Competitive Public Sale  Interfund Loan \_\_\_\_\_  
 Negotiated Sale  Loan Program \_\_\_\_\_  
 Informal Bid

**9. Date:**  
 Dated Date: 08/25/2016 Issue/Closing Date: 08/25/2016

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:** See inside cover of attached Official Statement

| Year | Amount | Interest Rate | Year | Amount | Interest Rate |
|------|--------|---------------|------|--------|---------------|
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |
|      | \$     | %             |      | \$     | %             |

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:**

No costs or professionals

|                                   | AMOUNT<br><small>(Round to nearest \$)</small> | FIRM NAME                                |
|-----------------------------------|--|--|
| Financial Advisor Fees            | \$ 14,286                                      | Public Financial Management              |
| Legal Fees                        | \$ 0   |  |
| Bond Counsel                      | \$ 19,643                                      | Hawkins, Delafield & Wood                |
| Issuer's Counsel                  | \$ 0   |  |
| Trustee's Counsel                 | \$ 0   |  |
| Bank Counsel                      | \$ 0   |  |
| Disclosure Counsel                | \$ 0   |  |
| Paying Agent Fees                 | \$ 2,749                                       | Regions Bank                             |
| Registrar Fees                    | \$ 0   |  |
| Trustee Fees                      | \$ 0   |  |
| Remarketing Agent Fees            | \$ 0   |  |
| Liquidity Fees                    | \$ 0   |  |
| Rating Agency Fees                | \$ 44,536                                      | Moodys, S&P, Fitch                       |
| Credit Enhancement Fees           | \$ 0   |  |
| Bank Closing Costs                | \$ 0   |  |
| Underwriter's Discount 0.72 %     |  |  |
| Take Down                         | \$ 31,216                                      | Citigroup                                |
| Management Fee                    | \$ 0   |  |
| Risk Premium                      | \$ 0   |  |
| Underwriter's Counsel             | \$ 7,143                                       | Bass, Berry & Sims                       |
| Other expenses                    | \$ 8,852                                       | Various                                  |
| Printing and Advertising Fees     | \$ 284   | Imagemaster                              |
| Issuer/Administrator Program Fees | \$ 0   |  |
| Real Estate Fees                  | \$ 0   |  |
| Sponsorship/Referral Fee          | \$ 0   |  |
| Other Costs                       | \$ 13,006                                      | Robert Thomas, CPA; PFM Asset Management |
| <b>TOTAL COSTS</b>                | <b>\$ 141,715</b>                              |  |



### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**

No Recurring Costs

|                                | AMOUNT<br>(Basis points/\$) | FIRM NAME<br>(If different from #11) |
|--------------------------------|-----------------------------|--------------------------------------|
| Remarketing Agent              | _____                       | _____                                |
| Paying Agent / Registrar       | _____                       | _____                                |
| Trustee                        | _____                       | _____                                |
| Liquidity / Credit Enhancement | _____                       | _____                                |
| Escrow Agent                   | 750                         | Regions Bank                         |
| Sponsorship / Program / Admin  | _____                       | _____                                |
| Other _____                    | _____                       | _____                                |

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached

**14. Continuing Disclosure Obligations:**

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?  Yes  No

If yes to either question, date that disclosure is due January 31, 2017

Name and title of person responsible for compliance Sandra Thompson, Director OSLF

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 09/16/2016

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on 09/21/2016 and presented at public meeting held on 09/21/2016

Copy to Director to OSLF: on 09/21/2016 either by:

Mail to: \_\_\_\_\_ OR  Email to: [StateAndLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateAndLocalFinance.PublicDebtForm@cot.tn.gov)

505 Deaderick Street, Suite 1600  
James K. Polk State Office Building  
Nashville, TN 37243-1402

**18. Signatures:**

|       | AUTHORIZED REPRESENTATIVE                          | PREPARER   |
|-------|--|--|
| Name  | <u>Sandra Thompson</u>                             | <u>Cindy Liddell</u>                               |
| Title | <u>Director, Office of State and Local Finance</u> | <u>Program Accountant, State and Local Finance</u> |
| Firm  | _____  | _____  |
| Email | <u>Sandi.Thompson@cot.tn.gov</u>                   | _____  |
| Date  | _____  | _____  |

**DECLARATION OF TRUST OF THE**  
**Claiborne County Board of Education**  
**Hickman County Board of Education**  
**Jackson-Madison County Board of Education**  
**Johnson County Board of Education**  
**Memphis City Board of Education**  
**Shelby County Board of Education**

**INTEGRAL PART TRUST FOR OTHER POST-EMPLOYMENT BENEFITS**

Declaration of Trust made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the  
above named Tennessee School Districts (hereinafter referred to as the “Members”)

**RECITALS**

WHEREAS, the Governmental Accounting Standards Board set forth standards on accounting and reporting for post-employment benefits (other than pensions) by governmental entities; and

WHEREAS, these standards will require political subdivisions of the State of Tennessee to report such post-employment benefits on an actuarial basis during an employee’s career rather than on a pay-as-you-go basis during retirement; and

WHEREAS, the Tennessee General Assembly enacted Chapter 771 of the Tennessee Public Acts of 2006 that authorized Tennessee political subdivisions that offer other post-employment benefits to create an investment trust whereby the political subdivisions may begin financing those benefits in advance; and

WHEREAS, the Members are political subdivision of the State of Tennessee that are exempt from federal income tax under the Internal Revenue Code of 1986, as amended from time to time, and whose chief governing body has passed a resolution authorizing the establishment of this investment trust for the exclusive purpose of funding other post-employment benefits accrued by employees of the Member, to be paid as they come due

in accordance with the arrangements between the Members, the Participants and their Beneficiaries, as such terms are defined in Section 1.1 below; and

WHEREAS, Member participation in this Trust is for the purpose of enhancing investment opportunities;

NOW, THEREFORE, in consideration of the premises, the Members do hereby establish this Trust to be known as the TENNESSEE SCHOOL BOARDS ASSOCIATION OPEB TRUST.

## **ARTICLE I DEFINITIONS**

1.1. Definitions. For purposes of this Declaration of Trust, the following terms shall have the respective meanings set forth below unless otherwise expressly provided.

(a) “Plan” means the investment pool established for the purpose of promoting and encouraging members to invest funds to offset post-employment benefit liabilities.

(b) “Beneficiary” means the Spouse, Dependents, or the person or persons designated by a Participant pursuant to the terms of a post-employment benefits plan to receive any benefits payable under the Plan.

(c) “Board” means the board of trustees created pursuant to Section 5.1 of this Trust.

(d) “Dependent” means an individual who is a person described in Section 152(a) of the Internal Revenue Code of 1986, as may be amended from time to time.

(e) “Member” means any local school district or political sub-division of the State of Tennessee which indicates by Resolution its intent to participate in this Trust executes an interlocal agreement and is approved by the Board of Trustees.

(f) “Employee” means an individual who performs services for the Member, and who has been designated as eligible to participate in, and receive benefits under a post-employment benefits plan.

(g) "Other post-employment benefits" or "post-employment benefits" means non-pension benefits paid on behalf of a former Employee or a former Employee's Beneficiary after separation from service. Such benefits may include, but shall not be limited to, medical, prescription drugs, dental, vision, hearing, Medicare Part B or Part D premiums, life insurance, long-term care, and long-term disability.

(h) "Participant" means an Employee of the Member who satisfies the requirements for participation in a post-employment benefits plan sponsored by the Member.

(i) "Spouse" means the Participant's lawful spouse as determined under the laws of the State of Tennessee.

(j) "State Funding Board" or "Funding Board" means the board created pursuant to Tennessee Code Annotated, Section 9-9-101.

## **ARTICLE II**

### **PURPOSE AND SCOPE OF TRUST**

2.1 This Trust Agreement is created by, and for the benefit of, the participating Members and is established exclusively for the purpose of funding other post-employment benefits accrued by Members, to be paid as they come due in accordance with the terms of the Members' respective post-employment benefits plan.

2.2 Nothing in this Trust shall be construed to define or otherwise grant any rights or privileges to post-employment benefits. Such rights and privileges, if any, shall be governed by the terms of the Member's respective post-employment benefits plan.

2.3 Membership in the Trust shall be open to all members of the Tennessee School Boards Association. Non-members and other governmental entities will be considered for membership by the Board of Trustees on a case by case basis. A school board may become a participating member in the OPEB Trust by making application for participation as prescribed by the Trust, paying any contributions determined by said

Member and satisfying all requirements for participation. If accepted, the member shall be notified in writing by the Trust.

2.4 Individual Members shall have no liability in regard to the post-employment benefits obligations accrued by any other member,

### **ARTICLE III TRUST ASSETS**

3.1 This Trust shall consist of all contributions paid or otherwise delivered to it, and all investment income and realized and unrealized gains and losses.

### **ARTICLE IV TRUST CONDITIONS**

4.1 Any trust created under this part shall be irrevocable, and the assets thereof shall be preserved, invested and expended solely pursuant to and for the purposes of this Declaration of Trust and shall not be loaned or otherwise transferred or used for any other purpose. The assets of the Trust shall be expended solely to:

(a) Make payments for other post-employment benefits pursuant to and in accordance with terms of the post-employment benefits plan; and

(b) Pay the costs of administering this trust.

4.2 All assets, income and distributions of the Trust shall be protected against the claims of creditors of the Member, Employees, Former Employees, Participants or their Beneficiaries, and shall not be subject to execution, attachment, garnishment, the operation of bankruptcy, the insolvency laws or other process whatsoever, nor shall any assignment thereof be enforceable in any court.

4.3 Any participating member may withdraw from the Trust and/or terminate participation in the Trust at the end of the program year in which the member is participating by giving at least thirty (30) days written notification to the Trust prior to the close of such program year. This requirement may be waived by the Trustees on a case

by case basis in the event that the notice period works a hardship on a member. Any participating member who withdraws from the Trust and/or terminates participation shall within thirty (30) days of the end of the fiscal year in which membership is terminated, provide documentation substantiating the funds necessary for the payment of the member's current post-employment benefits obligations. All other contributions and earnings shall be transferred by this Trust into a similarly constituted trust, or other irrevocable entity formed in a manner consistent with the purpose of this Trust, solely for the payment of the member's future post-employment benefits obligations.

## **ARTICLE V**

### **BOARD OF TRUSTEES**

5.1 The general administration and responsibility for the proper operation of this Trust shall be governed by a board of trustees (hereinafter the "Board"). The Board of Trustees shall consist of seven (7) Trustees; five (5) appointed from the governing boards of the participating members of the Trust. The term of these (5) Trustees shall be three years and they may be reappointed. Additionally the Executive Director and President of the Tennessee School Boards Association are ex-officio members of the Board of Trustees. All seven (7) Trustees shall be voting members.

5.2 The Board shall annually elect from its membership a chair and a vice chair and such other officers as are established from time to time by the Trustees. The Tennessee School Boards Association shall act as Administrator and Treasurer of the Trust. Written minutes covering all meetings and actions of the Board shall be prepared by the secretary and shall be kept on file, open to public inspection pursuant to the provisions of Tennessee Code Annotated, Title 10, Chapter 7.

5.3 Members of the Board shall serve without compensation but shall receive reasonable reimbursement for actual and necessary travel expenses in accordance with

the Trust's travel regulations. Reimbursements for such expenses shall be in accordance with procedures and policies established by the Board consistent with the terms of this Agreement.

5.4 Regular meetings of the Board of Trustees shall be held at least biannually; an item of business may be considered at a regular meeting. The time, date and location of meetings shall be determined by the Board.

5.5 A majority of the voting members of the Board serving shall constitute a quorum for the transaction of business at a meeting of the Board. Voting upon action taken by the Board shall be conducted by a majority vote of the voting members present at the meeting of the Board. The Board shall meet at the call of the chair, or upon the call of a majority of the members, and as may be otherwise provided in any operating policies or procedures adopted by the Board.

5.6 The Trustees shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or attorney selected with reasonable care; nor for the loss incurred through investment of Trust money, or failure to invest. No Trustee shall be liable for any action taken or omitted by any other Trustee. They shall not be required to give a bond or other security to guarantee the faithful performance of their duties hereunder.

5.7 The Trust shall have the power and authority to indemnify and hold harmless to the full extent permitted by law any person who is or was a Trustee, officer, employee or agent of the Trust when such actions are not in conflict with advice from the Trust's attorneys. A Trustee may be held liable in cases of gross negligence, willful misconduct or lack of good faith.

5.8 Any Trustee, other than the ex-officio members of the Board may be removed at any time by a two-thirds majority vote of the other members of the Board of Trustees. In the event that the entity on whose governing board the trustee serves ceases to participate in the Trust the trustee's membership on the Board shall terminate immediately. If a Trustee is not present at three (3) trustee meetings during any term, the trustee's membership on the Board shall terminate with the adjournment of the third meeting missed unless a two-thirds majority of the trustees vote during the meeting to excuse the third absence. If such trustee misses a fourth meeting during one term, the removal of the trustee shall automatically become effective with the adjournment of the fourth meeting missed.

5.9 Any Trustee may resign upon giving notification in writing to the Trust Administrator.

5.10 Upon the death, resignation or removal of a Trustee or upon the Trustee otherwise becoming ineligible to serve, the Trustees shall appoint a replacement to serve the remainder of the term.

5.11 The business of the Board of Trustees shall be conducted at meetings of the Board held in compliance with Tennessee Code Annotated, Title 8, Chapter 44.

## **ARTICLE VI POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

6.1 In addition to the powers granted by any other provisions of this Trust, the Board of Trustees shall have the powers necessary or convenient to carry out the purposes and objectives of this Trust including, but not limited to, the following express powers:

(a) Investments may be made in any type of security instrument allowed for in Tennessee Code Annotated, Section 8-50-1203 as amended from time to time, provided



that any such investment is authorized in the investment policy adopted and from time to time amended, by the members' investment committee.

(b) Contract for the provision of all or any part of the services necessary for the management and operation of the Trust, including, but not limited to, investment management services;

(c) Contract with financial consultants, auditors, and other consultants as necessary to carry out its responsibilities under the provisions of this Trust;

(d) Prepare annual financial reports, including audited financial statements, following the close of each fiscal year relative to the activities of the Trust. Such statements and reports shall contain such information as shall be prescribed by the Board and be prepared in accordance with the standards established by the Governmental Accounting Standards Board;

(e) Upon the request of the State Funding Board, file the annual report and financial statements with the secretary of the State Funding Board. The report and statements shall be filed with the secretary of the Board of Trustees within ninety (90) calendar days from the date of the request, unless the secretary extends such time in writing.

(f) The Board shall adopt by-laws which shall govern and control the operation and administration of the Trust which shall not be in conflict with any terms and provisions of the Trust Agreement or the Interlocal Agreement.

(g) As required by Tennessee Code Annotated § 8-17-102(b), the Board adopts the code of ethics for the Trust, its officials and employees which is patterned on the Model Code of Ethics as promulgated for school boards by the Tennessee School Boards Association.

(h) The TSBA Executive Director or designee shall be the administrator of the

Trust. Among the duties and authority of the Administrator shall be the following:

- 1) Sign on behalf of the Trust any instrument which the Trust has authorized to be executed and, in general, to perform duties incidental to the office of Administrator and such other duties as may be prescribed by the Board of Trustees, consistent with this Agreement.
- 2) At each regular meeting of the Board of Trustees and at such other times as requested to do so by the Board, to present a full report of activities and the fiscal condition of the Trust.

## **ARTICLE VII INVESTMENTS**

7.1 The Board of Trustees shall be responsible for investing the assets of the Trust funds in accordance with Section 6.1(a) above.

7.2 Subject to the limitations in Section 6.1(a) above, the Board, or its nominee, has full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities or investments in which the assets of the Trust have been invested, as well as of the proceeds of such investments and any moneys belonging to the Trust.

7.3 All of the Board's business shall be transacted, all of the Trust funds invested, all warrants for money drawn, any payments made, and all of the cash and securities and other property of the Trust shall be held:

- (a) In the name of the Board of Trustees as title holder only, or as Trustee;
- (b) In the name of its nominee; provided, that the nominee is authorized by Board resolution solely for the purpose of facilitating the transfer of securities and restricted to members of the Board, or a partnership composed of any such members; or
- (c) For the account of the Board of Trustees or its nominee in such forms as are standard in the investment community for the timely transaction of business or ownership identification, such as book entry accounts.

credited to the Trust are not equal to or greater than the amount requested. Retroactive payments shall be paid by the Board upon accumulation of sufficient assets.

**ARTICLE X**  
**BOOKS AND RECORDS**

10.1 The books and records of the Trust shall be maintained in accordance with generally accepted accounting principles and shall be open to public inspection. The annual report, including financial statements, all books, accounts and financial records of the Trust shall be subject to audit by the State Comptroller of the Treasury.

10.2 The Board of Trustees may, with the prior approval of the State Comptroller of the Treasury, engage a licensed certified public accountant to perform the audits. The audit contract between the Board and the certified public accountant shall be on a contract forms-prescribed by the State Comptroller of the Treasury. Reimbursement of the costs of audits prepared by the State Comptroller of the Treasury and the payment of fees for audits prepared by a licensed certified public accountant shall be the responsibility of the Board, which may be paid from the assets of the Trust.

10.3 Contributions received by the Trust from individual members as well as earnings from those contributions shall be separated into individual accounts and will be accounted for separately.

**ARTICLE XI**  
**AMENDMENT**

11.1 The Members shall have the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Trust; however, no such amendment shall authorize or permit the assets of the Trust (other than such part as may be used to pay the expenses of administering the Trust) to be used for or diverted to purposes other than those expressed in this Declaration of Trust. Any such amendment shall not be effective until approved by resolution of the chief governing body of each

Member and the State Funding Board.

## **ARTICLE XII**

### **PLAN TERMINATION OR MODIFICATION**

12.1 In the event the other post-employment benefits plan is terminated or substantially modified rendering the assets of this Trust to be unnecessary to fund the Plan, the assets shall be distributed pursuant to Section 12.2 below.

12.2 (a) If the Plan is terminated, the Employees and former Employees who have met all the conditions for other post-employment benefits as set out in the plan document in existence immediately preceding Plan termination (including any deceased Employee or former Employee's surviving Beneficiaries) shall be vested in a proportionate share of the accumulated assets based on the present value of the Plan benefit in existence immediately preceding Plan termination as determined by an independent consulting actuary.

(b) If a substantial Plan modification is adopted that because a reduction of benefits or eligibility results in the plan moving from a funded status of less than seventy-five percent (75%) to an over-funded status of at least one hundred fifty percent (150%) and continues in such over-funded level for two (2) consecutive actuarial valuations, then such action shall be considered a Plan termination and the excess assets shall be distributed in the same manner as in subsection (a) above.

12.3 Actuarial valuations contemplated by this Article shall be performed by the Plan's independent consulting actuary in accordance with actuarial methods recognized by the Governmental Accounting Standards Board for other post-employment benefits.

## **ARTICLE XIII**

### **PARTICIPANT OR BENEFICIARY CONTRIBUTIONS TO TRUST**

13.1 If Participant or Beneficiary contributions are required or permitted under the terms of the other post-employment benefits plan, such contributions shall be assets of

this Trust and subject to all the provisions of this Trust. Provided, however, the Employer or its designee shall establish a record keeping account for each Participant or Beneficiary showing the amount of contributions made by such participant or Beneficiary, and to the extent authorized under the Plan, any earnings or interest thereon. Notwithstanding Article XII or any other provision of this Trust to the contrary, a Participant or Beneficiary shall be vested in the amount recorded to that participant's or Beneficiary's account.

**ARTICLE XIV  
PROTECTIVE CLAUSE**

14.1 Neither the Member, the Board of Trustees, nor the Trust shall be responsible for the validity of any contract of insurance or other arrangement maintained in connection with the post-employment benefits plan, or for the failure on the part of the insurer or provider to make payments provided by such contract, or for the action of any person which may delay payment or render a contract void or unenforceable in whole or in part.

**ARTICLE XV  
CONSTRUCTION**

15.1 This Trust created herein shall be governed by and construed in accordance with the laws of the State of Tennessee.

15.2 If any terms and conditions of this Trust are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Trust shall not be affected thereby and shall be construed to effectuate the purpose of this Trust.

MEMBER:

\_\_\_\_\_  
[INSERT NAME OF POLITICAL SUBDIVISION]

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

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

Title Chairman, Board of Education

TRUSTEES:

Robert F. Alvey Jr.

Chris H. Caldwell

Bob G. Viof

D. W. H.

Delvin A. Meddler

Sammy Grissom

Kenneth Gregg

APPROVED

Chair of State Funding Board

Date