

COUNTY COMMISSION-CALLED SESSION

000583

SEPTEMBER 20, 2017

BE IT REMEMBERED THAT:

COUNTY COMMISSION MET PURSUANT TO ADJOURNMENT IN CALLED SESSION OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS THIS WEDNESDAY MORNING, SEPTEMBER 20, 2017, 9:00 A.M. IN BLOUNTVILLE, TENNESSEE. PRESENT AND PRESIDING WAS HONORABLE RICHARD VENABLE, COUNTY CHAIRMAN, JEANIE GAMMON, COUNTY CLERK OF SAID BOARD OF COMMISSIONERS,

TO WIT:

The Commission was called to order by County Chairman Richard Venable. Chairman Richard Venable opened the commission and Comm. Matthew Johnson gave the invocation. The pledge to the flag was led by Comm. Bryan Boyd.

COMMISSIONERS PRESENT AND ANSWERING ROLL WERE AS FOLLOWS:

MARK BOWERY	BRYAN BOYD
	MICHAEL B COLE
	JOHN GARDNER
TERRY HARKLEROAD	MACK HARR
	BAXTER HOOD
DENNIS HOUSER	MATTHEW JOHNSON
BILL KILGORE	KIT MCGLOTHLIN
RANDY MORRELL	BOB NEAL
	CHERYL RUSSELL
PATRICK SHULL	ANGIE STANLEY
MARK VANCE	EDDIE WILLIAMS

18 PRESENT 6 ABSENT (ABSENT-CALTON, CRAWFORD, GRUBB, HARE, HERRON, BOBBY RUSSELL)

The following pages indicates the action taken by the Commission on re-zoning requests, approval of notary applications and personal surety bonds, motions, resolutions and other matters subject to the approval of the Board of Commissioners.

000584

## Agenda subject voting report

Meeting Name

Sullivan County Commission September 20

9/19/2017

- 2 Roll Call by Jeanie Gammon, County Clerk  
Attendance  
Roll Call

## Description

Chairman Venable, Richard

## Total Vote Result

Voting start time 9:06:16 AM  
Voting stop time 9:06:54 AM  
Voting Configuration Roll Call - Attendances  
Voting mode Open  
Vote Result

Present	18
Total Present	18
Total Seats	24
Absent	6

## Group Voting Result

Group	Yes	Absent
No group	18	26
<b>Total Results</b>	<b>18</b>	<b>26</b>

## Individual Voting Result

Name	Yes	Absent
Bowery, Mark ()	X	
Boyd, Bryan ()	X	
Calton, Darlene ()	X	
Cole, Michael ()		
Crawford, Larry ()	X	
Gardner, John ()		
Grubb, Sherry ()		
Hare, Andy ()	X	
Harkleroad, Terry ()	X	
Harr, Mack ()		
Herron, Joe ()	X	
Hood, Baxter ()	X	
Houser, Dennis ()	X	
Johnson, Matthew ()	X	
Kilgore, Bill ()	X	
McGlothlin, Kit ()	X	
Morrell, Randy ()	X	
Neal, Bob ()		
Russell, Bobby ()	X	
Russell, Cheryl ()	X	
Shull, Patrick ()	X	
Stanley, Angie ()	X	
Vance, Mark ()	X	
Williams, Eddie ()		



000586

**Agenda subject voting report**

Meeting Name Sullivan County Commission September 20 9/19/2017

4 NEW BUSINESS Item # 1 Resolution No. 2017-09-68 Sponsors: Williams/ Stanley  
Vote

**Description**

A RESOLUTION AUTHORIZING THE GUARANTY OF CERTAIN INDEBTEDNESS OF THE TRI-CITIES AIRPORT AUTHORITY AND THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL FINANCING AGREEMENT

Chairman Venable, Richard

**Total Vote Result**

Voting start time 9:40:53 AM  
Voting stop time 9:41:09 AM  
Voting Configuration Vote  
Voting mode Open  
Vote Result

Yes	18
Abstain	0
No	0
Total Present	18
Absent	6

**Group Voting Result**

Group	Yes	Absent
No group	18	0
<b>Total Results</b>	<b>18</b>	<b>0</b>

**Individual Voting Result**

Name	Yes	Abstain	No	Absent
Bowery, Mark ()	X			
Boyd, Bryan ()	X			
Calton, Darlene ()				
Cole, Michael ()	X			
Crawford, Larry ()				
Gardner, John ()	X			
Grubb, Sherry ()				
Hare, Andy ()				
Harkleroad, Terry ()	X			
Harr, Mack ()	X			
Harron, Joe ()				
Hood, Baxter ()	X			
Houser, Dennis ()	X			
Johnson, Matthew ()	X			
Kilgore, Bill ()	X			
McGlothlin, Kit ()	X			
Morrell, Randy ()	X			
Neal, Bob ()	X			
Russell, Bobby ()				
Russell, Cheryl ()	X			
Shull, Patrick ()	X			
Stanley, Angie ()	X			
Vance, Mark ()	X			
Williams, Eddie ()	X			



**Sullivan County**  
 Board of County Commissioners  
 23<sup>7</sup><sup>th</sup> Annual Session

Item 1  
 No. 2017-09-68

To the Honorable Richard S. Venable, Sullivan County Mayor, and the Board of Sullivan County Commissioners meeting in Special Called Session this the 20th day of September, 2017.

**A RESOLUTION AUTHORIZING THE GUARANTY OF CERTAIN  
 INDEBTEDNESS OF THE TRI-CITIES AIRPORT AUTHORITY AND THE  
 EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL  
 FINANCING AGREEMENT**

WHEREAS, the Board of County Commissioners of Sullivan County, Tennessee, has met in Special Called Session pursuant to proper notice; and

WHEREAS, the Tri-Cities Airport Authority (the "Authority") has been organized pursuant to Sections 42-3-101 *et seq.*, Tennessee Code Annotated (the "Act"), as an agency and instrumentality of Sullivan County, Tennessee, Washington County, Tennessee and the City of Johnson City, Tennessee, the City of Bristol, Tennessee, the City of Kingsport, Tennessee and the City of Bristol, Virginia (the "Organizing Governments"); and

WHEREAS, the Board of Commissioners of the Authority has determined it to be in the best interest of the Authority to issue its Tri-Cities Airport Authority Revenue Bonds, Series 2017, (exact date to be determined) (the "Bonds"), in an aggregate principal amount not to exceed \$8,500,000, the proceeds of which will be used to finance the construction of an aerospace park that will promote and accommodate air travel, commerce and navigation (the "Project"); and

WHEREAS, pursuant to Section 42-3-111(f) of the Act, the Board of County Commissioners of Sullivan County, Tennessee, (the "Governing Body") may, by resolution, pledge the full faith and credit and unlimited taxing power of Sullivan County, Tennessee, as guarantor to the payment of the principal or premium, if any, and interest on the Bonds; and

WHEREAS, the Governing Body has determined it to be in the best interest of Sullivan County, Tennessee, and the Authority to guarantee Twenty-Six and 95/100 percent (26.95%) of the indebtedness of the Authority as evidenced by Sullivan County, Tennessee's guaranty (the "Guaranty"); and

WHEREAS, in connection with the issuance of the Bonds and the development of the Project, the Authority and the Organizing Governments (other than the City of Bristol, Virginia) desire to enter into an Intergovernmental Financing Agreement (the "Intergovernmental Agreement") setting forth certain terms relating to the issuance of the Bonds, the retirement of said Bonds, and the development of the Project.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Sullivan County, Tennessee, as follows:

Section 1. Authority. The Guaranty authorized by this resolution is authorized pursuant to Sections 42-3-111(f), *et seq.*, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Intergovernmental Agreement. The Mayor of Sullivan County, Tennessee, is hereby authorized and directed to execute and the County Clerk to attest on behalf of Sullivan County, Tennessee, the Intergovernmental Agreement (attached hereto). The form of the Intergovernmental Agreement presented to this meeting is hereby in all respects approved and the Mayor and the County Clerk are hereby authorized and directed to execute and deliver same on behalf of Sullivan County, Tennessee, in substantially the form thereof presented to this meeting, or with such changes as may be approved by the Mayor and the County Attorney, their execution thereof to constitute conclusive evidence of their approval of all such changes, including modifications to the Guaranty.

Section 3. Guaranty Agreement. For the purpose of guaranteeing not more than Twenty-Six and 95/100 percent (26.95%) of the payment of the principal of, premium, if any, and interest on the Bonds, the Mayor of Sullivan County is hereby authorized and directed to execute and the County Clerk to attest on behalf of Sullivan County, Tennessee, the Guaranty; provided, however, that in no event shall the Guaranty guarantee more than Twenty-Six and 95/100 percent (26.95%) of the indebtedness evidenced by the Bonds. The form of the Guaranty presented to this meeting and attached hereto as Exhibit B to the Intergovernmental Agreement is hereby in all respects approved and the Mayor and the County Clerk are hereby authorized and directed to execute and deliver same on behalf of Sullivan County, Tennessee, in substantially the form thereof presented to this meeting, or with such changes as may be approved by the Mayor and the County Attorney, their execution thereof to constitute conclusive evidence of their approval of all such changes, including modifications to the Guaranty. Sullivan County, Tennessee, hereby pledges its full faith and credit and unlimited taxing power to the payment of that portion of the principal of and interest on the Bonds that is the subject of the Guaranty.

Section 4. Pledge of Property Tax Revenues. According to the terms defined in the Intergovernmental Agreement, Sullivan County, Tennessee, pledges future real property taxes and personal property taxes, or payments in lieu of same, in respect of the land located within the aerospace park (as defined in Exhibit A to the Intergovernmental Agreement) toward the payment of the principal and interest due from time to time on the Bonds and to reimburse the Organizing Governments (other than the City of Bristol, Virginia) for any payments or contributions made by same toward principal and interest due on the Bonds pursuant to the Intergovernmental Agreement. Upon satisfaction of said pledge under the Intergovernmental Agreement, Sullivan County shall thereafter retain all aerospace park tax revenues without restriction or limitation.

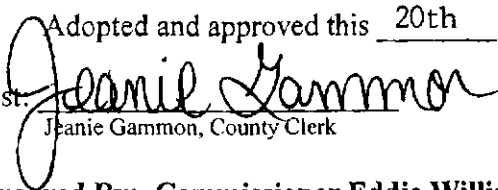
Section 5. Resolution a Contract. The provisions of this resolution shall constitute a contract between Sullivan County, Tennessee, and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made, except with the written consent of the holders of all of the Bonds, in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 6. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 7. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 20th day of September, 2017.

Attest:

  
Jeanie Gammon, County Clerk

Approve

  
Richard S. Venable, County Mayor

Sponsored By: Commissioner Eddie Williams

Co-Sponsor(s): Commissioner Angie Stanley

ACTIONS: APPROVED 18 AYE, 6 ABSENT

## INTERGOVERNMENTAL FINANCING AGREEMENT

**THIS AGREEMENT**, dated as of \_\_\_\_\_, 2017, is made and entered into by and among **Sullivan County, Tennessee, Washington County, Tennessee, the City of Johnson City, Tennessee, the City of Kingsport, Tennessee, and the City of Bristol, Tennessee** (herein the "Participating Entities"), and the **Tri-Cities Airport Authority**, a regional airport authority chartered under the laws of the State of Tennessee (the "Authority").

### RECITALS:

A. The Authority was created by the City of Bristol, Tennessee, the City of Bristol, Virginia, the City of Johnson City, Tennessee, the City of Kingsport, Tennessee, Sullivan County, Tennessee, and Washington County, Tennessee, (herein the "Authority Members") to own and operate the Tri-Cities Airport, TN/VA (the "Airport"), to exercise all powers granted to Regional Airport Authorities under the Airport Authorities Act, T.C.A. § 42-3-101 et seq., as amended (only as applicable to Regional Airport Authorities), and to exercise all powers granted generally to Regional Airport Authorities under the laws of the State of Tennessee and the County of Sullivan, Tennessee.

B. The Authority was created pursuant to the procedure set forth in T.C.A. § 42-3-104 (a) (3) and T.C.A. § 42-3-105. Prior to the creation of the Authority, the Airport was owned and operated as an unincorporated joint venture of the same Cities and Counties which appointed an Airport Commission to operate and manage the Airport.

C. In order to enhance the availability of services offered on the Airport campus and to promote economic development in the Tri-Cities area, the Participating Entities have determined that it is necessary and desirable, and in the best interest of the Authority and the Authority Members, to develop an aerospace park that will promote and accommodate air travel, commerce and navigation on land owned by the Authority consisting of approximately 160 acres and described in Exhibit A attached hereto (herein the "Aerospace Park Project").

D. In order to finance the Aerospace Park Project, it has been determined by the Authority, and agreed by the Participating Entities, that the Authority will issue its revenue bonds, as set out hereinbelow, and each of the Participating Entities (except as otherwise provided herein) will guarantee the repayment of its Pro Rata Share, as defined hereinbelow, of the interest, principal and other sums which may be due under the Authority's bonds from time to time.

E. The Participating Entities are authorized to enter into this Agreement for the purpose of taking joint action with respect to the Authority and are authorized by T.C.A. § 9-21-101 et seq. and T.C.A. § 42-3-101 et seq. to guarantee all or a portion of any bonds issued by the Authority for the purpose of financing the Aerospace Park Project.

F. The Authority and Participating Entities enter into this Agreement for the purpose of more fully setting forth their respective agreements, undertakings, obligations and remedies in regard to Aerospace Park Project and the financing of such project.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants and agreements herein set forth, the Participating Entities and Authority agree as follows:

1. **Scope of Agreement.** The Authority and Participating Entities acknowledge that the total cost of developing Aerospace Park, including site development, infrastructure, paving, utilities, and associated financing costs, is estimated to be up to \$18,000,000 (the "Project Costs"), a portion of which will be financed through the Authority's issuance of up to \$8,500,000 of its Aerospace Park Revenue Bonds, Series 2017 (the "2017 Aerospace

Park Bonds"). The proceeds of the 2017 Aerospace Park Bonds will be used for site development, infrastructure, paving and utilities at Aerospace Park and the costs of issuing the 2017 Aerospace Park Bonds. This Agreement sets forth the Financial Commitments of the Participating Entities with regard to the 2017 Aerospace Park Bonds. In the event a Participating Entity elects to make a direct contribution of all or a portion of its Financial Commitment, appropriate adjustments will be made to allocate the costs of issuing the 2017 Aerospace Park Bonds to the Participating Entities which elect to guarantee their respective Pro Rata Shares of the 2017 Aerospace Park Bonds.

2. **Issuance of 2017 Aerospace Park Bonds.**

(a) To finance a portion of the Project Costs, the Authority shall issue the 2017 Aerospace Park Bonds in the aggregate principal amount of up to \$8,500,000 less such amounts as may be funded by individual Participating Entities through direct cash contributions. The 2017 Aerospace Park Bonds shall be secured by a pledge of any Net Revenues generated from the Aerospace Park and such cash contributions as may be made by one or more Participating Entities but, otherwise, shall not be secured by a pledge of the Authority's revenues and assets.

(b) As used in subsection (a) above, "Net Revenues" means (i) all ground rents, accounts receivable, receipts, revenues, income, and other monies and rights to payment derived from the Authority's operation of Aerospace Park, less (ii) all direct expenses incurred by the Authority in connection with the operation, maintenance, and administration of Aerospace Park, but excluding depreciation, amortization, and interest on indebtedness.

(c) All Net Revenues generated from the Aerospace Park shall be used for payment of the principal, interest and other sums due under the 2017 Aerospace Park Bonds. In any calendar year, to the extent that Net Revenues exceed the amount necessary to pay principal, interest, and other sums due under the 2017 Aerospace Park Bonds, such excess Net Revenues shall be deposited to the Aerospace Park Cash Contributions Account (as defined in Paragraph 5). Such excess Net Revenues shall be deemed to have been contributed by the Participating Entities in proportion to each Participating Entity's Pro Rata Share, and shall reduce the Financial Commitment of each Participating Entity. Not less than thirty (30) days prior to each payment date under the 2017 Aerospace Park Bonds, the Authority shall advise the Participating Entities of the amount of Net Revenues then available for application to the bond payment, if any, and the amount of each payment due from each Participating Entity at such payment date after application of any such Net Revenues. To the extent a Participating Entity has prepaid its Financial Commitment or has otherwise made financial contributions in excess of its prorata portion of Project Costs incurred at the time any such excess Net Revenues are available, such Participating Entity shall receive a refund of its Pro Rata Share of such excess Net Revenues commensurate with the amount of such Participating Entity's prepayment or accelerated cash contributions. Other than the 2017 Aerospace Park Bonds, and for so long as the 2017 Aerospace Park Bonds are outstanding, the Authority agrees not to issue any bonds, notes, or other obligations payable from or secured by the Net Revenues generated from the Aerospace Park except with the approval of the Participating Entities.

(d) In the event the issuance date of the Authority's 2017 Aerospace Park Bonds occurs in calendar year 2018 rather than calendar year 2017, all references herein to "2017 Aerospace Park Bonds" shall be deemed to be "2018 Aerospace Park Bonds."

3. **Financial Commitments.** To support and enhance the marketability of the 2017 Aerospace Park Bonds, each Participating Entity hereby commits to pay or guarantee its Pro Rata Share of the 2017 Aerospace Park Bonds (the "Financial Commitments"). The methodology for determining the Pro Rata Share and Financial Commitment of each Participating Entity shall be as follows:



(a) In the aggregate, Sullivan County and the Cities of Kingsport and Bristol, Tennessee, collectively, shall be responsible for supporting and enhancing 55% of the 2017 Aerospace Park Bonds. The 55% shall be allocated among Sullivan County, Kingsport, and Bristol, Tennessee as follows:

Sullivan County	- 49%
Kingsport	- 34%
Bristol	- 17%

(b) In the aggregate, Washington County and Johnson City, collectively, shall be responsible for supporting and enhancing 45% of the 2017 Aerospace Park Bonds. The 45% shall be allocated among Washington County and Johnson City as follows:

Washington County	- 50%
Johnson City	- 50%

4. **Aerospace Park Project Pro Rata Shares and Financial Commitments.** Based upon the allocations set forth in Paragraph 3, the Pro Rata Share and Financial Commitment of each Participating Entity with respect to the 2017 Aerospace Park Bonds shall not exceed:

	<u>Pro Rata Share</u>	<u>Financial Commitment</u>
Sullivan County	- 26.95%	\$2,290,750
Kingsport	- 18.70%	1,589,500
Bristol	- 9.35%	794,750
Washington County	- 22.50%	1,912,500
Johnson City	- 22.50%	<u>1,912,500</u>
		\$8,500,000

5. **Participating Entity Commitments.**

(a) **Direct Financial Contributions.** In lieu of issuing a general obligation guaranty in a principal amount equal to its Financial Commitment set forth in Paragraph 4 above, a Participating Entity may elect to pay to the Authority all or any portion of its Financial Commitment in cash, not less than sixty (60) days prior to the issuance of the 2017 Aerospace Park Bonds, or at such other times as a Participating Entity may elect after issuance of the 2017 Aerospace Park Bonds. Each such cash contribution shall be set aside and held by the Authority in a separate bank account dedicated to the Aerospace Park Project (the "Aerospace Park Cash Contributions Account"). Subject to Paragraph 2(c), the Authority shall be entitled to use the funds deposited to the Aerospace Park Cash Contributions Account, and the interest earnings thereon, for payment of Project Costs in conjunction with the use of the proceeds of the 2017 Aerospace Park Bonds, and the interest earnings thereon, such that each disbursement of funds from the Aerospace Park Cash Contributions Account is in direct proportion to the Pro Rata Shares of the Participating Entities which make such cash contributions and the amounts of their respective cash contributions. Each such disbursement from the Aerospace Park Cash Contributions Account shall be transferred to the Aerospace Park Project Fund as defined in Paragraph 7 and shall be further disbursed in accordance with Paragraph 8.

(b) **Guaranty Agreements of Participating Entities.** Each Participating Entity hereby agrees to guarantee for the benefit of the holders of the 2017 Aerospace Park Bonds the full payment of its Financial Commitment set forth in Paragraph 4 above as needed to pay the principal, interest and premium, if any, due from time to time under the 2017 Aerospace Park Bonds; provided, however, the amount of a Participating Entity's

guaranty obligation shall be reduced by the amount of any cash contribution which the Participating Entity pays pursuant to Paragraph 5(a). The general obligation guaranty agreement issued by each Participating Entity shall include the commitment to pay a principal amount equal to its Financial Commitment (less the amount of any cash contribution paid by the Participating Entity), together with interest accruing thereon in the same manner, at the same interest rate, and at the same time as such payments are due under the 2017 Aerospace Park Bonds. The payment of principal of and interest on the 2017 Aerospace Park Bonds shall discharge the obligation of each Participating Entity hereunder to the extent of the payments so made. A Participating Entity which pays its full Financial Commitment through a direct cash contribution shall not be required to issue a guaranty agreement. The form of the guaranty agreement to be executed by each Participating Entity is attached hereto as **Exhibit B**.

6. **Remedies for Default by Participating Entities.**

(a) In the event any Participating Entity fails to make any payment required under its Financial Commitment, such Participating Entity shall be obligated to repay to the Participating Entities which elect, at their option and sole discretion, to advance the payment necessary in respect of the defaulted payment, plus interest at an annual rate equal to one percentage point in excess of the rate being paid by the Tennessee Local Government Investment Pool from time to time during the period of the default. A defaulting Participating Entity may at any time cure the default by paying to the non-defaulting Participating Entities the amounts advanced by such non-defaulting Participating Entities, plus an amount equal to interest thereon at a rate of one percentage point in excess of the rate being paid by the Tennessee Local Government Investment Pool from time to time during the period of the default.

(b) The Authority and each non-defaulting Participating Entity shall be entitled to exercise all available legal and equitable rights and remedies against the defaulting Participating Entity including but not limited to claims for breach of contract and specific performance and actions for writs of mandamus.

(c) Each Participating Entity shall have all common law rights of contribution in regard to their respective Pro Rata Shares and Guaranty Agreements under this Agreement.

(d) Except to the extent provided for in Paragraph 2(c) regarding the use of excess Net Revenues and in Paragraph 9 regarding the Authority's receipt of other sources of funding for the Project Costs, the Participating Entities shall not have any claim against the Authority for reimbursement or indemnity in regard to or arising from any funds paid by the Participating Entities in respect of their Pro Rata Shares.

7. **Disposition of Bond Proceeds.** The proceeds from the sale of the 2017 Aerospace Park Bonds shall be used and applied as follows:

(a) All proceeds from the issuance of the 2017 Aerospace Park Bonds shall be deposited to the Aerospace Park Project Fund to be established by the Authority at a financial institution insured by the Federal Deposit Insurance Corporation or National Credit Union Administration (the "Aerospace Park Project Fund"). The Aerospace Park Project Fund shall be kept separate and apart from all other funds of the Authority. The Aerospace Park Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, a pledge of readily marketable securities having at all times a market value of not less than the amount in said Project Fund.

(b) The funds in the Aerospace Park Project Fund shall be disbursed solely to pay for costs incurred for the Aerospace Park Project, including (i) all engineering, accounting, legal and other professional fees, closing costs incurred in purchasing any real property, and costs and expenses of the issuance and sale of the 2017 Aerospace Park Bonds, including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, registration agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in

connection with the Aerospace Park Project and the issuance and sale of the 2017 Aerospace Park Bonds, and (ii) site development, infrastructure, paving, and utilities. Money in the Aerospace Park Project Fund shall be expended only for the purposes authorized herein.

(c) Funds in the Aerospace Park Project Fund shall be invested as directed by the Authority in such investments as shall be permitted by applicable law and the income and earnings derived from said investments shall be deposited to the Aerospace Park Project Fund and applied and used as all other funds therein.

8. **Disbursement of Bond Proceeds.** Funds shall be disbursed from the Aerospace Park Project Fund according to the Authority's customary approval and signature procedures. All disbursements shall be for the payment of Project Costs and for no other purpose.

9. **Receipt of Other Fundings.** The Authority and the Participating Entities acknowledge that, in addition to the Financial Commitments of the Participating Entities under this Agreement, the Authority is seeking other sources of funding for the Project Costs. In the event the Authority receives funding for the Project Costs from other sources after one or more Participating Entities has paid direct cash contributions to the Aerospace Park Cash Contributions Account, and to the extent such funding is not applied to pay Project Costs in excess of the Project Costs payable from the 2017 Aerospace Park Bonds, the Authority will remit to such Participating Entities their respective Pro Rata Shares of the funds received from other sources to the extent such direct cash contributions have been used to pay Project Costs, and the remainder of such funds will be applied toward payment of Project Costs and payment of principal and interest due under the 2017 Aerospace Park Bonds. Notwithstanding the foregoing, any Fiscal Year 2017 federal funds received by the Authority for the South Apron Sitework shall not be considered other or additional sources of funding for the Project Costs and no portion of such federal funds shall be returned to the Participating Entities which make direct cash contributions.

10. **Refunding Bonds.** The Authority reserves the right from time to time and at any time to issue its bonds to refund, refinance and defease all or a portion of the 2017 Aerospace Park Bonds. Upon issuance of any such refunding bonds, the Authority shall give notice to the Participating Entities of the new principal and interest requirements resulting from the refunding and if the Authority is requesting the Participating Entities to guarantee the refunding bonds, each Participating Entity agrees to request its Governing Body to approve such guaranty. So long as the annual principal and interest requirements after the refunding are not greater than the principal and interest requirements before the refunding and the average maturity of the indebtedness after the refunding is not for a longer period of time and such refunding meets the requirements of the debt management policies of the Participating Entities, each Participating Entity agrees to recommend such guaranty to its Governing Body for approval. As used herein, the term "2017 Aerospace Park Bonds," and the principal and interest requirements thereof, shall include bonds issued to refund in whole or in part the 2017 Aerospace Park Bonds pursuant to this Paragraph 10.

11. **Prepayment of Participating Entity Commitments.** Any Participating Entity may elect to prepay its obligations to the Authority hereunder at any time provided such payment shall be in an amount sufficient, together with interest earnings thereon, to pay the Participating Entity's Pro Rata Share of the outstanding principal of and redemption premium, if any, and interest on the 2017 Aerospace Park Bonds to the earliest optional redemption date.

12. **Aerospace Park Property Tax Revenues.** In the event Sullivan County, Tennessee hereafter receives real property taxes and personal property taxes, or payments in lieu of real property taxes and personal property taxes in respect of the land located within Aerospace Park and improvements constructed at Aerospace Park (such taxes and payments in lieu of taxes collectively referred to as "Aerospace Park Tax Revenues"), Sullivan County will pay such Aerospace Park Tax Revenues to the Authority for deposit to the Aerospace Park Project Fund for use as follows:

(i) Payment of the principal and interest due from time to time under the 2017 Aerospace Park Bonds. Such deposits of Aerospace Park Tax Revenues to the Aerospace Park Project Fund shall be credited toward the Financial Commitments of the Participating Entities on a pro-rata basis according to their respective Pro Rata Shares as defined in paragraph 4; and

(ii) Reimbursement to the Participating Entities on a pro-rata basis, according to the Participating Entities' respective Pro Rata Shares as defined in paragraph 4, of any payments or contributions made by the Participating Entities to pay the principal and interest due under the 2017 Aerospace Park Bonds.

(iii) If the Authority hereafter refunds the 2017 Aerospace Park Bonds through the issuance of new bonds or other refinancing debt, as described in Paragraph 10, Sullivan County shall pay such Aerospace Park Tax Revenues to the Authority for deposit to the Aerospace Park Project Fund for use toward payment of principal, interest and premium, if any, on such refunding debt.

(iv) At such time as the 2017 Aerospace Park Bonds (including any refundings or refinancings of the 2017 Aerospace Park Bond) are fully paid and retired and the Participating Entities have been fully reimbursed from the Aerospace Park Tax Revenues for any payments or contributions made by the Participating Entities to pay the principal and interest due under the 2017 Aerospace Park Bonds (including any refundings or refinancings of the 2017 Aerospace Park Bond), Sullivan County shall thereafter retain all Aerospace Park Tax Revenues without restriction or limitation.

13. **Management of Authority.** The control, operation and management of the Authority shall continue to be vested in the Authority and its Board of Directors.

14. **Obligations Unconditional.** The obligation of each Participating Entity to make the payments required hereunder and under its Guaranty Agreement, and the obligation of a Participating Entity which elects to pay a cash contribution as all or part of its Financial Commitment, shall be absolute and unconditional and shall remain in full force and effect until all indebtedness evidenced by the 2017 Aerospace Park Bonds shall have been paid in full or defeased in accordance with the resolution authorizing the 2017 Aerospace Park Bonds.

15. **Contingencies and Conditions.** It shall be a condition to the issuance of the 2017 Aerospace Park Bonds, including each individual series of the 2017 Aerospace Park Bonds if more than one series is issued, that each Participating Entity shall deliver to the Authority the following:

- (a) A certified copy of the resolution, or resolutions, of the Participating Entity (i) pledging the full faith and credit and unlimited taxing power of the Participating Entity as permitted under T.C.A. § 42-3-111(f)(1) to support the Participating Entity's Financial Commitment and (ii) authorizing this Agreement and the Participating Entity's Guaranty Agreement and, if applicable, the Participating Entity's payment of any immediate cash contribution;
- (b) A Guaranty Agreement representing each Participating Entity's general obligation commitment conforming to the requirements of Paragraph 4 and 5 hereof (with the amount of such Guaranty Agreement adjusted as appropriate to reflect a Participating Entity's payment of any portion of its Financial Commitment as a direct cash contribution);
- (c) The Authority's receipt of such immediate cash contributions as one or more Participating Entities may elect to make concurrent with the issuance of the 2017 Aerospace Park Bonds;

- (d) A Certificate executed by the Chief Executive Officer of the Participating Entity and the attorney for the Participating Entity certifying that no litigation is pending or to their knowledge threatened (i) seeking to restrain or enjoin the issuance, execution or delivery of the general obligation commitment or this Agreement or the performance by the Participating Entity of its obligations thereunder or hereunder, (ii) questioning the validity of the Participating Entity's obligations under this Agreement or its Guaranty Agreement, (iii) contesting the legal power or authority of the Participating Entity with respect to its obligations under this Agreement or its Guaranty Agreement, (iv) challenging the resolution of the Participating Entity's Governing Body authorizing this Agreement or its Guaranty Agreement, or (v) challenging any act to be done or document or certificate to be executed or delivered by the Participating Entity or the Authority in connection with this Agreement;
- (e) An opinion of the attorney for the Participating Entity, as follows:

i. This Agreement and the Guaranty Agreement of the Participating Entity, and the Participating Entity's payment of a direct financial contribution in the case of the Participating Entity's election to pay all or a portion of its Financial Commitment as an immediate cash contribution, have been duly authorized, executed and issued in accordance with the Constitution and laws of the State of Tennessee, and constitute valid and binding obligations of the Participating Entity;

ii. The resolution of the Participating Entity's Governing Body authorizing this Agreement and its Guaranty Agreement has been duly and lawfully adopted at a meeting of the Participating Entity's Governing Body, duly and regularly called, noticed and held with a quorum present and acting throughout, is in full force and effect;

iii. The meeting of the Participating Entity's Governing Body at which the resolution was adopted was held in accordance with open meetings laws of the State of Tennessee.

16. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties hereto and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, and may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. **Severability.** The invalidity or unenforceability of any one or more phrases, sentences, clauses, paragraphs or sections in this Agreement contained, shall not affect the validity and enforceability of the remainder of this Agreement or any part hereof.

18. **Amendment.** This Agreement shall be amended only by written agreement signed by all the parties hereto.

19. **Not Assignable.** Except for the provisions hereof regarding the security to be pledged for the 2017 Aerospace Park Bonds, this Agreement and the parties' respective rights and duties hereunder shall not be assigned by any of the parties hereto.

20. **Termination.** This Agreement shall be in effect for the term of the 2017 Aerospace Park Bonds and shall terminate upon payment in full of the 2017 Aerospace Park Bonds except that the provisions of Paragraph 6 related to Remedies for Default by Participating Entities and the provisions of Paragraph 12 regarding future Sullivan County Tax Revenues shall survive the termination of this Agreement.

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21. **Notices.** Any notices, consents, approvals, requests or actions permitted or required hereunder shall be deemed given when mailed certified mail, return receipt requested, postage prepaid, or sent by facsimile transmission, or given by hand delivery, at the addresses, fax numbers or locations, as appropriate, set forth below, unless a different person, address, number or location is designated to the other parties by notice given as provided herein:

To the Airport Authority:

Tri-Cities Airport Authority  
Suite 301  
2525 Highway 75  
Post Office Box 1055  
Blountville, Tennessee 37617-1055  
Attn: Executive Director and Chairman  
Telephone: (423) \_\_\_\_\_; Fax (423) \_\_\_\_\_

To Sullivan County:

Sullivan County, Tennessee  
Sullivan County Courthouse  
Main Street - 2nd Floor  
Blountville, Tennessee 37617  
Attn: Director of Accounts and Budgets  
Telephone: (423) 323-6409 Fax: (423) 323-7249

To Washington County:

Washington County, Tennessee  
Post Office Box 219  
Jonesborough, Tennessee 37659  
Attn: Director of Budgets and Accounts  
Telephone: (423) 753-1717 Fax: \_\_\_\_\_

To the City of Kingsport:

City of Kingsport, Tennessee  
City Hall  
225 West Center Street  
Kingsport, Tennessee 37660-4237  
Attn: City Manager  
Telephone: (423) 229-9411 Fax: (423) 229-9350

To the City of Johnson City:

City of Johnson City, Tennessee  
601 East Main Street  
Post Office Box 2150  
Johnson City, Tennessee 37605-2150  
Attn: Assistant City Manager  
Telephone: (423) 929-9171 Fax: (423) 929-9245

To the City of Bristol:

City of Bristol, Tennessee Municipal Building  
801 Anderson Street  
Bristol, Tennessee 37620  
Attn: City Manager  
Telephone: (423) 989-5501 Fax: (423) 989-5506

22. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

23. **Limitation of Liability.** No officer of the Authority, nor any member of the Authority's Board of Directors, nor any public official or representative of a Participating Entity consenting to or approving the issuance of the 2017 Aerospace Park Bonds, or any series of 2017 Aerospace Park Bonds, or the execution and performance of this Agreement by the Participating Entities shall be personally liable in any event for (i) the payment of any portion of the principal, interest or premium due under the 2017 Aerospace Park Bonds or any payment due from any Participating Entity pursuant to this Agreement, or (ii) the performance of any pledge, mortgage, obligation, Guaranty Agreement, or other agreement of any kind whatsoever regarding the 2017 Aerospace Park Bonds or this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed on the day and date first above written.

[Signatures on Following Pages]

[Signature Page to Intergovernmental Financing Agreement]

**SULLIVAN COUNTY, TENNESSEE**

By: \_\_\_\_\_  
Richard S. Venable  
Mayor

**ATTEST:**

\_\_\_\_\_  
\_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Daniel P. Street  
County Attorney

[Signature Page to Intergovernmental Financing Agreement]

**WASHINGTON COUNTY, TENNESSEE**

By: \_\_\_\_\_  
Dan Eldridge  
Mayor

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Tom Seeley  
County Attorney

[Signature Page to Intergovernmental Financing Agreement]

**CITY OF JOHNSON CITY, TENNESSEE**

By: \_\_\_\_\_  
David Tomita  
Mayor

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
James Epps, IV  
City Attorney

[Signature Page to Intergovernmental Financing Agreement]

**CITY OF KINGSPORT, TENNESSEE**

By: \_\_\_\_\_  
John Clark  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder



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**APPROVED AS TO FORM:**

\_\_\_\_\_  
Michael Billingsley  
City Attorney

[Signature Page to Intergovernmental Financing Agreement]

**CITY OF BRISTOL, TENNESSEE**

By: \_\_\_\_\_  
Chad Keen  
Mayor

**ATTEST:**

\_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Danielle S. Kiser  
City Attorney

[Signature Page to Intergovernmental Financing Agreement]

**TRI-CITIES AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Jon Smith  
Chairman

**ATTEST:**

\_\_\_\_\_  
Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
William C. Bovender  
Airport Authority Attorney

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**Exhibit A**  
**Intergovernmental Financing Agreement**

**[Legal Description of Aerospace Park Property]**

**Exhibit B**  
**Intergovernmental Financing Agreement**

**GUARANTY AGREEMENT**

THIS GUARANTY AGREEMENT ("Guaranty"), dated \_\_\_\_\_, 2017, is made and entered into upon the terms hereinafter set forth, by \_\_\_\_\_, [a political subdivision] [a municipal corporation] duly created under the laws of the State of Tennessee ("Guarantor"), in favor of \_\_\_\_\_, an \_\_\_\_\_ banking corporation, as paying agent (the "Paying Agent"), for the benefit of the holders of the Bonds (the "Bondholders").

**RECITALS:**

A. The Tri-Cities Airport Authority (the "Authority") has been organized pursuant to Sections 42-3-101 et seq., Tennessee Code Annotated (the "Act"), as an agency and instrumentality of Sullivan County, Tennessee, Washington County, Tennessee and the City of Johnson City, Tennessee, the City of Bristol, Tennessee, the City of Kingsport, Tennessee and the City of Bristol, Virginia.

B. Pursuant to that certain Resolution of the Authority, dated \_\_\_\_\_, 2017 (the "Resolution"), the Authority has authorized the issuance of its \$8,500,000 Tri-Cities Airport Authority Revenue Bonds, Series 2017 (Aerospace Park Project) (the "Bonds") for the purpose of providing funds to finance the construction of an aerospace park that will promote and accommodate air travel, commerce and navigation (collectively, the "Project").

C. Sullivan County, Tennessee, Washington County, Tennessee, the City of Johnson City, Tennessee, the City of Bristol, Tennessee, and the City of Kingsport, Tennessee (collectively the "Participating Entities" and each a "Participating Entity") have agreed to support the Authority's issuance of the Bonds by delivering their respective limited Guaranty Agreements guaranteeing portions of the aggregate indebtedness evidenced by the Bonds.

D. Pursuant to Section 3 of the Resolution, the Authority has appointed \_\_\_\_\_ as registration agent and paying agent for the Bonds.

E. Pursuant to Section 42-3-111(f) of the Act, the [Name of Governing Body] of Guarantor has, by resolution, pledged the full faith and credit and unlimited taxing power of Guarantor as guarantor to the payment of a portion of the principal of and interest on the Bonds.

**AGREEMENTS:**

NOW, THEREFORE, in consideration of the foregoing and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged by Guarantor, and to induce the Bondholders to purchase the Bonds, Guarantor hereby agrees as follows:

1. Subject to the limitation in Section 2 hereof, Guarantor hereby guarantees to the Paying Agent, for the benefit of the Bondholders, the full and prompt payment of the principal of and interest on the Bonds (such principal and interest are sometimes herein collectively referred to as the "Guaranteed Obligations").

2. Notwithstanding any provision herein to the contrary, the right of recovery, however, against the Guarantor shall be limited to \_\_\_\_\_ percent (\_\_\_%) of all Guaranteed Obligations.

3. Unless otherwise required by law, any act of the Paying Agent, for the benefit of the Bondholders consisting of a waiver of any of the terms, covenants or conditions of the Guaranteed Obligations, or the giving of any consent to any matter or thing relating to the Guaranteed Obligations, or the granting of any indulgences or extensions of time to the Authority, may be done without notice to Guarantor and without releasing the obligations of Guarantor hereunder.

4. The obligations of Guarantor hereunder shall not be released by the Paying Agent, without the consent of the Bondholders and the consent of each other Participating Entity.

5. To the fullest extent permitted by law, the liability of Guarantor hereunder shall in no way be affected by (a) the release or discharge of the Authority in any creditors', receivership, bankruptcy or other proceedings, (b) the impairment, limitation or modification of the liability of the Authority or the estate of the Authority in bankruptcy, or of any remedy for the enforcement of any of the Guaranteed Obligations resulting from the operation of any present or future provision of the Federal bankruptcy law or any other statute or the decision of any court, (c) the rejection or disaffirmance of any instrument, document or agreement evidencing any of the Guaranteed Obligations in any such proceedings, (d) the assignment or transfer of any of the Guaranteed Obligations by the Paying Agent, or (e) the cessation from any cause whatsoever of the liability of the Authority with respect to the Guaranteed Obligations.

6. The Guarantor hereby pledges its full faith and credit and its unlimited taxing power to the payment of the principal of and interest on the Guaranteed Obligations subject to the limitation of Section 2 hereof.

7. This Guaranty shall be assignable by the Paying Agent. This Guaranty shall be binding upon Guarantor and shall inure to the benefit of the Noteholders, their successors and assigns.

8. This Guaranty shall be construed in accordance with and governed by the laws of the State of Tennessee applicable to contracts to be performed within said state.

9. No amendment or modification hereof shall be effective unless evidenced by a writing signed by Guarantor and the Paying Agent. When used herein, the singular shall include the plural, and vice versa, and the use of any gender shall include all other genders, as appropriate. IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty, or has caused this Guaranty to be executed by its duly authorized representative, as of the date first above written.

\_\_\_\_\_, TENNESSEE

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

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

ATTEST:

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

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

ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_

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

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

AND THEREUPON COUNTY COMMISSION ADJOURNED UPON  
MOTION MADE BY COMM. BOWERY TO MEET AGAIN IN REGULAR  
SESSION OCTOBER 16, 2017.

A handwritten signature in black ink, appearing to read "Richard S. Venable", written over a horizontal line.

RICHARD VENABLE

COMMISSION CHAIRMAN

