

MASTER SETTLEMENT AGREEMENT

THIS AGREEMENT, made this _____ day of November, 2006, by and between the parties, Anderson County, Tennessee, a county government and political subdivision of the State of Tennessee (hereinafter, "County"), and the City of Clinton, Tennessee, a municipal corporation and political subdivision of the State of Tennessee (hereinafter, "Clinton"), to wit certain members and former members of the Clinton City Council in their official capacities only, including: Mayor Winfred "Wimp" Shoopman, Jerry Shattuck, Michael Farley, Scott Vowell, and Garry Whitley (hereinafter, "Clinton City Council Members" and collectively included as "Clinton"), and Rogers Group, Inc., a Tennessee Corporation and petitioner for annexation into the City of Clinton, (hereinafter, "Rogers"), and other Necessary Parties and Petitioners for Annexation in the City of Clinton, including, Margaret Fox Best, Stanley Fox, Ronald Fox, Karen Fox, Stanley Grubb, Rebecca Grubb, Jacob Hogue, Patricia Hogue, Wayne McKinney, Debora McKinney and FHG Enterprises, L.P., (hereinafter, collectively, "Petitioners").

WHEREAS, the parties hereto are involved in a lawsuit filed by County regarding attempted annexation by Clinton of certain real property belonging to Rogers and the Petitioners. (Anderson County Chancery Court Case Number 04CH4226) The property belonging to Petitioners, (hereinafter, "Petitioners' Property") as evidenced by the attached Growth Plan Amendment map, (Exhibit 1), is situated along the east side of Interstate 75 and adjacent to the north side of State Highway 61, and

WHEREAS, Rogers and County have been involved in a lengthy lawsuit over the denial of a rezoning application submitted by Rogers for property intended by Rogers for use as a rock quarry, asphalt plant and other commercial uses. (Anderson County Chancery Court Case Number 95CH3256) Rogers has subsequently petitioned Clinton for annexation of its property situated east of Interstate 75 and adjacent to the south side of Highway 61 (hereinafter, "Rogers Group Property"), and

WHEREAS, after County filed suit to contest the annexation of the Petitioners' Property and Rogers Group Property (hereinafter collectively, "Petitioned Property"), the Chancery Court of Anderson County issued a

restraining order and further ordered the parties to mediate the dispute in an attempt to resolve the issues at hand without a trial on the merits, and

WHEREAS, Clinton and County previously agreed in 2001 on a Twenty-year Growth Plan governing present and future municipal boundaries and areas to be excluded from municipal growth, and

WHEREAS, Petitioners and Rogers have developed and/or discovered potentially lucrative and substantial commercial development prospects for Petitioned Property. Such development is conditioned, in part, on the Petitioned Property being located within Clinton's municipal limits, and

WHEREAS, the Petitioners and Clinton have refused to resolve the dispute over development of Petitioners' Property without providing for the annexation of the Rogers Group Property as well, and

WHEREAS, all parties want to provide for the development of Petitioners' Property in order to provide enhancements to the communities, additional sales tax revenue and other considerations unique to the respective parties, and

WHEREAS, the parties have undertaken to mediate this dispute pursuant to the court order and were unsuccessful in reaching a resolution to on all issues contained in the lawsuit, and

WHEREAS, Clinton requested in June of 2004 that the Anderson County Growth Plan be amended and the statutory process outlined in T.C.A. § 6-58-104 was commenced, and

WHEREAS, the Anderson County Coordinating Committee convened to address the Growth Plan Amendment initiated by Clinton. Several meeting were held as well as the required public hearings. The Coordinating Committee eventually passed the amendment, but the Anderson County Commission rejected the proposed amendment, and

WHEREAS, the statutory process requires that the parties proceed to mediation when an impasse is declared; therefore, the parties attended the required mediation on the Growth Plan amendment held in Nashville on March 23rd and 24th of 2006, and

WHEREAS, On October 11, 2006 the three-judge mediation panel issued their decision in this case allowing Clinton to annex the Petitioned Property and agreeing that the County should receive shared sales tax revenues from Clinton. The three-judge panel also recommended that the parties follow the terms and condition embodied in this Master Settlement Agreement, and

WHEREAS, under Tennessee law the legislative bodies of the respective governmental parties must attempt to ratify or reject the mediation panel's decision. If the respective legislative bodies fail to ratify the Agreement, the parties are required to submit to binding arbitration where a Growth Plan will be adopted by a new three-judge panel, and

WHEREAS, pursuant to the decision of the three-judge mediation panel and specific mandates embodied in Tennessee law, this Agreement has been prepared for submission to the respective legislative bodies for approval or rejection, and

WHEREAS, this Agreement allows for a modification of the Anderson County Twenty-year Growth Plan, annexation of the Petitioners' Property and annexation of the Rogers Group Property by Clinton in exchange for a division of sales tax revenue to the County. Furthermore, this Agreement contains other mutual concessions and dismissals of all lawsuits subject to the terms recited below, and

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and among the parties to resolve their various disputes, lawsuits and concerns as follows:

Section 1: Annexation Agreement

County agrees to allow Clinton to annex the Petitioners' property located on the east side of I-75 and adjacent to the north side of State Hwy. 61. County agrees to allow Clinton to annex Rogers Group Property on the east side of

I-75 and along the south side of State Hwy. 61. Annexation shall be effective after and subject to the referendum process previously initiated by Clinton and approval of this Agreement by all parties. The parties are basing this entire Agreement upon an assumption that the Petitioned Property will develop and produce lucrative tax revenues. The parties shall otherwise comply with the continuing terms of this Agreement.

Section 2: Mutual Partnership for Development of Highway 61 corridor east of Interstate 75 interchange; Citizens Advisory Committee.

County and Clinton agree to enter into a mutual partnership for the development of the Highway 61 corridor and to use their best efforts to mutually plan uniform development intended to maximize commercial and industrial growth in the area while considering the future impact on the health, safety and welfare of the citizens and traveling public. Pursuant to the three-judge mediation panel's decision, both Clinton and County agree to appropriate a minimum amount of .05% annually of all sales tax revenues received from the Petitioned Property to beautify the area surrounding the Petitioned Property and the Interstate I-75/Hwy. 61 interchange.

Section 3: Agreement to Revise County Growth Plan

County and Clinton shall agree to approve the revised Anderson County Growth Plan as presented to the 2005 Growth Plan Coordinating Committee, attached hereto and incorporated herein as Exhibit 1.

Section 4: New Fire Hall

Clinton agrees to build a fire station in the vicinity of I-75 and State Hwy. 61 for the use and benefit of the surrounding businesses and residents.

Section 5: Division of Sales Tax Revenues for Future Development

Clinton agrees to divide with County, in perpetuity, Clinton's portion of the local option sales tax otherwise designated solely for Clinton's general fund as set forth in this paragraph. This division shall not affect or include the educational portion of the local option sales tax divided between the three (3) school systems operating in Anderson County, nor shall it include a division of alcohol or liquor by the drink revenues or any other license or permit fees collected by Clinton. This division of Clinton's portion of the local option sales tax designated to its general fund shall be distributed 87.5% to Clinton and 12.5% to County and shall apply to all property

annexed by Clinton east of I-75, except for businesses currently operating in the area on the date of execution of this Agreement.

Section 6: Division of Sales Tax Revenues for Existing Businesses

Clinton agrees that pursuant to state law, County will continue to receive annexation date sales tax revenues generated by existing businesses operating in the Petitioned Property at the time of annexation for a period of fifteen (15) years pursuant to T.C.A. §6-51-115. After expiration of the fifteen (15) year period, the local option sales tax division will convert to the formula outlined above in Section 5.

Section 7: Forgiveness of Past Sales Tax Claims

County agrees to forgive, and release all claims to past local option sales tax revenues generated from previous annexations along the Highway 61 corridor by Clinton from the Clinch River to Interstate 75.

Section 8: Waiver of Challenges to Past Annexation

Anderson County agrees not to challenge any prior annexations by Clinton along Highway 61 from the Clinch River to Interstate 75 and waives and releases all such claims.

Section 9: Other Taxes

This Agreement provides for a division of certain local option sales taxes between Clinton and Anderson County. This Agreement is not intended to impair, limit or adjust any other taxes collected presently or to be collected in the future by Clinton or County. The Parties remain free to impose or collect taxes presently authorized by state law, and lawfully collected, or which may be authorized in the future.

Section 10: Alcoholic Beverage Tax Revenues

The parties acknowledge that Clinton will receive additional tax revenue from alcoholic beverage taxes. The parties agree that alcoholic beverage tax revenues generated from the Petitioned Property, including, but not limited to, liquor by the drink tax, wholesale beer tax, local option mixed drink tax and local beer tax shall be assessed and distributed as provided by current state law.

Section 11: Division of Miscellaneous Revenue Sources in the form of Taxes, Permits, License and Inspection Fees.

County agrees that Clinton shall retain all miscellaneous revenue sources in the form of assorted taxes, permit, license and inspection fees as distributed and assessed according to current state law. These various permits, licenses and the like, along with the respective fees associated with same shall be collected by Clinton and County consistent with local and state law within Clinton's existing, or modified, municipal boundaries.

Section 12: Agreement to Expedite all Governmental Proceedings for the Benefit of the Fox Family and Other Petitioners for Annexation.

Recognizing the needs and desires of the Fox Family, other Petitioners, and Rogers Group to expedite all proceedings contemplated hereby, all parties agree to use their best efforts to expedite governmental and regulatory proceedings needed to approve and ratify the terms set forth in this Agreement without further delay.

Section 13: Agreement for Water and Sewer Utility Service

All parties agree that the Anderson County Utility Board, or its lawful successor, will continue to service the water and sewage utility needs of the Petitioned Property.

Section 14: Commitment to Continued Expansion and Development of Water and Sewer Service for Growth Area East of Interstate 75

County agrees to continue its commitment to expansion of the water and sewer lines developed and operated by the Anderson County Utility Board east of I-75 in an attempt to facilitate additional growth in the area. Clinton shall cooperate with ACUB's construction of additional utility infrastructure, the solicitation of customers and the provision of services within the Petitioned Property or any other location east of Interstate 75.

Section 15: Street Lights at I-75 Interchange

Clinton agrees to reimburse County its \$55,000.00 share paid to Clinton in 2001 related to the existing high mast streetlights located at I-75 and Hwy. 61 interchange. Clinton also agrees to assume all expenses related to streetlights, including, but not limited to, maintenance, repairs and electrical utility service.

Section 16: Future Annexations East of I-75 Along Hwy. 61 Corridor

County agrees to allow Clinton to continue to annex contiguous property to the Clinton City limits east of I-75 and adjacent to Hwy. 61, up to the amended Norris Urban Growth Boundary, provided that no property will be annexed without a request and petition from the majority of property owner(s) and residents.

Section 17: Dismissal of Pending Lawsuit

Anderson County agrees to dismiss its pending lawsuit with Clinton (Anderson County Chancery Case No. 04CH4226) in exchange for the approval of this Agreement by the Clinton City Council and compliance with the terms and conditions set forth herein.

Section 18: Mountain Road Interchange

The parties acknowledge concerns regarding additional truck traffic on Highway 61 associated with an operating quarry and asphalt plant. In an effort to minimize truck traffic and concerns about traffic safety, the parties mutually agree that an interstate exchange at Mountain Road would allow Rogers related truck traffic to enter and exit from Interstate 75 without interfering with traffic on Highway 61. All parties agree to use their best efforts to develop the Mountain Road Interchange for future industrial and commercial growth as well as to develop additional access to the David Jones and I-75 Industrial Parks. Parties agree to further express their interest in development of this future interchange in the form of a signed letter requesting state assistance and support addressed to the Governor and the Commissioner of the Tennessee Department of Transportation as well as Tennessee delegates to the U.S. Congress. This letter shall be written and delivered to the receiving parties within ninety (90) days of the execution of this Agreement. Copies of this letter shall be provided to all parties to this Agreement.

Section 19: Rogers Group Requirements, Restrictions and Concessions

The following required conditions for county rezoning, contained in Sections 20 through 44, have been developed as a result of extensive public comment, site visits, and public discussions with Rogers Group and Anderson County citizens regarding how to mitigate adverse impacts of any potential rezoning and to address issues raised by Anderson County citizens. These conditions shall be imposed by Clinton when considering any rezoning application filed by Rogers Group for the newly annexed area.