Prepared by:

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STATE OF TENNESSEE, ROANE COUNTY

SHARON BRACKETT

TVA TRACT NO. XTWBR-151U

GRANT OF PERMANENT EASEMENT

THIS GRANT OF PERMANENT EASEMENT, made and entered into by and between the UNITED STATES OF AMERICA (sometimes hereinafter referred to as "GRANTOR"), acting by and through its legal agent, the TENNESSEE VALLEY AUTHORITY (sometimes hereinafter referred to as "TVA"), a corporate agency and instrumentality of the UNITED STATES OF AMERICA organized and existing pursuant to the Tennessee Valley Authority Act of 1933, as amended, and the HARRIMAN UTILITY BOARD, a municipal utility established pursuant to the Charter of the City of Harriman, Tennessee (sometimes hereinafter referred to as "GRANTEE");

WITNESSETH:

WHEREAS TVA is authorized by 40 U.S.C. § 1314 to grant to an applicant, on behalf of the UNITED STATES OF AMERICA, such easements affecting federal property in its custody and control as TVA's Board of Directors determines will not be adverse to the interests of the GRANTOR; and

WHEREAS in considering GRANTEE's application, TVA's Board of Directors, through its designee, the Chief Executive Officer of TVA, has determined that the granting of the following described easement, subject to the conditions provided herein, will not be adverse to the interests of GRANTOR;

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

- 1. GRANTOR, pursuant to the provisions of 40 U.S.C. § 1314, and subject to all of the terms, conditions, reservations, restrictions, exceptions, and/or limitations contained in this grant of easement and exhibits hereto, hereby gives and grants to GRANTEE, its successors, and assigns, a nonexclusive permanent easement and right-of-way for the following purpose, namely: the right to enter upon subject land, to construct, operate, maintain, and use a water line and gas line together with such improvements as may be necessary or incidental to the operation thereof, and appurtenances thereto, all in accordance with the plans approved in advance and in writing by TVA, all in, on, over, across, upon, through, or under certain land located in Roane County, Tennessee, consisting of two parcels designated as TVA Tract No. XTWBR-151U (hereinafter referred to as the "Easement Area") and more particularly described in Exhibit A and shown on Exhibit B, which exhibits are attached hereto and made a part hereof.
- This entire grant is expressly made upon and subject to the following conditions which shall be binding on GRANTEE, its successors, and assigns:
 - (a) The Easement Area shall be used solely to install, construct, operate, maintain, and use a water line and gas line together with such improvements as may be necessary or incidental to the operation thereof, and appurtenances thereto and for no other purpose or purposes, all as approved in advance and in writing by TVA.

- (b) In the event that GRANTEE shall cease to use such Easement Area for the purpose for which this easement is granted for a period of two (2) consecutive years or more or shall, regardless of the time period, initiate use of the Easement Area for some other purpose, or shall abandon such easement or commit any breach of any of the terms, conditions, or covenants of this easement, in whole or in part, then GRANTOR, TVA, or their successors or assigns, may terminate the easement by written notice to GRANTEE, its successors, and assigns, and take possession of the Easement Area as if this grant of easement had never been made. Such termination shall be effective as of the date of such notice; provided, however, that GRANTEE, its successors, and assigns, shall have the right during a period of ninety (90) days immediately following the date of such notice of termination to remove any improvements placed by it on the Easement Area; and provided further, that GRANTEE, its successors, and assigns, shall promptly restore the Easement Area to TVA's satisfaction, including any regrading or reseeding TVA may deem appropriate. Title to any such improvements not removed within such 90-day period shall become the property of TVA or, at TVA's option, may be removed at GRANTEE's expense. Any failure of GRANTOR, TVA, or their successors or assigns, to exercise such power of termination shall not be construed as a waiver of any of the terms, conditions, covenants, or rights of the GRANTOR, TVA, or their successors and assigns.
- 3. GRANTEE, by accepting this grant, covenants and agrees on behalf of itself, its successors, and assigns, that the following shall constitute real covenants which shall attach to and run with the easement hereby granted, and which shall also be binding upon anyone who may hereafter come into ownership thereof, whether by purchase, devise, descent, or succession:
 - (a) GRANTEE shall control all emissions of pollutants that might be discharged or released directly or indirectly into the atmosphere, into any stream, lake, reservoir, watercourse, or surface or subterranean waters, or into or on the ground from any part of the Easement Area, in full compliance with all applicable standards and requirements relating to pollution control of any kind now in effect or hereafter established by or pursuant to federal, state, or applicable local statutes, ordinances, codes, or regulations. GRANTEE shall indemnify, defend and hold harmless GRANTOR and TVA from any and all claims, costs, or losses that may arise as a result of GRANTEE's breach of this provision.

If there is a discharge or release of a hazardous substance, material, or waste, or of any pollutant or other substance, in or from the Easement Area by any person or entity other than GRANTOR or TVA for which a cleanup, remediation, restoration, removal, or other action (hereinafter, individually and collectively, referred to as "Environmental Response") is ordered or required pursuant to any federal, state, or local statute, regulation, or ordinance, (including, without limitation, discharges or releases which spread or move in whole or in part beyond the Easement Area to other areas owned by GRANTOR), GRANTEE shall bear full responsibility for the cost (including, without limitation, natural resources damages and costs) of said Environmental Response, and shall not seek any contribution or indemnification from GRANTOR or TVA for all or any portion of said costs; provided, however, that nothing in this covenant is intended to or shall preclude GRANTEE from seeking indemnification or contribution from any other person or entity, and provided further that nothing herein shall create any rights in or be enforceable by any person or entity other than GRANTOR, TVA, or their respective successors and assigns.

(b) GRANTEE agrees to indemnify, to the extent allowed by law, the GRANTOR and TVA against and save them harmless from all claims, damages, demands, actions, costs, and charges to which they or either of them may be subject or which they or either of them may have to pay by reason of any injury to any person or property, or loss of life or property suffered or sustained by any person whomsoever, resulting from or in any way connected with the condition or use of the Easement Area, including any means of ingress thereto or egress therefrom, except liability for personal injuries, property damage, or loss of life or property caused by the sole negligence of the GRANTOR or TVA.

- (c) GRANTEE will not permit or suffer any offensive use of the Easement Area and will keep the Easement Area and all improvements thereon in a safe condition and in good order and appearance; and it will collect and dispose of all trash, garbage, and other solid wastes accumulated or left on said Easement Area in accordance with applicable laws and regulations and with sufficient frequency to keep the Easement Area orderly and sanitary.
- (d) GRANTEE will conduct all land-disturbing activities on the Easement Area in accordance with best management practices to control erosion and sedimentation so as to prevent adverse impacts on water quality and related aquatic interests in order to meet the requirements of Section 208 of the Clean Water Act and implementing regulations.
- (e) GRANTEE agrees that all clearing shall be held to a minimum and natural vegetation, selected wildlife plantings, riprap, and/or filter fabric will be used to stabilize disturbed areas and prevent runoff and said disturbed areas shall be back-filled as required by approved construction plans, and resodded, reseeded or otherwise restored to TVA's satisfaction and in such a manner as to be aesthetically pleasing and compatible with the surrounding environment.
- (f) GRANTEE shall conduct all activities associated with the exercise of rights granted hereunder in such a manner as to: 1) comply with all applicable local, state, and federal laws and regulations; and 2) protect the environment. Furthermore, GRANTEE shall be responsible for obtaining all necessary licenses, permits, and/or approvals required by local, state, or federal statutes and regulations prior to the commencement of any activities on the Easement Area.
- (g) GRANTEE shall not disturb or alter in any way the existing state of any archaeological sites, human remains, funerary objects, sacred objects, objects of cultural patrimony, or any other archaeological resources which may be discovered or identified on or under the Easement Area. Upon the discovery of any such items, GRANTEE shall immediately stop all activity in the area of the discovery, make a reasonable effort to protect such items, and notify TVA's Cultural Compliance office by telephone at (865) 632-3660. GRANTEE shall also provide written notification of such discovery to TVA, Cultural Compliance, 400 West Summit Hill Drive, WT 11D-K, Knoxville, Tennessee 37902. GRANTEE will not resume work in the area of the discovery until approved by TVA.
- (h) GRANTEE shall promptly pay, or shall promptly reimburse GRANTOR as appropriate, for all ad valorem taxes, or other increases in taxes, charges, or governmental assessments, which may be imposed by the State of Tennessee or its political subdivisions related to GRANTEE's use of the Easement Area, including without limitation any taxes or increases upon GRANTEE's buildings, structures, facilities, improvements, or other property related to this easement or upon GRANTEE's operations pursuant to this easement.

- (i) GRANTEE shall procure and maintain in effect during the full term of this easement a policy or policies of commercial general liability insurance in such forms as TVA may approve in the minimum amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000,00) per occurrence for bodily injury and property damage combined single limits, under which the UNITED STATES OF AMERICA. TVA, and their respective agents, servants, and employees shall be named as additional insured, as their interests may appear, and insuring against any and all claims, demands, damages. actions, causes of action, costs, and charges to which they or any of them may be subject resulting from or in any way connected with the condition or use of the Easement Area. The policy or policies shall be written by insurance company or companies which shall be rated A or better by A.M. Best Company and are licensed to do business in Tennessee, or are an accepted surplus lines carrier. The insurance carrier or carriers and form of policies shall be subject to TVA's acceptance. A certificate of insurance evidencing such policy or policies shall be delivered to TVA by GRANTEE in advance of the commencement of operations by GRANTEE hereunder. If GRANTEE shall be in default in procuring or maintaining such insurance, TVA may procure such insurance, in which event the premium or premiums therefore shall be paid by GRANTEE within thirty (30) days after receipt of TVA's invoice therefore. TVA accepts GRANTEE as self-insured. However, GRANTEE agrees that nothing diminishes its responsibilities to TVA that would have otherwise been covered by insurance if GRANTEE was not self-insured.
- 4. Neither this easement nor any interest herein may be assigned, transferred, or conveyed by GRANTEE, in whole or in part, nor may the Easement Area or any portion of it be leased, nor may use or control of the Easement Area or any portion of it be granted by license, permit, or other agreement, unless GRANTEE has secured written permission from TVA prior to such assignment, transfer, conveyance, lease, license, permit, or agreement. Any such assignment, transfer, conveyance, lease, license, permit, or agreement granted or issued by GRANTEE without first obtaining the written consent of TVA shall be void and of no effect.
- 5. GRANTOR makes no warranties or representations to GRANTEE or any other party, either express or implied, as to the adequacy, condition, safety, reliability, merchantability, suitability, or adaptability of the property for the purposes herein granted, or any means of access to or egress from the property provided or made available by this easement grant.
- 6. It is expressly understood and agreed that neither GRANTEE nor TVA will be considered the agent of the other for any purpose under this grant. The UNITED STATES OF AMERICA, TVA, and their agents and employees undertake no obligation or duty (in tort, contract, strict liability, or otherwise) to GRANTEE, or any other party for any damages to property (real or personal) or personal injuries (including death) arising out of or in any way connected with the acts or omissions of GRANTEE or any other persons.
- 7. GRANTOR reserves the right to maintain any existing boundary and traverse monuments and silt range stations upon the Easement Area.
- 8. GRANTOR, as fee owner, expressly reserves for itself, TVA, their successors, and assigns, the right to enter the Easement Area at any time and from time to time and to erect, maintain, repair, rebuild, operate, and patrol as many lines of poles or transmission line structures as GRANTOR deems necessary or useful for electric power transmission purposes, with sufficient wires and cables for electric power circuits and communication circuits, and all necessary appurtenances in, on, over, and across said Easement Area, together with the right to clear said Easement Area and keep same clear of brush, trees, buildings, and fire hazards; to destroy or otherwise dispose of such trees and brush; and to remove, destroy, or otherwise dispose of any

trees, which in falling could come within ten (10) feet of any transmission line structure, conductor, or appurtenances thereto.

- 9. No waiver of any breach or default under this easement shall be held to be a waiver of any other breach or default. All remedies under this easement, including TVA's right to terminate under Section 2, shall be in addition to every other remedy provided herein or by law.
- 10. Each of the parties shall, at the request of the other, execute and deliver all such other further assurances, contracts, instruments, and documents as may be reasonably necessary, desirable, or proper to effectuate the provisions and the intents and purposes of this easement.

This grant is made subject to such rights as may be vested in third parties to rights-of-way for power lines, telephone lines, and public roads. This grant is also made subject to easements for road purposes conveyed to Roane County, Tennessee (TVA Tract No. XESPK-23H and TVA Contract Nos. TV-51616 and TV-43991A), a conveyance of easement rights for a water supply line to Roane County, Tennessee (TVA Contract No. TV-60556), and a conveyance of easement rights for sewer lines to the City of Harriman (TVA Tract Nos. XESPRR-3S and XWBR-636S), copies of which may be found in the land records of TVA. This grant is also made subject to a sewer line easement to the Harriman Utility Board (XTWBR-152U) and a water line easement to the City of Kingston (XTESPK-1W) that will be conveyed simultaneously with this grant.

Any reference in this grant of easement to the term "GRANTEE" will be deemed to include their respective successors and assigns.

TO HAVE AND TO HOLD said permanent easement unto GRANTEE, its successors, and assigns, forever; subject, however to the conditions set forth herein, and provided.

And TVA does hereby covenant that the UNITED STATES OF AMERICA is seized and possessed of the Easement Area; that TVA as legal agent of the UNITED STATES OF AMERICA is duly authorized to convey the easement in, on, over, across, upon, through, or under the same; that said land is free and clear of liens and encumbrances; and that, subject to the conditions, reservations, restrictions, exceptions and/or limitations contained herein, it will warrant and defend the title thereto against the lawful demands of all persons claiming by, through, or under the UNITED STATES OF AMERICA, but not further or otherwise.

IN WITNESS WHEREOF, the TENNESSEE VALLEY AUTHORITY, acting herein as legal agent of the UNITED STATES OF AMERICA, and being duly authorized to do so, has caused this instrument to be executed, in the name of the UNITED STATES OF AMERICA, by its authorized officer, this the day of December, 2015.

UNITED STATES OF AMERICA
By TENNESSEE VALLEY AUTHORITY,

its legal agent

ARON B. NI

Senior Manager, Realty and GIS

Services

STATE OF TENNESSEE) SS COUNTY OF HAMILTON)

On the May of December, 2015, before me appeared AARON B. NIX to me personally known, who, being by me duly sworn, did say that he is the Senior Manager, Realty and GIS Services of the TENNESSEE VALLEY AUTHORITY, a corporation; and that said instrument was signed and delivered on behalf of said corporation, by authority of its Board of Directors, and as legal agent for the UNITED STATES OF AMERICA; and said AARON B. NIX acknowledged said instrument to be the free act and deed of the UNITED STATES OF AMERICA, as principal, and the TENNESSEE VALLEY AUTHORITY, as its agent.

WITNESS my hand in Chattanooga, Tennessee, the day and year aforesaid.

NOTARY PUBLIC

My Commission Expires: D4-09-2019



The name and address of the owner of the aforedescribed easement is:

EASEMENT OWNER:

Harriman Utility Board 300 North Roane Street Harriman, Tennessee 37748 (865) 882-3242

The name and address of the legal owner is:

OWNER:

United States of America Tennessee Valley Authority c/o Realty, GIS and Land Records 1101 Market Street, BR 4B Chattanooga, Tennessee 37402-2801

(888) 817-5201

[Tax Exempt--

T.C.A. Sec. 67-5-203(a)(1)]



AFFIDAVIT OF VALUE

STATE OF TENNESSEE)) SS
COUNTY OF HARRIMAN)
State of Tennessee and hereby s	ers this instrument for recording within the meaning of the statutes of the wears and affirms that the Grantee is exempt from payment of the essee Code Annotated, Section 67-5-203 (a)(1).
	- Boll Affrant
Sworn to and subscribed be	efore me this 10th day of November 2015. 2016
Title My Commission Expires: 710	Director of HER TENNESSEE NOTARY PUBLIC NOTARY PUBLIC NOTARY PUBLIC NOTARY

Tax Parcels:

EXHIBIT A WATTS BAR RESERVOIR LAND CONVEYANCE

Parcel 1

Parcel of land lying in the First Civil District of Roane County, State of Tennessee, being on the Kingston Plant Reservation, as shown on US-TVA Drawing No. 36 MS 422 K 513-1 (D) R0, and 36 MS 422 K 513-2 (D0) R0, and being more particularly described as follows:

Commencing at TVA monument 47-1 found in the US-TVA Kingston Plant Reservation boundary line (Coordinates: N. 555734.1, E. 2438451.9); thence S04°22'45"W, 317.87 feet to a point in the southwest corner of a proposed 20-foot permanent water and gas easement; said point being the point of beginning; thence leaving said point of beginning N02°55'13"W, 47.21 feet to a point; thence N21°12'12"E, 23.61 feet to a point; thence N17°26'19"E, 36.03 feet to a point; thence N05°36'02"E, 40.60 feet to a point; thence N18°12'38"E, 180.67 feet to a point; thence N23°46'21"E, 148.42 feet to a point; thence N29°04'55"E, 218.50 feet to a point; thence N25°58'34"E, 202.33 feet to a point; thence N28°04'06"E, 190.12 feet to a point; thence N35°50'35"E, 144.02 feet to a point; thence N43°39'04"E, 163.57 feet to a point; thence N46°22'38"E, 123.96 feet to a point; thence N47°31'23"E, 248.88 feet to a point; thence N47°17'41"E, 138.72 feet to a point; thence N48°12'22"E, 222.81 feet to a point; thence N37°20'38"E a distance of 169.84 feet to a point; thence N40°09'15"E, 146.07 feet to a point; thence N33°18'04"E, 107.73 feet to a point; thence N28°19'11"E, 106.29 feet to a point; thence N13°59'36"E, 22.65 feet to a point; thence N08°33'02"E, 20.82 feet to a point; thence N01°05'11"E, 29.33 feet to a point; thence N04°58'38"W, 103.46 feet to a point; thence N24°03'41"W, 77.65 feet to a point; thence N34°12'03"W, 129.15 feet to a point; thence N47°53'01"W, 81.22 feet to a point; thence N39°39'13"W, 25.21 feet to a point; thence N19°27'55"W, 121.18 feet to a point; thence N19°12'43"W, 2.80 feet to a point; thence N28°59'50"W, 4.86 feet to a point; thence N41°26'15"W, 7.69 feet to a point; thence N41°26'15"W, 126.16 feet to a point; thence N11°51'17"W, 328.48 feet to a point; thence N11°17'32"W, 147.96 feet to a point; thence N17°18'19"E, 28.21 feet to a point in the western edge of the existing Swan Pond Road right-of-way; thence coincident with said right-of-way, S19°11'10"E, 46.91 feet to a point; thence leaving said right-of-way, S11°08'44"E, 126.49 feet to a point; thence N79°23'01"E, 14.35 feet to a point in the western edge of the existing Swan Pond Road right-of-way; thence coincident with the said right-of-way, S16°12'47"E, 25.12 feet to a point; thence leaving said right-of-way, S79°23'01"W, 10.88 feet to a point; thence S11°51'17"E, 296.33 feet to a point; thence S41°26'15"E, 119.56 feet to a point; thence S41°26'15"E, 10.41 feet to a point; thence S28°59'50"E, 9.73 feet to a point; thence S19°12'43"E, 4.88 feet to a point; thence S19°27'55"E, 116.67 feet to a point; thence S39°39'13"E, 18.96 feet to a point; thence S47°53'01"E, 82.36 feet to a point; thence S34°28'12"E, 127.90 feet to a point; thence S28°13'37"E, 7.85 feet to a point; thence S24°03'41"E, 82.76 feet to a point; thence S04°58'38"E, 108.98 feet to a point; thence S01°05'11"W, 32.28 feet to a point; thence S08°33'02"W, 23.64 feet to a point; thence S13°59'36"W, 26.98 feet to a point; thence S28°19'11"W, 110.52 feet to a point; thence S33°18'04"W, 110.31 feet to a point; thence S40°09'15"W, 146.96 feet to a point; thence S37°20'38"W, 171.61 feet to a point; thence S48°12'22"W, 224.99 feet to a point; thence S47°17'41"W, 138.57 feet to a point; thence S47°31'23"W, 248.68 feet to a point; thence S46°22'38"W, 123.11 feet to a point; thence S43°39'04"W, 161.27 feet to a point; thence S35°50'35"W, 140.62 feet to a point; thence S28°04'06"W, 187.96 feet to a point; thence S25°58'34"W, 202.56 feet to a point; thence S29°04'55"W, 218.02 feet to a point; thence S23°46'21"W, 146.04 feet to a point; thence S18°12'38"W, 176.69 feet to a point; thence S05°36'02"W, 40.51 feet to a point; thence S17°48'23"W, 42.06 feet to a point; thence S25°56'30"W, 13.76 feet to a point; thence S02°31'58"E, 1.66 feet to a point in the western edge of the existing Swan Pond Road right-of-way; thence with said right-of-way, S30°11'34"W, 29.54 feet to a point; thence S22°43'29"W, 20.43 feet to the point of beginning and containing 2.212 acres, more or less.

Parcel 2

Parcel of land lying in the First Civil District of Roane County, State of Tennessee, being on the Kingston Plant Reservation, as shown on US-TVA Drawing No. 36 MS 422 K 513-2 (D0) R0, and being more particularly described as follows:

Commencing at a TVA monument 39-141 found in the US-TVA Kingston Plant Reservation boundary line (Coordinates: N558652.1, E. 2439036.9); thence S72°11'16"E, 642.30 feet to a point in the southeast corner of a proposed permanent water and gas easement with varying width; said point being in the northern edge of the existing Swan Pond Circle Road right-of-way and being the point of beginning; thence leaving said point of beginning and running coincident with said right-of-way S86°44'32"W, 22.40 feet to a point in the eastern edge of the existing Swan Pond Road right-of-way; thence running coincident with the said right-of-way N15°50'05"W a distance of 29.63 feet to a point; thence leaving said right-of-way S48°11'19"E, 40.85 feet to the point of beginning and containing 0.007 acre, more or less.

Positions of corners and directions of lines are referred to the Tennessee State Coordinate System and NAD 27 Horizontal Datum.

This description was prepared from the aforementioned US-TVA Drawing No. 36 MS 422 K 513-1 (D) R0, 36 MS 422 K 513-2 (D) R0, and a survey dated 02/21/2012.

The previous and last conveyances of this property are deeds of record in Book P-5, page 167, Book P-5, page 225, Book U-5, page 369, and Book Z-6, page 535, in the office of the Register of Roane County, Tennessee.

AJ Monsees, RLS Tennessee Valley Authority MR 4B-C Chattanooga, TN 37402 TN License No. 1843





