

V-F

ELECTRIC SPECULATIVE DEVELOPMENT AGREEMENT

This agreement made and entered into on the day and date hereinafter set forth by and between the HARRIMAN UTILITY BOARD, an arm of the City of Harriman, Tennessee, party of the first part, hereinafter referred to as "Utility", and WENDELL TEDDER of Roane County, Tennessee, party of the second part, hereinafter referred to as "Subscriber".

WHEREAS, "Subscriber" has made application to "Utility" for electric service for Meadow Gate Farm Subdivision off Old Suddath Road, in Roane County, Tennessee, which is within the area served by "Utility", and

WHEREAS, "Utility" is agreeable to furnish such service according to the terms and conditions herein set forth.

NOW, THEREFORE, THIS AGREEMENT

WITNESSETH:

The terms and conditions of this agreement are as follows and are here agreed to by the parties hereto and made a part of this contract:

1. The "Subscriber" will pay to "Utility" the Sum of \$29,262.36, which is the total estimated cost of construction of electric facilities for the main distribution system of the subdivision development. (Note: The above figure does not include cost of services to individual houses. "Utility" will place pad mount transformer or stub up secondary connection at each lot. "Subscriber", or future property owners, will contract, and pay for, all trenching and installation of conduit and cable from this point to the house according to "Utility's" specifications.) This estimated cost is based on material, labor and equipment calculated on rates in existence as of the estimate date. It is understood and agreed that the actual cost, at the time of construction, may vary from the estimate, in which case "Subscriber" will be billed, and agrees to pay, for cost overruns or "Utility" will refund any estimate payment above actual cost.

2. It is understood and agreed that no interest will be paid by "Utility" to "Subscriber" on any deposits made under this agreement.

3. Since there is no way of guaranteeing to "Utility" a return on its investment within a reasonable period, the aforementioned construction estimate will be required as a deposit in aid of construction, before work by "Utility" is commenced.

4. For purposes of rebates to the "Subscriber", the rebate period will begin on the date the "Utility" places the first meter to provide electric service within the development (at the request of "Subscriber" or any landowner or their contractor) and will run for a term of five (5) years, during which time "Subscriber" may obtain a whole or partial refund based on the following criteria:

a. When house (or houses) is (are) sold and/or occupied, "Subscriber" will be required to submit proof thereof.

b. "Subscriber" will present adequate verification of house size.

c. "Subscriber" will present adequate information showing whether the house is "all electric" or, conversely, if it will utilize some other fuel source for heating (such as natural gas, L.P. gas, fuel oil, wood, etc.)

5. The amount of refund will be determined by "Utility" based on expected revenue from that house (or those houses) during the remainder of the five (5) year contract period.

6. "Subscriber" may terminate this contract at any time before construction is actually commenced by notifying "Utility" in writing of its intent so to do. Upon such termination, "Subscriber's" deposit will be refunded less any amount already expended or obligated by "Utility".

Executed in duplicate originals on this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

HARRIMAN UTILITY BOARD

BY: \_\_\_\_\_  
Charles B. Flora  
General Manager

PARTY OF THE FIRST PART

BY: \_\_\_\_\_  
Wendell Tedder

PARTY OF THE SECOND PART

Rebate period begins on \_\_\_\_\_.

**HARRIMAN UTILITY BOARD  
CONSTRUCTION DEPOSIT REBATE SCHEDULE  
FOR ELECTRIC SPECULATIVE DEVELOPMENT  
AGREEMENTS**

**AMOUNT OF TIME LEFT ON 5 YEAR CONTRACT  
(ROUNDED UP TO NEAREST FULL YEAR)**

**ALL ELECTRIC HOMES**

<b>SIZE OF HOUSE (SQUARE FEET)</b>	<b>5 YEARS</b>	<b>4 YEARS</b>	<b>3 YEARS</b>	<b>2 YEARS</b>	<b>1 YEAR</b>
UNDER 1500	\$1,050	\$840	\$630	\$420	\$210
1500 to 2000	\$1,375	\$1,100	\$825	\$550	\$275
2001 to 2500	\$1,500	\$1,200	\$900	\$600	\$300
2501 to 3000	\$2,000	\$1,600	\$1,200	\$800	\$400
OVER 3000	\$4,500	\$3,600	\$2,700	\$1,800	\$900

**NON ALL ELECTRIC HOMES**

<b>SIZE OF HOUSE (SQUARE FEET)</b>	<b>5 YEARS</b>	<b>4 YEARS</b>	<b>3 YEARS</b>	<b>2 YEARS</b>	<b>1 YEAR</b>
UNDER 1500	\$350	\$280	\$210	\$140	\$70
1500 to 2000	\$458	\$367	\$275	\$183	\$92
2001 to 2500	\$500	\$400	\$300	\$200	\$100
2501 to 3000	\$667	\$533	\$400	\$267	\$133
OVER 3000	\$1,500	\$1,200	\$900	\$600	\$300