

## **Resolution No. 25-08**

### **A RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM THE TENNESSEE ENERGY ACQUISITION CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A GAS SUPPLY AGREEMENT RELATING TO SAID PURCHASE; CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE GAS SUPPLY AGREEMENT IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE TENNESSEE ENERGY ACQUISITION CORPORATION; AND FOR RELATED PURPOSES**

WHEREAS, The Tennessee Energy Acquisition Corporation (“TEAC”) is an energy acquisition corporation formed pursuant to the provisions of Title 7, Chapter 39, Tennessee Code Annotated (the “Act”), a public corporation, and an instrumentality of certain municipalities and the State of Tennessee; and

WHEREAS, TEAC was formed, among other reasons, for the purpose of acquiring, financing, and managing supplies of natural gas for sale to the Associated Municipalities (as defined in the Act) of TEAC and for the purpose of exercising all power conferred upon energy acquisition corporations under the Act, including selling gas to other public gas and electric utilities and joint action agencies located inside and outside the State of Tennessee in the best interest of TEAC and the Associated Municipalities; and

WHEREAS, TEAC has acquired long-term natural gas supplies from J. Aron & Company LLC (“J. Aron”), pursuant to a Prepaid Natural Gas Sales Agreement (the “Prepaid Agreement”), dated as of August 14, 2018, for resale to certain other public gas distribution systems and joint action agencies that elected to contract with TEAC (the “Project Participants”) for a portion of the gas purchased from J. Aron (the “Prepaid Project”); and

WHEREAS, in order to fund the prepayment of gas supplies in connection with the Prepaid Project, TEAC issued its Gas Project Revenue Bonds, Series 2018A (the “Series 2018 A Bonds”); and

WHEREAS, the Prepaid Project provides for the periodic re-calculation of the economics and restructuring of the transaction for Reset Periods subsequent to the Initial Rate Period; and

WHEREAS, the Initial Rate Period expires on September 30, 2025 and TEAC is in discussions with J. Aron regarding the optimal approach to structuring the refunding of the Series 2018 A Bonds and is considering different options for the Reset Period including the addition of new Project Participants and the novation by J. Aron of its right, title and interest in the Prepaid Agreement to a transaction-specific Delaware limited liability company set up by J. Aron & Company (“Prepay LLC”), each to effective as of the refunding of the Series 2018 A Bonds; and

WHEREAS, the City of Ridgetop, Tennessee (“Ridgetop”) is one of the Associated Municipalities of TEAC; and

WHEREAS, Ridgetop was not an original Project Participant in the Prepaid Project, but has been offered the ability to become (i) a Project Participant effective as of the refunding of the Series 2018 A Bonds and the establishment of a new Reset Period for the Prepaid Project; or (ii) become a Project Participant in a subsequent prepaid transaction organized by TEAC and financed through the issuance of additional Gas Project Revenue Bonds (the “Subsequent Prepaid Project”); and

WHEREAS, the Board of Mayor and Alderman of Ridgetop (the “Governing Body”) has determined that it is in the best interest of its members and the customers they serve that Ridgetop purchase specified quantities of natural gas to meet a portion of its annual natural gas requirements from TEAC as a Project Participant in the Prepaid Project or Subsequent Prepaid Project and, in each case, pursuant to a Gas Supply Agreement to be entered into by TEAC and

Ridgetop, more fully described herein (the “Supply Agreement”), the form of which is attached to this Resolution; and

WHEREAS, for the purpose of providing funds to refund the 2018 Series A Bonds, purchase gas additional supplies for resale to the Project Participants, and to finance other costs of the Prepaid Project, it will be necessary for TEAC to issue and sell its Gas Project Refunding Bonds, Series 2025 A Bonds or such other series of bonds used to fund the acquisition of gas supplies for the Subsequent Prepaid Project (the “Bonds”) and pledge to the payment of principal and interest on the Bonds certain assets and revenues of TEAC, including the Supply Agreement between TEAC and Ridgetop and certain amounts payable by Ridgetop thereunder; and

WHEREAS, Ridgetop shall have no obligation or liability with respect to the Bonds, and Ridgetop’s only obligations relating to the Prepaid Project shall be as set forth in the Supply Agreement; and

WHEREAS, in order to authorize the purchase of natural gas from TEAC and the execution of the Supply Agreement, to consent to the pledge of the Supply Agreement and certain amounts payable thereunder to secure the Bonds, and to authorize the taking of such other necessary and appropriate action in furtherance of the above described program, the Governing Body adopts this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Ridgetop as follows:

1. Ridgetop shall purchase from TEAC on each day in each month for the term of the Supply Agreement a specified quantity of natural gas to meet a portion of Ridgetop’s natural gas requirements as the Authorized Officer (as defined below) shall determine, in consultation with the Governing Body, pursuant to and substantially in accordance with the terms of the

Supply Agreement as submitted to the Governing Body at this meeting and attached to this Resolution, and the officers, employees and agents of Ridgetop are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Supply Agreement.

2. The Supply Agreement shall be in substantially the form submitted, which is hereby approved, with such completions, deletions, insertions, and changes as may be approved by the officers executing said Agreement, their execution to constitute conclusive evidence of their approval of any such completions, deletions, insertions and changes; provided, however, that the Supply Agreement shall provide for a Delivery Period of no longer than 366 months, shall provide for a natural gas purchase obligation not to exceed an average of [100] MMBtu per day, and shall provide for a minimum projected discount to market prices, taking monthly and projected annual savings into account, of 35 cents per MMBtu for the Initial Reset Period (as defined in the Supply Agreement); and in each Reset Period thereafter, not less than 20 cents per MMBtu in each Reset Period after the Initial Rate Period, and in each case prior to the application of any Supply Administration Charge that may be assessed by TEAC pursuant to the Supply Agreement. The Mayor of Ridgetop (the "Authorized Officer"), with the advice of counsel, is hereby authorized and directed to execute, and the City Clerk of Ridgetop or any other official of Ridgetop (the "Attesting Officer"), is hereby authorized to attest, if indicated, the Supply Agreement and to deliver the Supply Agreement on behalf of and as an act of Ridgetop. Execution of such documents as herein provided shall be conclusive evidence of the approval of any changes, insertions or deletions as herein provided. The Authorized Officer and the Attesting Officer are each hereby authorized and directed to deliver such certificates and to

make such representations and warranties, and legal counsel to Ridgetop is hereby authorized and directed to deliver such legal opinions on behalf of Ridgetop, in each case as shall be necessary in connection with the Supply Agreement and the transactions contemplated thereby.

3. The issuance of Bonds by TEAC for the purposes hereinabove set forth is hereby recognized by the Governing Body, and the Governing Body hereby consents to the assignment and pledge of all TEAC's right, title and interest under the Supply Agreement, including the right to receive payment and performance by Ridgetop of its obligations thereunder, to secure the payment of principal of and interest on the Bonds.

4. The Bonds are not obligations of Ridgetop but are limited obligations of TEAC payable solely from the revenues and receipts arising from the sale of gas to the Prepaid Project Participants and the other revenues of the Prepaid Project. By recognizing the issuance of the Bonds and consenting to the pledge and assignment of the Supply Agreement, Ridgetop is not incurring any obligation or liability with respect to the Bonds, and the obligations of Ridgetop authorized pursuant to this Resolution are limited to the purchase of natural gas and the performance of its obligations as set forth in the Supply Agreement.

5. The Authorized Officer and legal counsel are hereby authorized and directed to cooperate with TEAC and its agents and representatives in the preparation of information with respect to Ridgetop, its finances and operations for inclusion in preliminary and final official statements for the Bonds.

6. The Governing Body hereby covenants and agrees that Ridgetop will cooperate with TEAC in the discharge of TEAC's obligations to provide annual financial and operating information and material event notices for the Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Authorized Officer and legal counsel are hereby

authorized and directed to provide such continuing information with respect to Ridgetop, its finances and operations during the term of the Supply Agreement as shall be requested by TEAC in order to comply with such Rule.

7. All acts and doings of the officers or employees of Ridgetop or any other agent or representative of Ridgetop which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution, delivery and performance under the Supply Agreement, and in furtherance of the issuance and sale of the Bonds, shall be and the same hereby are in all respects approved and confirmed.

8. 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.

9. All other resolutions or 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 17<sup>th</sup> day of June, 2025.

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Mayor of Ridgetop

I, Kelly Rider, do hereby certify that I am the duly qualified and acting City Recorder of the City of Ridgetop, Tennessee and as such official I further certify that the foregoing is a true and correct copy of a resolution adopted by the Governing Body at a meeting, a quorum being present and acting throughout, held on June 17, 2025.

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City Recorder of Ridgetop

ATTACHMENT A

Form of Gas Supply Agreement