

# TENNESSEE REGULATORY AUTHORITY

## PUBLIC UTILITY SERVICE PROVIDER'S SURETY BOND

Bond #: 1119014

**WHEREAS, King's Chapel Capacity, LLC** ("Principal") is a wastewater public utility and holds a Certificate of Public Convenience and Necessity ("CCN") granted by the Tennessee Regulatory Authority, an agency of the State of Tennessee, for the provision of wastewater utility services in Tennessee; and

**WHEREAS**, under the provisions of Title 65, Chapter 4, Section 201(e), as amended, and Tenn. Comp. R. & Regs. Chapter 1220-4-13, the principal is required to file this bond to secure the payment of any monetary obligations under T.C.A. § 65-4-201(e) for the purpose of ensuring the proper operation and maintenance of the public utility or project; and

**WHEREAS, Lexon Insurance Company** ("Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in Tennessee pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 201 of the Tennessee Code Annotated and Tenn. Comp. R. & Regs. Chapter 1220-4-13;

**NOW THEREFORE, BE IT KNOWN**, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 201(e) and Tenn. Comp. R. & Regs. Chapter 1220-4-13 in the full amount of lawful money of the United States of America to be used for the full and prompt payment of any monetary obligation imposed against the Principal, its representatives, successors or assigns, in any proceeding brought under T.C.A. §65-4-201(e) or Tenn. Comp. R. & Regs. Chapter 1220-4-13, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on March 14, 2016 and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed **Eighty-Six Thousand - - - - -00/100 (\$86,000.00)**. The Surety may cancel this bond by giving sixty (60) days advance written notice of such cancellation to the Tennessee Regulatory Authority and the Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

### PRINCIPAL:

**King's Chapel Capacity, LLC**

Name of Wastewater Public Utility  
4980 Meadowbrook Blvd.  
Arrington, TN 37014

Address of Principal

SIGNATURE OF PRINCIPAL

Name:

Title:

### SURETY:

**Lexon Insurance Company**  
10002 Shelbyville Road, Suite 100  
Louisville, KY 40223

Address of Surety

SIGNATURE OF SURETY AGENT

Name: Deborah Neichter

Title: Attorney-in-Fact

Address of Surety Agent:

Smith Manus  
2307 River Road, Suite 200  
Louisville, KY 40206

**THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 201, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AND TENN. COMP. R. & REGS. CHAPTER 1220-4-13. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)**

## ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

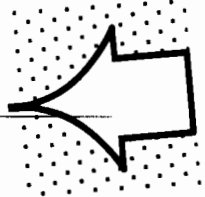
Before me, a Notary Public of the State and County aforesaid, personally appeared \_\_\_\_\_ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of \_\_\_\_\_, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires:

\_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Notary Public



NOTARIZE

## ACKNOWLEDGMENT OF SURETY

STATE OF Kentucky

COUNTY OF Jefferson

Before me, a Notary Public of the State and County aforesaid, personally appeared **Deborah Neichter** with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of **Lexon Insurance Company** the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 3<sup>rd</sup> day of March, 2016.

My Commission Expires:

June 28, 2016

Barbara Duncan, Notary Public

## APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name:

Title:

## POWER OF ATTORNEY

LX- 264092

## Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Barbara Duncan, Sandra L. Fusinetti, Mark A. Guidry, Jill Kemp, Lynnette Long, Amy Meredith, Deborah Neichter, Jessica Nowlin, Theresa Pickerrell, Sheryon Quinn, Bonnie J. Wortham, Beth Frymire its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1<sup>st</sup> day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$5,000,000.00, Five Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

*David E. Campbell*  
David E. Campbell  
President

## ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR  
Notary Public- State of Tennessee  
Davidson County  
My Commission Expires 07-08-19

BY

*Amy Taylor*  
Amy Taylor  
Notary Public

## CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 14<sup>th</sup> Day of March, 2016.



BY

*Andrew Smith*  
Andrew Smith  
Assistant Secretary

**"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."**