

**TENNESSEE VALLEY AUTHORITY  
NOTICE OF PUBLIC AUCTION**

**CHATUGE RESERVOIR  
TVA TRACT NO. XCHR-79SS**

WHEREAS, in accordance with Section 31 of the Tennessee Valley Authority ("TVA") Act of 1933, as amended, the TVA Board of Directors, through its designee, the Chief Executive Officer of TVA, has approved the sale of a tract of land to be used for electrical power substation purposes only, containing approximately 1.354 acres, more or less, located on Chatuge Reservoir along U.S. Highway 76, in Towns County, Georgia, specifically described in Exhibit B and shown on Exhibit C, both of which are attached hereto and made a part hereof, and identified in TVA land records as TVA Tract No. XCHR-79SS (the "Property");

NOW, THEREFORE, notice is hereby given that TVA, as legal agent of the United States of America, will sell the Property at public auction in accordance with the Terms of Public Auction contained in Exhibit A, which is attached hereto and made a part hereof.

The auction will be held in the Grand Jury Room, second floor, at the Towns County Courthouse on August 20, 2009, at 11:00 a.m. EDT.

The Property will be sold to the qualified bidder offering the highest bid for cash (checks accepted).

The successful bidder will be required to invest a minimum of \$2,000,000 on the land in support of electrical power substation use within one (1) year of the date of transfer.

In order to qualify to bid, TVA must receive from each prospective bidder no later than 12 noon EDT on August 18, 2009, (1) a letter of intent to bid and (2) credentials, satisfactory to TVA in its sole discretion, evidencing the ability of the prospective bidder to close the sale. The letter of intent to bid and credentials must be sent by United States certified mail or by a recognized overnight courier service that provides a receipt of delivery. Prospective bidders who fail to qualify will be notified prior to the auction.

The Property will be conveyed by Special Warranty Deed subject to such terms and conditions, covenants, restrictions, reservations, exceptions, and/or limitations as are specifically set forth in said Exhibit A and as may be announced on the day of the auction. The successful bidder will have the option of acquiring from TVA, upon written notification, and subject to such terms and conditions, covenants, restrictions, reservations, exceptions, and/or limitations set forth by TVA, an easement for transmission line purposes only, and containing 0.159 acre, more or less (TVA Tract No. XCHR-80E). The easement for transmission line purposes would be required to support the subject electrical substation site.

Signed this 20<sup>th</sup> day of July, 2009.

TENNESSEE VALLEY AUTHORITY  
legal agent of the  
UNITED STATES OF AMERICA

  
\_\_\_\_\_  
DAISY A. SNIPES, Manager, Realty Services

The Notice of Public Auction can be obtained from the TVA website at [www.tva.gov/surplus/realestate.htm](http://www.tva.gov/surplus/realestate.htm). For further information regarding the sale and bid requirements, to inspect the Property, or to submit bid qualifications, contact: Leonard L. McCurdy, TVA Realty Services, SP3L-C, 1101 Market Street, Chattanooga, TN 37402-2801. Telephone: 423.751.2006 or Toll Free: 1.888.817.5201 Fax: 423.751.9167 E-mail: [llmccurdy@tva.gov](mailto:llmccurdy@tva.gov)

**EXHIBIT A  
TO  
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**TERMS OF PUBLIC AUCTION**

In case of dispute, the decision of the auctioneer will govern. The Tennessee Valley Authority (sometimes hereinafter referred to as "TVA"), as legal agent of the United States of America (sometimes hereinafter collectively referred to as "Grantor"), reserves the right to terminate, cancel, and/or postpone the auction at any time and reserves the right to reject any and all bids.

In the absence of a dispute requiring the decision of the auctioneer, the sale is final and after the auction there will be no opportunity to raise the bid as permitted in court sales.

**The minimum acceptable bid is \$177,257.**

The Property will be sold to the highest qualified bidder for cash (checks accepted).

On the day of the auction, the successful bidder (sometimes hereinafter referred to as "Purchaser" and sometimes hereinafter referred to as the "Grantee") must make settlement with the clerk of the sale and sign an agreement of purchase and sale.

The Purchaser will be required to make full payment of the purchase price on the day of the sale. Personal and business checks are accepted.

In the event the high bidder is unable to make the payment required hereunder, the Property may be re-auctioned at TVA's sole option.

Fraudulent bidders may be subject to prosecution under applicable federal statutes.

The acreage is believed to be correctly stated; however, the tract is not sold on an acreage basis and no warranty as to acreage is made.

The conveyance document will be delivered to the Purchaser within ten (10) days of the date of the auction.

The deed will contain special warranties of title. Title to the land was examined by TVA prior to purchase and is believed to be good, but no further warranties or insurance will be furnished by TVA. The land is sold "AS IS, WHERE IS" with no representations or warranties of any kind.

TVA does not represent that the Property will be acceptable as security for loans of money or that it will not be rendered unacceptable as such security by reason of the deed provisions and restrictions applicable thereto. While TVA may have suggested or recommended in its advertising or otherwise what it believes to be the highest and best use of the Property, it does not represent or warrant that the same is safe or suitable in any respect for such use.

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CONTINUED**

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The Property was acquired by the United States of America by virtue of the following deed of record in the office of the Superior Court Clerk of Towns County, Georgia, as indicated: Warranty Deed from James F. Johnson, for TVA Tract No. CHR-414, dated November 26, 1941, of record in Deed Book S, page 396.

The Property will be conveyed subject to 1) such rights as may be vested in the County or State to U.S. Highway 76 (State Highway No. 2); 2) such rights as may be vested in third parties to telephone line right-of-way or power line right-of-way; 3) such rights of third parties as would be revealed by a physical inspection or survey of the premises; 4) such rights of third parties as would be revealed by an examination of the public records of Towns County, Georgia; and 5) any known or unknown encroachments located on the Property. TVA has knowledge of several existing encroachments, some of which are shown on Exhibit C.

Grantor will reserve the right to enter upon said land and do any and all things that TVA considers necessary and desirable in connection with its statutory program for river control and development. This right shall include, but not be limited to by reason of lack of specific enumeration, the right to permanently flood any portion of said land lying below the 1929-foot mean sea level contour elevation and the right to temporarily or intermittently flood any portion of said land lying below the 1931-foot mean sea level contour elevation, with backwater created by the erection and operation of any dam or dams across the Tennessee River and its tributaries; and to the extent that the Grantor shall not unreasonably interfere with the Grantee's operations upon said land, the right to clear, ditch, dredge, and drain said land and apply larvicides and chemicals thereon; and the right to carry on bank protection work, erect structures, and do any and all other things which TVA deems necessary or desirable in the promotion and furtherance of public health, flood control, and navigation. Grantor in retaining the right to flood as referenced herein shall include those areas filled to or above the 1931-foot mean sea level contour elevation, and Grantee, for itself, its successors and assigns, covenants and agrees that neither the United States of America nor TVA shall be responsible for any damages incurred as a result thereof.

Grantor, its agents and assigns, shall not be liable for any loss or damage to the Property or any improvements located thereon due to erosion or soakage of the land as a result of wave action, fluctuation of water levels, or other causes.

Grantor will reserve the right to maintain any existing boundary and traverse monuments and silt range stations upon the Property.

Grantor will reserve the right to reenter and take possession of the Property, without repayment of the purchase price, if it is used for any other purpose than an electrical power substation.

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**CHATUGE RESERVOIR  
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Grantor shall have a right to repurchase the Property should the successful bidder/initial Grantee elect to sell the Property at any time in the future. The successful bidder/initial Grantee will notify TVA in writing in the event of a proposed future sale of the Property. If Grantor, TVA or their successors and assigns, should elect to purchase the Property, they would buy back the Property at the cost of \$100,000 plus an annual inflation rate determined at that time by the GDP implicit price deflator, unless otherwise mutually agreed by TVA and the Grantee, and would reenter and take possession of this Property, and any equipment thereon unless removed within 60 days, as if this conveyance had never been made.

Grantee, as a condition of the conveyance, will be required to invest a minimum of \$2,000,000 on the Property in support of electrical power substation use with one (1) year of the date of transfer. Grantee will furnish evidence of the investment in writing and to the satisfaction of TVA. In the event Grantee has not made said minimum investment within one (1) year from the date of the transfer, the Grantor, TVA, or their successors and assigns, may reenter and take possession of the Property as if this conveyance had never been made and without repayment of the purchase price.

Grantee, by acceptance of the special warranty deed, will covenant and agree on behalf of itself, its successors and assigns, that the following shall constitute real covenants which shall attach to and run with the land and shall be binding upon anyone who may hereafter come into ownership thereof, whether by purchase, devise, descent, or succession:

- (a) Use of said land shall be limited to electrical power substation purposes only.
- (b) Grantee shall control all emissions of pollutants that might be discharged 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 said land, 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 local statutes, ordinances, codes, or regulations, which includes but is not limited to Grantee complying with applicable requirements for the control of oil and hazardous substance spills and installation of secondary containment surrounding the substation site.
- (c) Grantee shall conduct all land-disturbing activities on said land in accordance with the best management practices as defined by Section 208 of the Clean Water Act and implementing regulations to control erosion and sedimentation so as to prevent adverse impact on water quality and related aquatic interests.
- (d) Grantee shall construct and maintain a vegetative screen of mixed evergreen and deciduous shrub species. Grantee would plant said shrub species at a twenty-five (25) foot minimum width around all sides of the substation. The shrubs would be at a minimum of 4.5 to 5 feet tall when planted with a mature height of ten (10) to twelve (12) feet. The shrubs would be planted with a maximum spacing of five (5) feet between each shrub. The vegetative screen shall have a one-hundred percent

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(100%) survival rate for one year. The shrubs shall not be planted within twenty (20) feet of the proposed substation gates.

- (e) Grantee will construct and install an eight (8)-foot high chain link fence with dark green slats around the substation site.
- (f) Grantee shall use lighting which should be fully shielded or should have internal low optics, such that no light is emitted from the fixture at angles above the horizontal.
- (g) If the successful bidder/initial Grantee elects to sell the Property at any time in the future, Grantor, TVA, or their successors and assigns, may pay Grantee the cost of this Property in the amount of \$100,000 plus an annual inflation rate determined at that time by the GDP implicit price deflator, unless otherwise mutually agreed to by TVA and the Grantee, and reenter and take possession of these interests in land as if this conveyance had never been made.
- (h) Grantee will not construct any structure or facility for which approval is required under 26a of the Tennessee Valley Authority Act of 1933, as amended, until plans for such structure or facility have been submitted to TVA and have been approved in writing in accordance with established procedures. Nothing in this instrument shall be construed as constituting or evidencing such approval by TVA.
- (i) Grantee shall invest a minimum of \$2,000,000 on the Property in support of electrical power substation use with one (1) year of the date of transfer. Grantee shall furnish evidence of the investment in writing and to the satisfaction of TVA.
- (j) Any other terms, conditions, and/or requirements TVA finds necessary to protect its statutory obligations, program requirements, and other interests.

EXHIBIT B  
CHATUGE RESERVOIR

A parcel of land lying in the Eighteenth Civil District of Towns County, State of Georgia, being on the Chatuge Reservation and Hiwassee River Mile 129.9R, as shown on US-TVA Drawing No. 17 MS 422 B 549(D) R.0 and being more particularly described as follows:

Commencing at a concrete monument (found) (Coordinates: N. 1,795,982.6 E. 628,312.8) on the US-TVA's Chatuge Reservoir boundary, being Corner No. 11-17 WC; thence leaving said US-TVA's boundary line N44°24'49"W, 69.09 feet to an angle iron (set) in the southwesterly right of way of Highway 76, being Corner No. 79SS-1 and the Point of Beginning.

Thence leaving the point of beginning and said right of way S89°47' 31"W, 245.10 feet to an angle iron (set), being Corner No. 79SS-2; thence N35°31'12"W, 223.98 feet to an angle iron (set), being Corner No. 79SS-3; thence N54°28'32"E, 199.98 feet to an angle iron (set) in the southwesterly right of way of Highway 76; thence with said right of way S35°31'26"E, 365.67 feet to the point of beginning and containing 1.354 acres.

Located on VTM Quad, MACEDONIA, TN. 160-NW.

Positions of corners and directions of lines are referred to the Georgia Mercator West Coordinate System and NAD 27 Horizontal Datum. The elevations for establishing the contours are based on NGVD 1929.

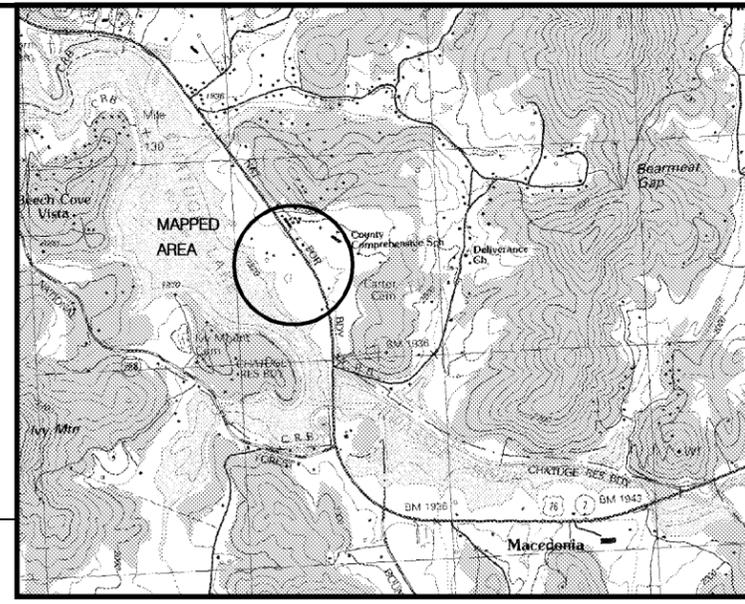
This description was prepared from Reservation Maps 17 MS 421 K 518-C-11, R.2, 17 MS 421 K 518-D-11R.0, and a survey dated March 10, 2008 by:

Tennessee Valley Authority  
MR 4B-C  
Chattanooga, TN 37402-2801

SURVEYED...TBK738...DATE...03-10-2008  
 COMPILED...CEB...DATE...06-15-2008  
 CHECKED...DPS...DATE...06-18-2008

XCHR-79SS  
 11-17 WC — N44° 24' 49"W-69.09' (Tie)  
 79SS-1 — S89° 47' 31"W-245.10'  
 79SS-2 — N35° 31' 12"W-223.98'  
 79SS-3 — N54° 28' 32"E-199.98'  
 79SS-4 — S35° 31' 26"E-365.67'  
 79SS-1 —

XCHR-80E  
 11-17 WC — N41° 11' 33"W-436.07' (Tie)  
 80E-1 — N31° 30' 05"W-336.77'  
 80E-2 — N58° 42' 45"E-8.80'  
 80E-3 — S35° 31' 26"E-335.30'  
 79SS-4 — S54° 28' 32"W-32.40'  
 80E-1 —



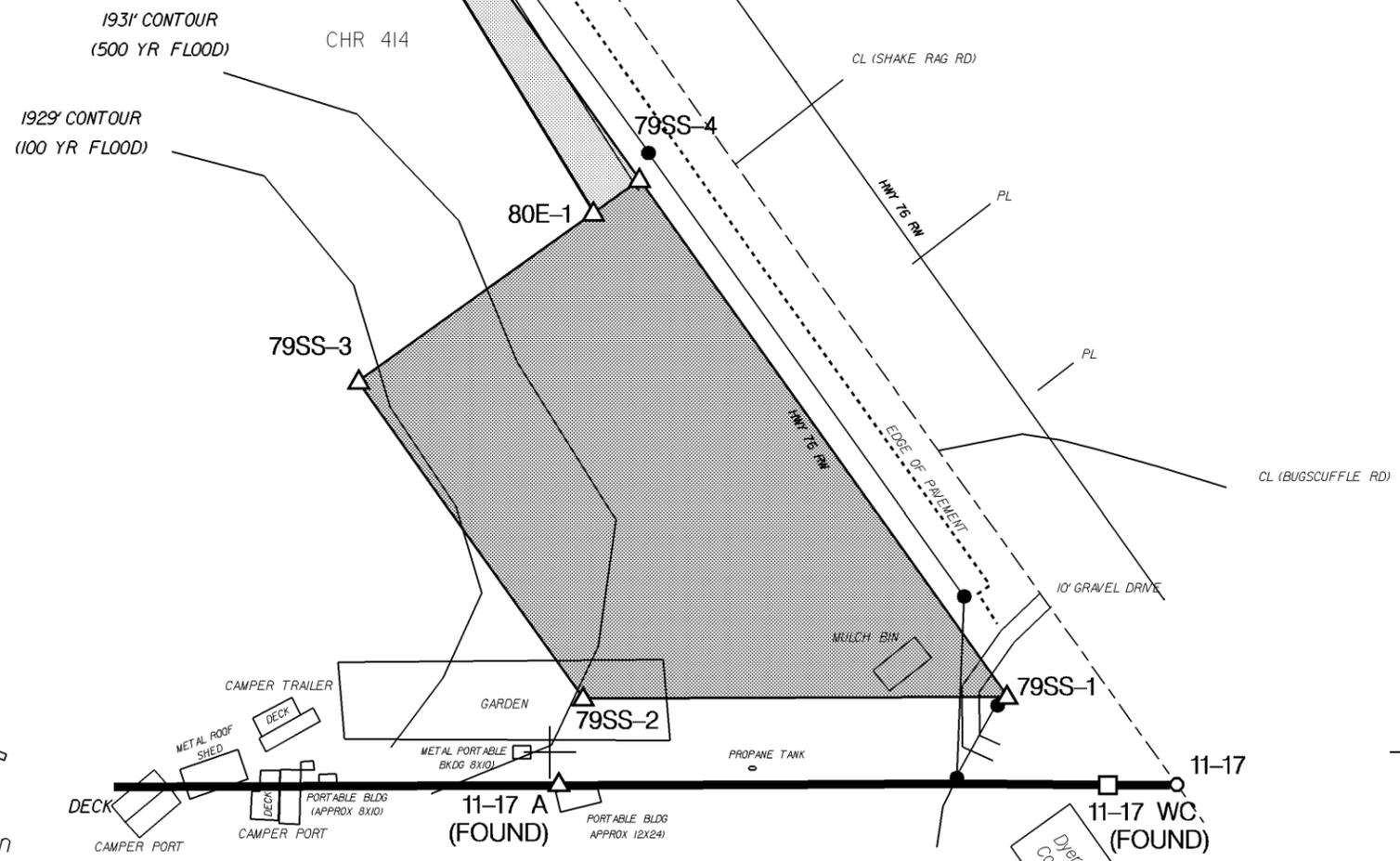
LOCATION MAP  
 1" = 3000'

XCHR-79SS  
 1.354 ± Ac.  
 XCHR-80E  
 0.159 ± Ac.

1,796,500  
 1,796,000

628,000 628,500

HIMASSEE RIVER



**LEGEND**

- △ Angle Iron
- Power Pole
- Point
- Corner as described
- Stamped Monument
- Reservation Boundary
- ▨ XCHR-80E
- ▨ XCHR-79SS

Located on VTM Quad MACEDONIA, TN. 160-NW.

Compiled from Reservation Maps 17 MS 421 K 518-C-II R.2,  
 17 MS 421 B 518-D-II R.O, and a survey dated 03-10-2008 by  
 TVA, Chattanooga, TN

Basis For Coordinates: 11-17 WC  
 Basis For Azimuth: 11-17 WC To 11-17A

11-17 WC { N. 1,795,982.6  
 E. 628,312.8



The positions of corners and directions of lines are referred to the Georgia Mercator West State Coordinate System and NAD 27 Horizontal Datum. The elevations for establishing the contours are based on NGVD 1929.

# Exhibit C

LAND CONVEYANCE	
LAND SALE	
TOWNS COUNTY, GEORGIA 18TH CIVIL DISTRICT	
CHATUGE RESERVOIR TENNESSEE VALLEY AUTHORITY SURVEYING SERVICES	
SCALE OF FEET 100 0 100	
CHATTANOOGA JAN 2008	17 MS 422 B 549(D) R.O DIGITAL NO. 17011001r0