

AGREEMENT

Effective upon full execution, this Agreement (the “Agreement”) is made and entered into by and among the Town of Mason, through its Mayor and Board of Aldermen (“the Town”); Emmitt Gooden, in his individual capacity (“Mayor Gooden”); and the Comptroller of the Treasury for the State of Tennessee, Jason Mumpower (the “Comptroller”).

WHEREAS, the Comptroller’s Office issued an Updated Corrective Action Plan to the Town on March 28, 2022, to address the finances of the Town of Mason; and

WHEREAS, the Town has indicated to the Comptroller’s Office that it has or will obtain the services of a qualified CPA firm and/or law firm to assist the Town with its finances as set forth in the Amended Corrective Action Plan among the parties; and

WHEREAS, the Town and Mayor Gooden have filed suit against the Comptroller in Davidson County Chancery Court, Docket No. 22-0407-II (the “Lawsuit”); and

WHEREAS, Town, Mayor Gooden, and the Comptroller desire to resolve, fully and finally, the Lawsuit and to work together to strengthen the financial condition of the Town; and

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual agreements and covenants set forth herein below and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference as if set forth in their entirety.
2. Amended Corrective Action Plan. The Town agrees to comply with each and every term set forth in the Amended Corrective Action Plan attached hereto as Attachment A, which is integrated and made part of this Agreement by reference. The Amended Corrective Action Plan shall supersede all previous corrective action plans issued by the Comptroller’s Office. The

Comptroller agrees that his Office will issue the Amended Corrective Action Plan upon the dismissal of the Lawsuit in accordance with this Agreement.

3. Voluntary Dismissal with Prejudice. Upon full execution of this Agreement, the Town and Mayor Gooden will immediately file the Notice of Voluntary Dismissal with Prejudice and the related Order, attached hereto as Attachment B. The Town and its representatives, in their official and personal capacities as applicable, for themselves and their successors, assigns, and any other persons acting or purporting to act on their behalf, agree to initiate no future legal actions arising out of or concerning the same circumstances underlying the Town's original or amended petition or Mayor Gooden's amended petition in the instant action and to irrevocably and unconditionally release and discharge the Comptroller, in his official and individual capacities, from any and all such legal actions.

4. Outstanding Court Costs. The Town and/or Mayor Gooden shall satisfy all outstanding court costs in the Lawsuit.

5. Attorneys' Fees and Expenses of Litigation. Each party shall bear its or his respective attorneys' fees and expenses of litigation incurred as a result of the Lawsuit, and no party shall seek an award of attorneys' fees and expenses of litigation from the Court.

6. Breach. If any party fails to comply with the terms of this Agreement or the Amended Corrective Action Plan, the other party or parties may pursue any recourse allowed by law.

7. Modifications. No change, alteration or modification of this Agreement shall be effective unless it is in writing signed by all parties or their successor(s)-in-interest. The Comptroller's Office retains the right to take additional and immediate action if it determines that the Town is no longer operating under a balanced budget, is operating outside its approved budget,

fails to meet its financial obligations, or if the Comptroller determines the Town's financial status has materially deteriorated. Nothing in this Agreement or the Amended Corrective Action Plan shall prevent the Comptroller's Office from engaging in the constitutional and statutory functions of its Office, including the investigation of fraud, waste, and abuse.

8. Further Assurances. The parties agree to execute and deliver, and to cause their respective counsel to execute and deliver, all such other instruments and documents, and to take all such other action as may legally be required or as any party hereto may reasonably request from time to time, without delay, to effectuate the resolution of the Lawsuit and the other obligations provided for in this Agreement. The parties shall cooperate fully with each other and their respective counsel in connection with any actions required to be taken as part of their respective obligations under this Agreement.

9. Miscellaneous.

(a) Nothing in this Agreement shall be construed as a policy statement of general applicability. This Agreement does not constitute a concession or agreement by either the Town, Mayor Gooden, or the Comptroller as to the correctness or applicability of any legal or factual contention of the other parties.

(b) This Agreement constitutes the entire Agreement and understanding of the parties concerning the subject matter hereof and supersedes and replaces all prior negotiations, proposed agreements, and all understandings, inducements, or conditions, express or implied, either written or oral, that are not contained herein concerning the subject matter of this Agreement.

(c) This Agreement may be executed in two or more original counterparts, each of which shall be deemed an original. An electronic signature shall be deemed an original for all purposes.


(d) All parties to this Agreement hereby represent and warrant that they have legal authority to enter into this Agreement with respect to the subject matter of this Agreement, that the person executing this Agreement on behalf of a party is authorized to do so, and that the Agreement shall be binding and enforceable when duly executed and delivered by all parties.

(e) This Agreement shall be binding upon and inure to the benefit of the parties and their respective or related departments, agencies, predecessors, successors, and assigns.

(f) This Agreement shall be governed by Tennessee law and shall be modified only in writing signed by the parties.


IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) reflected below.

Date: 5-2-22



TOWN OF MASON
By: Emmitt Gooden
Title: Mayor

Date: 5-2-22



EMMIT GOODEN, an individual

Date: _____

JASON MUMPOWER
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE

(d) All parties to this Agreement hereby represent and warrant that they have legal authority to enter into this Agreement with respect to the subject matter of this Agreement, that the person executing this Agreement on behalf of a party is authorized to do so, and that the Agreement shall be binding and enforceable when duly executed and delivered by all parties.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) reflected below.

Date: _____

TOWN OF MASON

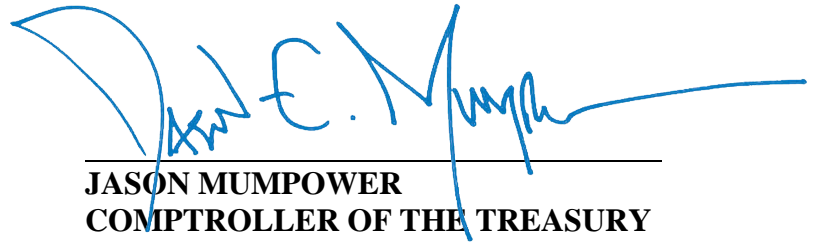
By: _____,

Title: _____

Date: _____

EMMIT GOODEN, an individual

Date: May 3, 2022



**JASON MUMPOWER
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

ATTACHMENT A



JASON E. MUMPOWER
Comptroller

_____, 2022

Honorable Emmitt Gooden, Mayor
and Honorable Board of Aldermen
Town of Mason
12157 Main Street
Mason, TN 38049

Dear Mayor Gooden and Members of the Board:

The Corrective Action Plan for the Town of Mason has been amended as agreed to by both the Town and the Comptroller's Office. The following Amended Corrective Action Plan memorializes that agreement:

1. The Town of Mason will repay the balance owed to the Town's Water and Sewer Fund, estimated by the Town to be \$248,656.00, within 48 months from May 20, 2022. This amount is subject to change when the fiscal year 2021 audit is released. Even if the fiscal year 2021 audit, or any subsequent audit, reveals that the balance the Town owes to its Water and Sewer Fund deviates significantly from the currently estimated \$248,656.00 amount, the Town must repay the audit-indicated amount within 48 months of May 20, 2022. There will be no penalties if this fund is reimbursed according to the schedule or prior to the lapse of 48 months.
2. Beginning May 20, 2022, and by the 20th of each month until the balance is paid in full, the Town's General Fund will pay the new minimum monthly payment amount of \$5,180.33 to the Water and Sewer Fund. The monthly payment must be made before any other expenditures can be made from the Town's General Fund. Payment may be made by ACH. A copy of the payment check must be sent via electronic mail to the Comptroller's Office the following day by 4:30pm central time.
3. The Town will immediately discontinue borrowing funds in any manner that violates Tenn. Code Ann. § 7-34-115 or any other provision of law or that is contrary to generally accepted accounting principles. For cash-flow purposes, the Town may continue utilizing the Water and Sewer Fund for payroll purposes but will immediately reimburse the fund the following month. This practice will not be considered a violation of Tenn. Code Ann. § 7-34-115. However, if the Town fails to immediately and completely reimburse the fund in the following month, the Town will have used the Water and Sewer Fund as a source of revenue in violation of § 7-34-115(a)(1) and will have breached this agreement.

4. This revised repayment plan is developed in accordance with Tenn. Code Ann. § 7-34-115, and any violation by the Town is a violation of law. Proof of payment must be submitted to the Comptroller's Office as described above until the debt is paid in full.
5. The Town must submit the following recurring items beginning May 9, 2022, and every month thereafter until the Town complies with subsection c:
 - a. A monthly spending form submitted to the Comptroller's office every month, starting May 9, 2022, for planned expenses for the current month. For all subsequent months, the spending plan shall be due to the Comptroller a week before the first business day of the month. The monthly spending form must include the following:
 - The Comptroller's designated Spending Form (Attached Excel File—Tabs 1 and 2 must be filled in). On Tab 1, please list all payroll expenses. On Tab 2, please list all planned non-payroll expenses over \$1,000.
 - Attestation Form (Attached Fillable PDF) completed by a licensed certified public accountant employed by the Town's CPA firm, which firm shall be mutually agreed upon by the Town and the Comptroller, certifying that the Town is currently operating under a balanced budget that reflects reasonably anticipated revenues and expenses. If an accountant with the CPA firm is unable, in good faith, to make such an attestation, the Town will be considered out of compliance with the terms of this Amended Corrective Action Plan. If the Town and the Comptroller are unable to mutually agree upon a qualified CPA firm to assist the Town under this part 5 by May 6, 2022, the Comptroller may appoint a qualified CPA firm. The Town shall be responsible for the compensation of the CPA firm. If the Town ceases to employ the mutually agreed upon or appointed CPA Firm, it shall immediately notify the Comptroller's Office of the change and the Town and the Comptroller shall mutually agree upon a new CPA firm, or the Comptroller may appoint one if the parties do not reach an agreement within thirty (30) days, who shall assume the responsibilities previously assigned to the former CPA Firm by this Amended Corrective Action Plan. If the Town ceases to employ a CPA firm, the Town will be deemed out of compliance with this Amended Corrective Action Plan and the Comptroller's office may require additional supporting documentation to be submitted by the Town on a weekly basis, including, but not limited to, the Comptroller's weekly expense approval form for every non-payroll expense over \$100.
 - b. Bank statements for every Town account (account numbers redacted) by the 10th of each month.
 - c. These recurring submission items must be followed until the fiscal year 2021 audit is filed with the Comptroller's Office and the fiscal year 2023 budget is approved. A balanced fiscal year 2023 budget must be submitted to the Comptroller's Office no later than July 31, 2022, and the fiscal year 2021 audit must be filed with the Comptroller's Office by August 31, 2022. The fiscal year 2023 budget cannot be approved until the 2021 audit is

filed. Once these milestones are accomplished, the Town will no longer be subject to heightened financial supervision pursuant to Tenn. Code Ann. § 9-21-403(c). However, the Town will still be subject to the requirements in parts 1-4 above. If the Town does not comply with the foregoing deadlines, it is deemed to be out of compliance with this Amended Corrective Action Plan.

6. The Town will utilize the services of a qualified CPA firm, which may but need not be the same firm provided for in part 5, and/or law firm mutually agreed upon by the Town and the Comptroller's Office, to expedite outstanding audits, assist with budgeting and support the Town of Mason going forward with periodic trainings and staff support. In addition, the Town shall engage said CPA firm and/or law firm to assist in developing policies and procedures to correct all outstanding audit findings and any subsequent findings in future audits. If the Town and the Comptroller are unable to mutually agree upon a qualified CPA firm and/or law firm to assist the Town under this part 6 by May 6, 2022, the Comptroller may appoint a qualified CPA firm and/or law firm. The Town shall be responsible for the compensation of the chosen CPA firm and/or law firm.

If either party fails to comply with the terms of this Amended Corrective Action Plan, either party may pursue any recourse allowed by law. Failure by the Town to maintain regular contact with the Comptroller's Office through scheduled calls or meetings will be considered a violation of this Amended Corrective Action Plan. The Comptroller's Office retains the right to take additional and immediate action if it determines that the Town is no longer operating under a balanced budget, is operating outside its approved budget, fails to meet its financial obligations, or if the Comptroller determines the Town's financial status has materially deteriorated. Nothing in this Amended Corrective Action Plan shall prevent the Comptroller's Office from engaging in the constitutional and statutory functions of its Office, including the investigation of fraud, waste, and abuse.

If you should have questions or need assistance, please continue to contact our Office. If requested, we are pleased to assist the Town in the creation of its fiscal year 2023 budget. We have also asked the Tennessee Municipal League and the Municipal Technical Advisory Service to provide assistance to the Town. We look forward to working with local officials to establish financial stability.

Very truly yours,

Betsy Knotts
Director of the Division of Local Government Finance

Enclosures

cc: Mr. Jason Mumpower, Comptroller of Treasury
Ms. Jean Suh, Local Government Audit, COT
Mr. Ross Colona, Utility Manager

I, _____, am submitting the attached spending form on behalf of the Town of Mason for the specified period. I attest the information included in the form is complete and accurate and all expenses have been appropriated by the governing body and will only be used for municipal purposes. The Town's CPA Firm has also reviewed and hereby certifies the Town is operating on a balanced budget and in compliance with TCA Sec. 7-34-115.

Submitter:

CPA Reviewer:

The tabs in the spreadsheet template provide a comprehensive overview of the Town's payroll expenses and purchases during the upcoming period.

Select Payroll Tab Descriptions

Employee Number (column A) – The employee number is an internal metric used to track payroll progress. The payroll number is associated with the corresponding title. For example, if the Town inputs Utility Worker / Public Works in cell B7, the Utility Worker defaults to employee number one (cell A7).

Payroll Amount (column D) – Input ONLY regular wage expense for the respective employee. Exclude overtime and bonuses (if applicable).

Overtime Amount (column E) – Input ONLY overtime expense for the respective employee. Exclude regular wages and bonuses (if applicable).

Taxes Withheld (column F) – Input payroll tax expense for the respective employee.

Benefits (column G) – Input benefit expense for the respective employee.

Total (column H) – Excel will calculate the sum of payroll, overtime, taxes withheld, and benefits to derive a total compensation expense for the respective employee.

Fund Percentages (columns I – K) – Specify the portion (percentage) of the respective employee's salary expense to be paid out of each fund.

Payroll Example

Suppose payroll expense for an example Town employee is as follows:

Classification	Amount	Include in Column:
Payroll Amount	\$1,000	Column D
Overtime Amount	100	Column E
Taxes Withheld	15	Column F
Benefits	50	Column G
Total Compensation Expense	\$1,165	Column H (auto calculated)



Submitted By:
 Date Submitted
 Pay Period Beginning

Sample Person
4/15/2022
4/18/2022

and Ending

4/24/2022



Tennessee Comptroller
of the Treasury

Town of Mason Payroll Reporting Worksheet							Fund Percentages			Total Percent (must be 100%)	Is this Payroll Budgeted (Y/N)	
Employee Number	Employee Title/Department	Authorized annual Salary or Hourly Wage Rate	Payroll Amount	Overtime Amount	Taxes withheld	Benefits	Total of Columns D through G	General Fund	Water and Sewer Fund			Gas Fund
1	Sample Title	35,000.00	2,000.00	-	250.00	275.00	2,525.00	50.00%	25.00%	25.00%	100.00%	Y
2							-				0.00%	
3							-				0.00%	
4							-				0.00%	
5							-				0.00%	
6							-				0.00%	
7							-				0.00%	
8							-				0.00%	
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15							-				0.00%	
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17							-				0.00%	
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21							-				0.00%	
22							-				0.00%	
23							-				0.00%	
24							-				0.00%	
25							-				0.00%	
26							-				0.00%	
27							-				0.00%	
28							-				0.00%	
29							-				0.00%	
30		35,000.00	2,000.00	-	250.00	275.00	2,525.00				0.00%	

Submitted By:
 Date Submitted
 Purchase Period Beginning

Sample Person
4/15/2022
4/18/2021

and Ending

4/24/2022



**Tennessee Comptroller
of the Treasury**

Item	Vendor Check will be written to	Description of item and Municipal Purpose	Amount of Purchase	Fund	Department	Is this Expenses in the Budget? (Y/N)			
1	ABC Company	Gas for Police Vehicles	1,250.00	General	Police	Y			
2									
3									
4									
5									
6									
7									
8									
9									
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1,250.00									

ATTACHMENT B

**IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
20TH JUDICIAL DISTRICT
IN NASHVILLE**

MAYOR and THE BOARD OF)	
ALDERMEN, of the TOWN OF MASON,)	
TENNESSEE, a duly organized and)	
incorporated municipal government of the)	
State of Tennessee, and EMMIT GOODEN,)	
Individually,)	Case No. 22-0470-II
)	
Petitioners,)	
)	
v.)	
)	
JASON E MUMPOWER, Individually and)	
in his capacity as THE TENNESSEE)	
COMPTROLLER OF THE TREASURY,)	
)	
Respondent.)	

NOTICE OF VOLUNTARY DISMISSAL WITH PREJUDICE

Petitioners Emmitt Gooden and the Mayor and Board of Aldermen of the Town of Mason, Tennessee hereby give notice that they voluntarily dismiss the above-styled action, with prejudice.

Respectfully submitted,

LAW OFFICES OF TERRY CLAYTON

Terry R. Clayton (TN Bar No. 012392)
ATTORNEY AT LAW
1402 5th Avenue North
Nashville, Tennessee 37208
(615) 726-2424
tclaytonlaw@grnail.com

BRUCE TURNER, PLLC

Van D. Turner, Jr. (TN Bar No. 022603)
2650 Thousand Oaks Blvd., Suite 2325
Memphis, Tennessee 38118

Phone: 901-290-6610
Fax: 901-290-6611
vturner@bruceturnerlaw.net

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served by electronic mail, by agreement, to:

JAMES P. URBAN, No. 033599
Deputy Attorney General
James.Urban@ag.tn.gov
DAVID N. BURN No. 007000
Senior Assistant Attorney General
David.Burn@ag.tn.gov
TIMOTHY R. SIMONDS No. 013952
Senior Assistant Attorney General
Timothy.Simonds@ag.tn.gov
Office of the Tennessee Attorney General
Financial Division
P.O. Box 20207
Nashville, TN 37202

on this the ____ day of _____ 2022.

VAN D. TURNER, JR.

**IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
20TH JUDICIAL DISTRICT
IN NASHVILLE**

MAYOR and THE BOARD OF)	
ALDERMEN, of the TOWN OF MASON,)	
TENNESSEE, a duly organized and)	
incorporated municipal government of the)	
State of Tennessee, and EMMIT GOODEN,)	
Individually,)	Case No. 22-0470-II
)	
 Petitioners,)	
)	
v.)	
)	
JASON E MUMPOWER, Individually and)	
in his capacity as THE TENNESSEE)	
COMPTROLLER OF THE TREASURY,)	
)	
 Respondent.)	

ORDER OF DISMISSAL

In accordance with the Notice of Voluntary Dismissal with Prejudice filed by Petitioners Emmit Gooden and the Mayor and Board of Aldermen of the Town of Mason, Tennessee, it is hereby **ORDERED** that the above-styled action is **DISMISSED**, with prejudice. It is further **ORDERED** that court costs are hereby taxed to Petitioners.

**ANNE C. MARTIN
CHANCELLOR, PART II**

APPROVED FOR ENTRY BY:

LAW OFFICES OF TERRY CLAYTON

Terry R. Clayton (TN Bar No. 012392)
ATTORNEY AT LAW
1402 5th Avenue North
Nashville, Tennessee 37208
(615) 726-2424
tcaytonlaw@gmail.com

BRUCE TURNER, PLLC

Van D. Turner, Jr. (TN Bar No. 022603)
2650 Thousand Oaks Blvd., Suite 2325
Memphis, Tennessee 38118
Phone: 901-290-6610
Fax: 901-290-6611
vturner@bruceturnerlaw.net

CERTIFICATE OF SERVICE

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JAMES P. URBAN, No. 033599
Deputy Attorney General
James.Urban@ag.tn.gov
DAVID N. BURN No. 007000
Senior Assistant Attorney General
David.Burn@ag.tn.gov
TIMOTHY R. SIMONDS No. 013952
Senior Assistant Attorney General
Timothy.Simonds@ag.tn.gov
Office of the Tennessee Attorney General
Financial Division
P.O. Box 20207
Nashville, TN 37202

on this the ____ day of _____ 2022.

VAN D. TURNER, JR.