

ENCUMBRANCE AGREEMENT

WHEREAS, The Clinton City Council (“Council”) has created the Clinton Economic Development Authority (“Authority”), pursuant to 60 O.S. § 176 *et seq.*;

WHEREAS, the Trust Indenture identifies several purposes and powers which include the power to appoint an Executive Director and fix the compensation therefore;

WHEREAS, in order to appoint and compensate an Executive Director, Authority must have funding;

NOW THEREFORE:

The Clinton City Council pledges to encumber \$500,000.00 of its Economic Development Fund for the purpose of funding a compensation package for the Clinton Economic Development Executive Director. Said encumbrance shall be a five (5) year encumbrance, but shall only be transferred one year at a time, at the rate of \$100,000.00 per year. The initial transfer shall occur upon approval by the Governor of the Economic Development Authority. Subsequent transfers shall occur on the first regular business day of the council’s fiscal year.

The encumbrance shall be authorized annually during Council’s budget process and shall only be renewed in the event that (1) Authority has actually employed an Executive Director; and (2) the Economic Development fund balance is in excess of \$600,000.00.

IN WITNESS WHEREOF, the Parties have hereunto set their hands the day and year first above written.

The Clinton City Council

By: _____
Its _____

The Clinton Economic Development Authority

By: _____
Its _____