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LOAN AGREEMENT

BY AND AMONG

THE PUBLIC BUILDING AUTHORITY OF  
THE CITY OF  
CLARKSVILLE, TENNESSEE,

CITY OF CROSSVILLE, TENNESSEE,

AND

FIRST TENNESSEE BANK NATIONAL ASSOCIATION  
Nashville, Tennessee

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This Loan Agreement is subject to a security interest for the benefit of The Bank of New York Mellon Trust Company, N.A., as trustee under that certain Indenture of Trust, dated as of September \_\_, 2014

Dated: September \_\_, 2014

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## LOAN AGREEMENT

This Loan Agreement (the "Loan Agreement"), dated as of September \_\_, 2014 and entered into by and among THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (the "Issuer"), the CITY OF CROSSVILLE, TENNESSEE, a municipal corporation organized and duly existing under the laws of the State of Tennessee (the "Borrower" or the "City"), and FIRST TENNESSEE BANK NATIONAL ASSOCIATION, Nashville, Tennessee, a national banking association, as the bondholder (the "Bank") (collectively, the "Parties"):

### WITNESSETH:

WHEREAS, the Issuer is authorized by Chapter 10, Title 12, Tennessee Code Annotated, as from time to time amended or supplemented (the "Act"), to, among other things, upon the terms and provisions set forth in the Act, enter into loan agreements with municipal corporations, as defined in the Act, including, but not limited to, incorporated municipalities, metropolitan governments, counties, and other governmental entities, for the purpose of financing the costs of constructing, installing, or acquiring certain necessary and desirable buildings, structures, equipment, and improvements constituting a "project" as such term is defined and used in the Act, for such payments and upon such terms as the board of directors of the Issuer may deem advisable in accordance with the provisions of the Act; to issue its revenue bonds pursuant to the provisions of the Act for the purpose of financing, acquiring, erecting, extending, improving, equipping, or repairing or a combination thereof, any project; and, as security for the payment of the principal of, and the interest on, any such bonds so issued, to assign and pledge, among other things, all or any part of its interest in, and rights under, the loan agreements relating to the necessary and desirable projects so financed;

WHEREAS, the Issuer has determined that there is substantial need within the State for a financing program which will provide funds for qualifying projects for municipal corporations in the State;

WHEREAS, the Issuer is authorized under the Act to issue its revenue bonds to provide funds for such purposes;

WHEREAS, the Issuer has determined that the public interest will best be served and that the purposes of the Act can be more advantageously obtained by the Issuer's issuance of its revenue bonds in order to loan funds to participating borrowers to finance qualified projects;

WHEREAS, in order to effectuate the program, the Issuer has authorized and approved by its Resolution, adopted by its Board of Directors on November 5, 2013, the issuance of its Local Government Loan Program Bonds, in an aggregate principal amount of not to exceed \$300,000,000;

WHEREAS, the Borrower is a municipal corporation lawfully organized and existing under the laws of the State of Tennessee;

WHEREAS, the Borrower is authorized under the Act, its charter, and its ordinances and resolutions to enter into this Loan Agreement for the purposes of refinancing the costs of projects authorized by the Act;

WHEREAS, the Issuer and the Borrower have determined that the provision of funds by the Issuer to the Borrower (the "Loan"), pursuant to the terms of this Loan Agreement, that certain Indenture of Trust, of even date hereof, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Bond Purchase Agreement, of even date hereof, between the Issuer and First Tennessee Bank National Association, Nashville, Tennessee (the "Bank"), as the purchaser of the Bond, including any amendments and supplements thereto, for the purpose of refunding certain outstanding debt of the City and paying of the costs incident to the closing and funding of the Loan and the issuance of the Bond;

WHEREAS, the City Council (the "Council"), of the City has determined that it is in the best interests of the City to incur indebtedness for the purpose of providing funds to prepay (i) that certain Water and Sewer Revenue and Tax Bond, Series 2010A (the "Series 2010A Bond"), issued in the original principal amount of \$1,700,000, which bears interest at the rate of 3%, with a final maturity of May 8, 2050; (ii) that certain Water and Sewer Revenue and Tax Bond, Series 2011 (the "Series 2011 Bond"), issued in the original principal amount of \$4,000,000, which bears interest at the rate of 3%, with a final maturity of September 4, 2052; and, (iii) that certain Water and Sewer Revenue and Tax Bond, Series 2010, issued in the original principal amount of \$815,000, which bear interest at the rate of 3%, with a final maturity of November 13, 2050 (collectively, the "Outstanding Bonds"), the proceeds of such Outstanding Bonds having been used to finance water and sewer system improvements and extensions for the City (collectively, the "Project"), and to pay costs of issuance in connection with issuance of the Bond and the loan of the proceeds thereof to the City;

WHEREAS, the portion of the Series 2010A Bond to be refunded matures September 8, 2014 through May 8, 2050, inclusive, and is outstanding in the approximate principal amount of \$1,648,406; the portion of the Series 2011 Bond to be refunded matures September 4, 2014 through September 4, 2052, inclusive, and is outstanding in the approximate principal amount of \$3,902,418; and, the portion of the Series 2010 Bond to be refunded matures September 13, 2014 through November 13, 2050, inclusive, and is outstanding in the approximate principal amount of \$796,232;

WHEREAS, each of the Series 2010A Bond, the Series 2011 Bond, and Series 2010 Bond were sold to the United States Government as a rural development loan program bond;

WHEREAS, the City filed a plan of refunding with the Office of State and Local Finance as required by Section 12-10-116, of the Act, as amended, and Section 9-21-903, Tennessee Code Annotated, as amended, and received a report thereon from such office on the plan of refunding;

WHEREAS, the Loan Resolution adopted by the Council on August 12, 2014 (the "Loan Resolution"), authorized a loan pursuant to a loan agreement between the City and the Issuer for the aforementioned purposes and the assignment of the City's obligation under such loan agreement;

WHEREAS, the Loan will be administered by The Tennessee Municipal Bond Fund (the "Administrator"), under that certain Program Management Contract, dated of even date herewith, by and between the Issuer and the Administrator; and,

WHEREAS, pursuant to the Issuer Resolution, in order to assist the Borrower in the refunding of the Outstanding Bonds, the Issuer has agreed to authorize, issue, sell and deliver its Variable Rate Local Government Loan Program Bond, Series 2014 (City of Crossville Water and Sewer Refunding Loan) (the "Bond"), in the maximum principal amount of not exceeding \$6,385,500.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter contained, the parties hereby agree as follows:

## ARTICLE I

### DEFINITIONS

Section 1.01, Definitions. Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Indenture as applied to the Loan Agreement. The following terms have the meanings indicated below for all purposes of this Loan Agreement unless the context clearly requires otherwise:

"Act" means Title 12 Chapter 10 of Tennessee Code Annotated, as amended.

"Adjusted SIFMA Rate" means the SIFMA Index Rate plus the Purchasing Bank Spread.

"Administrator" means the Tennessee Municipal Bond Fund, and its successors or assigns.

"Authorized Officer of the Borrower" means any person or persons authorized pursuant to the Charter, an ordinance, or a resolution of the governing body of the Borrower to perform such act of execute such documents on behalf of the Borrower.

"Bank" means First Tennessee Bank National Association, Nashville, Tennessee or its successors and assigns, as the purchaser of the Bond pursuant to the Bond Purchase Agreement.

"Bond" means the Variable Rate Local Government Loan Program Bond, Series 2014 (City of Crossville Water and Sewer Refunding Loan), to be dated the date of its issuance, issued in the maximum principal amount of not exceeding \$6,385,500.

"Bond Counsel" means Bone McAllester Norton PLLC, Nashville, Tennessee.

"Bond Purchase Agreement" means that certain Bond Purchase Agreement, dated the date hereof, between the Issuer, as the issuer of the Bond, and the Bank, as the purchaser of the Bond, describing the rights and obligations of both parties relating to the private placement of the Bond.

"Borrower" means the City of Crossville, Tennessee, a municipal corporation organized and existing under the laws of the State of Tennessee.

"Borrower's Tax Exemption Certificate" means the tax exemption certificate, including exhibits thereto, which is entered into by the Borrower, which is in form and substance similar to Exhibit H hereto.

"Closing" means the date at which time the Loan to the Borrower is made to provide funds to refund the Outstanding Bonds and to pay costs in connection with the issuance of the Bond and the loan to the City.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bond and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or affect the Bond.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become a Loan Default hereunder.

"Default Rate" means the Prime Rate.

"Drawing" means a disbursement from the Redemption Fund pursuant to Section 3.06 hereof.

"Issuer" means The Public Building Authority of the City of Clarksville, Tennessee, a public nonprofit corporation, duly organized and existing under the laws of the State.

"Issuer Resolution" means the resolution of the Issuer adopted on November 5, 2013 providing for the issuance of its Local Government Loan Program Bonds, in aggregate principal amount not to exceed \$300,000,000, of which the Bond is one of such authorized obligations.

"Loan" means the loan as authorized by this Loan Agreement, the Loan Resolution, and the Issuer Resolution.

"Loan Amount" means the aggregate principal amount of all Drawings up to the Loan Commitment Amount.

"Loan Commitment Amount" means the maximum principal amount of not exceeding \$6,385,500, or other amount as may be determined by the Issuer, the Borrower, and the Bank.

"Loan Payment Period" means the period from and including the first calendar day of a month to and including the last calendar day of such month.

"Loan Repayment Date" means the 10th day of each month, or, if such day is not a Business Day, the next succeeding Business Day.

"Loan Repayments" means the payment of principal, interest, and fees payable in connection with the Loan and the Bond pursuant to the terms of this Loan Agreement;

"Maximum Rate" means the lesser of (a) the highest interest rate that may be borne by the Bond under State law, or (b) 12% per year.

"Ongoing Expenses" means the payments listed in Section 3.07(c) and 3.08(a) through (c) hereof.

"Optional Prepayment Price" means (a) with respect to a prepayment in whole, the amounts determined by the Trustee which the Borrower may, in its discretion, pay the Trustee, not more than 60 calendar days prior to any date the Bond is subject to optional call for redemption pursuant to Article III of the Indenture, in order to prepay the Loan Repayments and Ongoing Expenses due under its Loan in full, which amount shall be equal to (i) the amount of any past-due Loan Repayments and Ongoing Expenses, together with interest at the Default Rate on such past-due Loan Repayments and Ongoing Expenses to the date such amounts due, if any, are paid in full; (ii) the accrued interest on the Outstanding Loan Amount (exclusive of past-due Loan Repayments) and accrued Ongoing Expenses since the last scheduled Loan Repayment Date to the date of such payment in full; (iii) the Outstanding Loan Amount; and, (iv) the interest accruing on the Outstanding Loan Amount at the maximum rate allowable by applicable law together with the Ongoing Expenses estimated by the Trustee to be the maximum to be incurred for the period from the date of such payment to the date such payment is applied for redemption of the Bond pursuant to Article III of the Indenture; and, (b) with respect to a partial prepayment, the amount determined by the Trustee which the Borrower may, in its discretion, so long as the Borrower is not in default hereunder, pay to the Trustee in order to partially prepay the Loan Repayments due under the Loan, which amount shall be equal to: (i) the accrued interest on the Outstanding Loan Amount to be prepaid plus the accrued Ongoing Expenses, all to be calculated from the last Loan Repayment to the date of such partial prepayment; (ii) the principal amounts of the Outstanding Loan Amount to be prepaid (which shall not be less than \$100,000); and, (iii) a percentage (as hereinafter defined) of the interest on the Outstanding Loan Amount at the maximum rate allowable by applicable law (without giving effect to the prepayment then being made) together with the Ongoing Expenses for the period from the date of such partial prepayment to the date such prepayment is applied for

redemption of the Bond pursuant to Article III of the Indenture. The percentage of the Borrower's interest and Ongoing Expenses for purposes of (b) shall be determined by dividing the amount of the partial prepayment of the principal of the Loan by the Outstanding Loan Amount prior to the prepayment.

"Outstanding Loan Amount" means the Loan Amount minus principal prepayments and repayments deposited with the Trustee.

"Pricing Matrix" means the matrix stipulating the Purchasing Bank Spread which is incorporated into EXHIBIT A to this Loan Agreement.

"Prime Rate" means the fluctuating rate of interest established by the Bank from time to time as its "Prime Rate," whether or not such rate shall be otherwise published. The Prime Rate is established by the Bank as an index or base rate and may or may not at any time be the best or lowest rate charged by the Bank on any loan. If at any time or from time to time the Prime Rate increases or decreases, then any interest rate hereunder based on the Prime Rate shall be correspondingly increased or decreased as of the date of the increase or decrease in the Prime Rate. In the event that the Bank during the term hereof, shall abolish or abandon the practice of establishing a Prime Rate, or should the same become unascertainable, the Bank shall designate a comparable reference rate which shall thereafter be deemed to be the Prime Rate for purposes hereof.

"Project" means the facilities financed with the proceeds of the Outstanding Bonds.

"Purchasing Bank Spread" means the number of basis points to be added to the SIFMA Index Rate pursuant to the Pricing Matrix.

"Repayment Exhibit" means the debt service schedule of the Loan Amount made to the Borrower and attached hereto as EXHIBIT B, as the same may be amended from time to time in accordance with the provisions of this Loan Agreement and the Indenture.

"Scheduled Termination Date" means initially the seventh anniversary of the date of the closing of the Loan, subject to extension as set forth in Section 3.03 hereof, and if extended by the Bank, the seventh anniversary of the prior Scheduled Termination Date.

"SIFMA Index Rate" means The Securities Industry and Financial Markets Association Municipal Swap Index<sup>TM</sup> as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand obligations produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Securities Industry and Financial Markets Association; provided, however, that, if such index is no longer provided by Municipal Market Data, Inc or its successor, the "SIFMA Index Rate" shall mean such other reasonably comparable index selected by the Bank, with the consent of the Issuer, the Borrower, and the Administrator; provided, however, that in no event shall the SIFMA Index Rate exceed the Maximum Rate.

"SIFMA Index Rate Period" means each period during which the SIFMA Index Rate is in effect.

"State" means the State of Tennessee.

"Trust Indenture" means that certain Trust Indenture, dated the date hereof, between the Trustee and the Issuer.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, and



duly authorized and qualified to accept and execute trusts of the character hereinafter set forth, and any successor trustee under the Indenture.

## ARTICLE II

### REPRESENTATIONS AND COVENANTS OF BORROWER

Section 2.01. Representations of Borrower. The Borrower represents for the benefit of the Issuer, the Administrator, the Trustee, and the Bank as follows:

(a) *Organization and Authority.*

(1) The Borrower is a municipal corporation duly created and validly existing in good standing pursuant to the constitution and statutes of the State.

(2) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own and operate its properties, to carry on its activities, to enter into this Loan Agreement and to execute the Borrower's Tax Exemption Certificate, to refund the Outstanding Bonds, and to carry out and consummate all transactions contemplated by this Loan Agreement and the Borrower's Tax Exemption Certificate.

(3) The proceedings of the Borrower's governing body approving this Loan Agreement and the Borrower's Tax Exemption Certificate and authorizing their execution and delivery on behalf of the Borrower and authorizing the Borrower to refund the Outstanding Bonds have been duly and lawfully adopted at a meeting or meetings duly called and held at which quorums were present and acting throughout and such meeting or meetings were duly called pursuant to necessary public notice and held in accordance with all applicable law.

(4) This Loan Agreement and the Borrower's Tax Exemption Certificate have been duly authorized, executed, and delivered by an Authorized Officer of the Borrower; and, assuming that the Issuer has all the requisite power and authority to execute and deliver, and has duly authorized, executed, and delivered, this Loan Agreement, this Loan Agreement and the Borrower's Tax Exemption Certificate, constitute the legal, valid, and binding obligations of the Borrower enforceable in accordance with their respective terms subject to future proceedings under bankruptcy, reorganization, debt arrangements, insolvency, or other laws of general application or principles of equity relating to or affecting the enforcement of creditors' rights. The information provided and to be provided to the Issuer, the Administrator, and the Bank in connection with obtaining the Loan hereunder is true and accurate in all respects.

(b) *Full Disclosure.* The financial statements, including balance sheets, and any other written statement furnished by the Borrower to the Issuer, the Administrator, or the Bank do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact known to the Borrower which the Borrower has not disclosed to the Issuer, the Administrator, and the Bank in writing which materially adversely affects or is likely to materially adversely affect the financial condition of the Borrower, its ability to own and operate its property in the manner such property is currently operated or its ability to make the payments under this Loan Agreement when and as the same become due and payable.

(c) *Pending Litigation.* There is no litigation or legal or governmental action, inquiry, investigation, or proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects, or condition

(financial or otherwise) of the Borrower, or the ability of the Borrower to make all Loan Repayments and other payments required hereby and otherwise perform its obligations under this Loan Agreement, that have not been disclosed in writing to the Bank, the Administrator, and the Issuer in the Borrower's application for its Loan or otherwise.

(d) *Compliance with Existing Laws and Agreements.* The execution and delivery of this Loan Agreement by the Borrower, the performance by the Borrower of its obligations hereunder, and the consummation of the transactions provided for in this Loan Agreement and compliance by the Borrower with the provisions of this Loan Agreement and the refunding of the Outstanding Bonds (i) are within the municipal powers of the Borrower and have been duly and effectively authorized by all necessary action on the part of the Borrower and (ii) do not and will not result in any breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any existing bond ordinance, resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument (other than this Loan Agreement) to which the Borrower is a party or by which the Borrower or any of its property may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, resolutions, ordinances, governmental rules, regulations or court orders to which the Borrower or its properties or operations is subject.

(e) *No Defaults.* No event has occurred and no condition exists that, upon execution of this Loan Agreement or receipt of the Loan Amount, would constitute a Default or a Loan Default. The Borrower is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, or its property, may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or the ability of the Borrower to make all Loan Repayments or other payments required hereby or otherwise perform its obligations under this Loan Agreement.

(f) *Governmental Consent.* The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the making and performance by the Borrower of its obligations under this Loan Agreement or for the refunding of the Outstanding Bonds, and the Borrower has complied with any applicable provisions of law requiring any notification, declaration, filing, or registration with any governmental body or officer in connection with the making and performance by the Borrower of its obligations under this Loan Agreement or the Borrower's Tax Exemption Certificate or with the refunding of the Outstanding Bonds. The refunding of the Outstanding Bonds as contemplated by this Loan Agreement is consistent with the terms of any such governmental consent, order, or any action applicable thereto. No consent, approval or authorization of, or filing, registration, or qualification with, any governmental authority that has not been obtained is required on the part of the Borrower as a condition to the execution and delivery of this Loan Agreement, the Borrower's Tax Exemption Certificate, the refunding of the Outstanding Bonds or the consummation of any transaction herein contemplated.

(g) *Compliance with Law.*

(1) The Borrower is in compliance with all laws, ordinances, resolutions, governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or the condition (financial or otherwise) of the Borrower; and,

(2) The Borrower has obtained all licenses, permits, franchises, or other governmental authorizations necessary to the ownership of its property or to the conduct of its activities, and agrees to obtain all licenses, permits, franchises, or other governmental authorizations which may be required in the future, which, if not obtained, would materially adversely affect the ability of the

Borrower to conduct its activities or refund the Outstanding Bonds or the condition (financial or otherwise) of the Borrower.

Section 2.02. Particular Covenants of the Borrower.

(a) *Performance of This Loan Agreement.* The Borrower agrees: (i) to cooperate with the Issuer in the performance of the respective obligations of such Borrower and the Issuer under this Loan Agreement; (ii) to establish, levy, and collect without limitation ad valorem taxes sufficient to pay when due the annual amount payable and sufficient to fulfill the terms and provisions of this Loan Agreement; and, (iii) to deliver to the Issuer, the Administrator, and the Bank, and any designee of such parties, any report or certificate required to comply or to evidence compliance with requirements imposed by the Bank.

(b) *Inspections.* The Borrower shall permit the Issuer, the Administrator, the Trustee, and the Bank, and any party designated by any of such parties, to examine, visit and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of any accounts, books, and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments, and any other matters relating thereto (other than documents the confidentiality of which is protected by law or professional codes of ethics) and to its financial standing, and shall supply such reports and information as the Issuer, the Administrator, the Trustee, or the Bank may reasonably require in connection therewith.

(c) *No Federal Guarantee.* The Borrower has not secured and will not secure any of its obligations hereunder by any obligation which is federally guaranteed within the meaning of Section 149(b) of the Code.

(d) *Insurance.* The Borrower shall maintain or cause to be maintained, in force, insurance with responsible insurers with policies or self insurance with respect to its property, insuring against such casualties and contingencies of such types (including public liability insurance) and in such amounts as are customary in the case of persons engaged in the same or similar activity and similarly situated. The policies or self insurance shall specify that they shall not expire or be cancelled or be materially changed, as the case may be, except upon 30 calendar days' prior written notice to the Issuer, the Administrator, the Trustee, and the Bank.

(e) *Project.* All items constituting the Project constitute a "project" as defined in the Act. The Borrower intends to cause the Project to be operated at all times during the term of the Loan Agreement as a governmental facility which qualifies as a "project" as defined in the Act.

(f) *Refunding.* Moneys which will be made available from the Loan and other sources will be sufficient to refund the Outstanding Bonds. The Loan Amount will not exceed the amounts necessary for the refunding of such Outstanding Bonds and costs in connection with the issuance of the Bond and the loan of the proceeds thereof to the City.

(g) *Information.* The Borrower shall, at the reasonable request of the Administrator or the Bank, discuss the Borrower's financial matters with the Administrator or the Bank or its designee and provide the Administrator or the Bank with access to and copies of any documents (other than documents the confidentiality of which is protected by law or professional codes of ethics) reasonably requested by the Administrator or the Bank or its designee.

(h) *Maintenance and Use of Project.*

(1) The Borrower will maintain the Project in good condition and make all necessary renewals, replacements, additions, betterments, and improvements thereof and thereto. However, the Borrower may sell or otherwise dispose of all or any part of the Project for fair market value if such part has become obsolete or outmoded or for other reasons is not needed by the Borrower, so long as (i) the Borrower shall deliver to the Issuer, the Trustee, the Administrator, and the Bank a Favorable Opinion of Bond Counsel with respect to such sale or other disposition, and (ii) the proceeds of such sale or other disposition are used by the Borrower to purchase replacements or substitutions for the Project sold or disposed of, which replacements or substitutions shall become a part of the Project, or to prepay the Loan. The Borrower represents that it does not presently intend to sell the Project.

(2) The Borrower will not use the Project or suffer or permit the Project or any portion thereof to be used for other than a public purpose.

(i) *Maintenance of Security, If Any; Recordation of Interest.*

(1) The Borrower shall forthwith after the execution and delivery of this Loan Agreement and thereafter from time to time, cause this Loan Agreement to be filed, registered, and recorded in such manner and in such places as may be required by law in order to fully perfect and protect the lien and security interest hereof and the security interest in them granted by the Indenture and, from time to time, will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all further instruments that may be requested by the Administrator or the Bank for such perfections and protection.

(2) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid any filing, registration, and recording fees incident to such filing, registration, and recording, and all expenses incident to the preparation, execution, and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments, and charges arising out of or in connection with the execution and delivery of this Loan Agreement and such instruments of further assurance.

(3) In order to consummate fully all of the transactions contemplated in this subsection (i) and in connection therewith, the Borrower hereby irrevocably makes, constitutes, and appoints the Trustee and any of its officers, employees or agents as its true and lawful attorney with power to execute and file any further instruments or other documents on behalf of the Borrower required to fully perfect and protect the lien and security interest of the Trustee, provided that the Borrower has not complied with the Trustee's request to execute such instruments within five days from the date of written request.

The Trustee shall deliver to the Borrower, the Issuer, and the Bank within five business days of the execution thereof of a copy of any instrument signed by the Trustee pursuant to this paragraph (i).

(j) *Agreements Requested by the Bank.* The Borrower agrees to provide a copy of its annual budget to the Administrator and the Bank within ten (10) days after such budget has been approved by the Comptroller of the State of Tennessee. The Borrower further agrees to provide a copy of any notices received by the Borrower from any rating agency which maintains a rating on the debt of the Borrower which announces a change in such rating as soon as such notice is received.

(k) *Delivery of Information.* The Borrower will deliver to the Administrator and the Bank, as soon as available and in any event within 270 days after the end of each fiscal year, an audited statement of its financial position as of the end of such fiscal year and the related statements of revenues and expenses for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by the independent auditor engaged by the Borrower on the date of this Loan Agreement or other independent certified public accountants acceptable to the Administrator and the Bank and which shall include the Division of Municipal Audit of the State or any successor thereto, which acceptance will not be unreasonably withheld, whose report shall state that such financial statements present fairly the financial position as of the end of such fiscal year and the results of operations and changes in financial position for such fiscal year; and upon receipt by the Borrower of the accountant's management letter, if any, the Borrower will forward a copy of such management letter to the Bank.

(l) *Keeping of Records and Books of Account.* The Borrower shall keep or cause to be kept proper records and books of account, in which correct and complete entries will be made in accordance with generally accepted accounting principles, consistently applied (except for changes concurred in by the Borrower's auditors) reflecting all of its financial transactions.

(m) *Compliance with Laws, Etc.* The Borrower shall comply with the requirements of all applicable laws, the terms of all grants, rules, regulations, and orders of any governmental authority, noncompliance with which would, singly or in the aggregate, materially adversely affect its business, properties, earnings, prospects or credit, unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(n) *Indemnity.* To the extent legally permissible, the Borrower will pay, and will protect, indemnify, and save the Issuer, each member, officer, commissioner, employee, and agent of the Issuer, and each other person, if any, who has the power directly or indirectly, to direct or cause the direction of the management and policies of the Issuer, harmless from and against, any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees), suits, claims and judgments of whatsoever kind and nature (including those in any manner directly or indirectly arising or resulting from the use or operation of the Project) in any manner directly or indirectly (in any case, whether or not by way of the Borrower, its successors and assigns, or directly or indirectly through the agents, contractors, employees, licensees, or otherwise of the Borrower or its successors and assigns) arising or resulting from, out of, or in connection with, the Bond, the Project, this Loan Agreement, or the breach or violation of any event, covenant, representations, or warranty of the Borrower set forth in this Loan Agreement or any document delivered pursuant hereto or thereto or in connection herewith or therewith.

To the extent legally permissible, the Borrower will pay, and will protect, indemnify and save the Administrator, the Bank, and the Trustee, their officers, directors, agents, and employees, and each person, if any, who controls the Administrator, the Bank, or the Trustee, or any of its directors, officers, agents, or employees within the meaning of the Securities Exchange Act of 1934, as amended, harmless from and against any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees, costs, and expenses), suits, claims and judgments of whatsoever nature directly or indirectly arising or resulting from, or in connection with the administration or acceptance of the trusts established under the Indenture, or the breach or violation by the Borrower of any agreement, covenant, representation, or warranty of the Borrower set forth in this Loan Agreement or any document delivered pursuant hereto or thereto or in connection herewith or therewith. An indemnified person shall promptly notify the Borrower in writing of any claim or action brought against it, in respect of which indemnity may be sought against the Borrower, setting forth, to the extent reasonably practicable under the circumstances, the particulars of such claim or action, and the Borrower will promptly assume the defense thereof, including the employment of competent counsel satisfactory to such indemnified person and the payment of all expenses.

An indemnified person may employ separate counsel with respect to any such claim or action and participate in the defense thereof, but, except as provided herein, the fees and expenses of such separate counsel shall not be payable by the Borrower unless such employment has been specifically authorized by the Borrower or unless such employment was occasioned by conflicts of interest between and among indemnified persons and/or the Borrower. If the Borrower shall fail to assume the defense of any action as required hereunder, or, within a reasonable time after commencement of such action to retain counsel satisfactory to the indemnified person, the fees and expenses of counsel to such indemnified person hereunder shall be paid by the Borrower.

All amounts payable to or with respect to the Issuer under this Section shall be deemed to be fees and expenses of the Issuer for purposes of the provisions hereof and of the Indenture dealing with the assignment of the Issuer's rights hereunder.

The provisions of this subparagraph shall survive the payment in full and termination of this Loan Agreement and shall inure to the benefit of the Trustee's successors and assigns.

(o) *Further Assurance.* The Borrower shall execute and deliver to the Trustee, the Issuer, the Administrator, and the Bank all such documents and instruments and do all such other acts and things as may be necessary or required by the Trustee, the Issuer, the Administrator, and the Bank to exercise and enforce their rights under this Loan Agreement and to realize thereon, and record and file and rerecord and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Trustee, the Issuer, the Administrator, and the Bank to validate, preserve, and protect the position of the Issuer, the Administrator, the Trustee, and the Bank under this Loan Agreement.

(p) *Information Reports.* The Borrower covenants to provide the Administrator on behalf of the Issuer with all material information necessary to enable the Issuer to file all reports required under Section 149(e) of the Code, if any, to assure that interest paid by the Issuer on the Bond shall be excluded from gross income of the Owner thereof for federal income tax purposes.

(q) *Tax Exempt Status of Bond.* The Issuer and the Borrower understand that it is the intention hereof that the interest on the Bond not be included within the gross income of the owner thereof for federal income tax purposes. In furtherance thereof, the Borrower agrees that it will take all action within its control which is necessary in order for the interest on the Bond to remain excludable from gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes and shall refrain from taking any action which results in such interest becoming so included. In particular, the Borrower shall after request by the Issuer make all timely payments to provide the Trustee with funds necessary to make payments under Section 148(f) of the Code with respect to investments of proceeds of the Bond lent or to be lent to the Borrower.

The Borrower covenants that it will record or file or cause to be recorded or filed in such manner and in such places whatever documents as may be required by law, the Trustee, or the Administrator to be recorded or filed in order to protect fully the security of the Owner of the Bond, and, if applicable, the tax-exempt status of such Bond, including, but not limited to, the filing of all reports as may be required from time to time pursuant to the Code.

The Borrower further covenants that it will not take any action or fail to take any action with respect to the investment of the proceeds of the Bond, with respect to the payments derived from the Bond, or with respect to the purchase of other obligations, which action or failure to act may cause the Bond to be an "arbitrage bond" within the meaning of such term as used in Section 148 of the Code.

The Borrower will file, or cause to be filed, a Form 8038-G (or successor form) with respect to the Loan in a timely manner. The Borrower has on the date hereof executed a Borrower's Tax Exemption Certificate and hereby agrees to observe all covenants contained therein.

(r) *Maintenance of Existence; Merger, Consolidation, Etc.* The Borrower will maintain its corporate existence, and status as a municipal corporation, as defined in the Act, except that it may dissolve or otherwise dispose of all or substantially all of its assets and may consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it if (i) the surviving, resulting, or transferee corporation is a municipal corporation, as defined in the Act, and, if other than the Borrower, assumes in writing all of the obligations of the Borrower hereunder; and (ii) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under this Loan Agreement. In addition, the Borrower will obtain (y) an opinion of Borrower's counsel that the merger or consolidation complies with this paragraph (r), and (z) a Favorable Opinion of Bond Counsel delivered to the Issuer, the Administrator, the Trustee, and the Bank with respect to the merger or consolidation.

(s) *Taxes and Expenses.* In addition to the payment obligations otherwise provided for in this Loan Agreement, the Borrower will, upon demand by the Issuer, the Administrator, the Bank, or the Trustee, pay all claims, reasonable costs and expenses whatsoever that the Trustee, the Issuer, the Bank, or the Administrator may incur incident to the preparation, execution and delivery of this Loan Agreement, including, but not limited to:

(1) the reasonable fees and disbursements of counsel utilized by the Issuer, the Administrator, the Bank, and the Trustee;

(2) the origination and initial servicing fees and all other reasonable out-of-pocket expenses of the Trustee (including the reasonable fees and disbursements of counsel retained by the Trustee), the Bank, the Issuer, and the Administrator;

(3) all taxes, if any, in connection with the execution and delivery of this Loan Agreement, and all recording and filing fees and stamp taxes relating to the pledge and assignment of the Issuer's right, title, and interest in and to this Loan Agreement pursuant to the Indenture and (with the exceptions noted therein) all expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consent waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof; and,

(4) all other taxes, assessments, and governmental charges and levies, if any, imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any of its properties, provided that it shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(t) *Use of Proceeds.* Except to the extent that the Borrower shall deliver to the Issuer, the Trustee, the Administrator, and the Bank a Favorable Opinion of Bond Counsel with respect to the failure of the Borrower to comply with any of the agreements on its part contained in the following paragraphs, the Borrower represents and agrees as follows with respect to the use of the Loan Amount; *provided, however*, that if the Borrower shall deliver to the Issuer, the Trustee, the Administrator, and the Bank a Favorable Opinion of Bond Counsel with respect to compliance with a requirement other than, different from or in addition to those set forth below, then the Borrower shall comply with such other, different or additional requirement:

(1) The Borrower will apply the Loan Amount from the Issuer solely for refunding of the Outstanding Bonds and to pay the costs of issuance for the Bond and the loan of the proceeds thereof to the City.

(2) None of the Loan Amount is being or will be used to refund or refinance any debt instruments, except the Outstanding Bonds, as set forth in the Borrower's Tax Exemption Certificate.

(3) The Borrower covenants that neither it nor any related person as contemplated by United States Treasury Regulation Section 1.148-1(b) shall, pursuant to an arrangement, formal or informal, purchase any bonds of the Issuer in an amount related to the Loan Amount delivered in connection with the transaction contemplated hereby.

(4) The Borrower will not use any proceeds of the Loan in any manner that would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and will take such actions as are necessary and within its power to assure that the interest on the Bond will not be subject to inclusion in the gross income of the owner thereof for federal income tax purposes by virtue of the Bond being an "arbitrage bond".

(5) (a) No more than five percent of the Loan Amount plus investment earnings thereon will be used, directly or indirectly, in whole or in part, in any activity carried on by any person other than a state or local governmental unit.

(b) The payment of more than five percent of the principal of or the interest on the Loan Amount will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any activity carried on by any person other than a state or local governmental unit or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not by or to the Issuer) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit.

(c) No more than five percent of the Loan Amount and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons.

(d) No users of the Project other than state or local governmental units will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public; and no person other than a state or local governmental unit will be users of more than five percent of the Project, in the aggregate, as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment or output contract, or (iii) any other similar arrangement, agreement or understanding, whether written or oral.

(6) The Borrower will not permit any direct or indirect guarantees of the Loan if any Person obligated on such guarantee is an "insider" as defined in Section 101 of the United States Bankruptcy Code.

(u) *Borrower's Acceptance of the Indenture.* The Borrower hereby acknowledges, approves and accepts the rights, duties and obligations imposed on the Borrower (including any rights, duties or obligations of the Issuer that may be imposed on the Borrower) pursuant to the Indenture and covenants that the Borrower will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions applicable to the Borrower contained in the Indenture, in the Bond authenticated and delivered



thereunder and in all proceedings of the Issuer pertaining thereto, or required of the Borrower to be observed or performed, whether express or implied.

(v) *Covenant with the Bank.* The Issuer and the Borrower agree that this Loan Agreement is executed in part to induce the purchase by the Bank of the Bond. Accordingly, all covenants and agreements on the part of the Issuer and the Borrower set forth in this Loan Agreement are hereby declared to be for the benefit of the Bank; provided, however, that such covenants and agreements shall create no rights in any parties other than the Issuer, the Borrower, the Trustee and the Bank.

### ARTICLE III

#### LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

Section 3.01. The Loan. In order to provide funds for the purpose of refunding the Outstanding Bonds and to pay costs in connection with the issuance of the Bond and the loan of the proceeds thereof to the City, the Bank, upon the Closing of the Loan, will fund the Loan Commitment Amount of \$6,385,500, which shall be deposited in a Redemption Fund established pursuant to the provisions of the Indenture.

Section 3.02. Sufficiency of Loan Amounts. Neither the Issuer, the Administrator, the Trustee, nor the Bank in any way warrants or represents that the Loan Amount will be sufficient to fully refund the Outstanding Bonds.

Section 3.03. Commencement of Loan Agreement Term. The Borrower's obligations under this Loan Agreement shall commence on the date of this Loan Agreement and shall continue until each Scheduled Termination Date.

The Bank, at its sole option, may (i) extend the Scheduled Termination Date for purposes of this Loan Agreement and the Indenture for an additional term of seven (7) years or (ii) put the Bond to the Issuer for purchase on such Scheduled Termination Date; provided, however, unless on or before one hundred eighty (180) days prior to the Scheduled Termination Date, the Bank shall have notified the Issuer, the Borrower, the Administrator, and the Trustee, in writing, that it intends to put the Bond to the Issuer for purchase on the next Scheduled Termination Date, then the Bank shall be obligated to extend the Scheduled Termination Date for an additional seven (7) year term from the then stated Scheduled Termination Date.

If the Bank elects (or is deemed to have elected) to extend the Scheduled Termination Date, its obligation to do so shall nevertheless be conditioned on the following:

(a) That no Event of Default hereunder or under the Indenture exists on the Scheduled Termination Date; and

(b) That a Favorable Opinion of Bond Counsel having been delivered to the Bank on the Scheduled Termination Date).

Further, if the Bank elects to extend the Scheduled Termination Date, it may at its sole option, elect to modify the Pricing Matrix by notice delivered to the Issuer, the Borrower, the Administrator, and the Trustee not less than one hundred eighty (180) days prior to the Scheduled Termination Date.

Section 3.04. Loan Closing Submissions. At the closing for the Loan, the Borrower will provide to the Issuer, the Administrator, the Bank, and the Trustee the following documentation:

(a) Resolution of the Borrower authorizing the Loan and the execution and delivery of the Loan Agreement and related documents, a copy of which is attached hereto as EXHIBIT C;

(b) An opinion of the Borrower's Counsel addressed to the Issuer, the Administrator, the Trustee, Bond Counsel, and the Bank, a copy of which is attached hereto as EXHIBIT D;

(c) A letter from the Bank or other evidence satisfactory to the Issuer and the Trustee, a copy of which is attached hereto as EXHIBIT F to the effect that the Bank has approved this Loan Agreement;

(d) Evidence of approval attached hereto as EXHIBIT G from the Director of State and Local Finance;

(e) An opinion or opinions addressed to, and in form and substance acceptable to, the Issuer, the Administrator, the Bank, and the Trustee, of Bond Counsel, to the effect that such financing with Loan proceeds is permitted under the Act, the Indenture and the resolution authorizing this Loan Agreement and will not cause the interest on the Bond to be included in gross income of the Owner thereof for federal income tax purposes or adversely affect the validity, due authorization for or legality of the Bond;

(f) An executed Borrower's Tax Exemption Certificate, a copy of which is attached hereto as EXHIBIT H; and,

(g) Such other certificates, documents, and information as the Issuer, the Administrator, the Bank, the Trustee, and Bond Counsel may require.

All opinions and certificates shall be dated the date of the Closing.

Section 3.05. Evidence of Loan. The Borrower's obligation to repay the Loan Amount together with interest thereon, and other payments required under this Loan Agreement, shall be evidenced by this Loan Agreement.

Section 3.06. Disbursement of Funds from Redemption Fund. Upon the Closing of the Loan, the Loan proceeds in the amount of \$6,385,500 deposited by the Bank, as provided in Section 3.01 hereof, in the Redemption Fund shall be used as follows, upon submission by an Authorized Officer of the Borrower to the Trustee, of (i) a requisition for the costs of issuance in the amount of \$\_\_\_\_\_, and (ii) a requisition in the amount of \$\_\_\_\_\_, which shall be wired to the Borrower, to provide funds, which together with other funds of the Borrower, shall be used to refund the Outstanding Bonds. The Borrower shall also provide such other certificates, documents, and information related to the refunding of the Outstanding Bonds or the Loan as the Bank, the Administrator, or the Issuer may require.

Section 3.07. Loan Repayments. (a) The Borrower shall make Loan Repayments in lawful money of the United States of America to the Trustee, each such Loan Repayment to be made by the Borrower by wire transfer of immediately available funds.

The Loan Amount shall be repaid in installments, consisting of (i) principal repayments payable in such amounts on such dates as set forth in EXHIBIT B hereto; and (ii) interest accruing at the Adjusted SIFMA Rate on the Outstanding Loan Amount. If the Trustee changes the Adjusted SIFMA Rate, the Trustee shall, on the 1st Business Day of each month, give notice of the revised Adjusted SIFMA Rate (which the Trustee shall calculate) to the Borrower by fax or by electronic means. A copy of such notice shall be sent to the Administrator. Interest on any past-due Loan Repayment (other than Additional Payments) shall accrue at a rate equal to the Default Rate. The interest portion of the Loan Repayments shall be due on each Loan Repayment Date commencing on November 10, 2014, and thereafter on the 10th day of each succeeding month extending through the term of the Loan, with the final interest portion of the Loan

Repayment due on the date of the final payment of the Loan as set forth in EXHIBIT B. All Loan Repayments shall be due as set forth above unless: (i) the Optional Prepayment Price therefor is paid in whole, (ii) the due date on the Loan Repayments is accelerated pursuant to Section 5.03 hereof, or (iii) the Indenture has been discharged in accordance with Article IX of the Indenture.

In addition, the Borrower shall pay all expenses, if any, due under Section 3.08 hereof.

(b) The Adjusted SIFMA Rate for each Loan Payment Period shall be calculated by the Trustee based on the average SIFMA Index Rate for the preceding calendar month, with such SIFMA Index Rate being supplied by the Bank to the Trustee by the close of business on Thursday of each week, with a copy to the Administrator.

(c) In addition to the principal and interest payments specified in (a) above, the Borrower shall pay one-twelfth (or one divided by the number of months in the payment period, in the case of fees calculated on the basis of a period other than annual or one divided by such number of months as shall be reasonably necessary to collect each of such fees by the due date thereof) of the following fees relating to the Bond and the Loan on the Outstanding Loan Amount:

(i) the annual, semiannual, quarterly, monthly, or other regularly scheduled fees of the Administrator owed to it under the Program Management Contract;

(ii) the annual, semiannual, quarterly, monthly, or other regularly scheduled fees of the Trustee owed to it under the Indenture; and,

(iii) such other reasonable fees and expenses in connection with the Bond including any expense related to this Loan Agreement as the Administrator or the Trustee may determine.

(d) If the Loan is not made on the first day of a Loan Payment Period, the Loan Repayments for the first Loan Payment Period shall be calculated by taking into account only amounts to accrue under (b) above for the remainder of such Loan Payment Period.

Notwithstanding the foregoing, if (i) an acceleration of the Outstanding Loan Amount is declared pursuant to Section 5.03 hereof following the occurrence of a Loan Default, or (ii) this Loan Agreement is assigned and becomes payable exclusively to the Bank, accrued but unpaid interest shall be calculated at the Default Rate.

Section 3.08. Additional Payments. In addition to payments due under Section 3.07, the Borrower agrees to promptly pay to the Trustee upon demand of the Administrator or Trustee the following Additional Payments (except that the payee of any such payments related to the making of the Loan may require payment at Closing):

(a) all fees and expenses (including attorney's fees, costs, and expenses) of the Trustee not included in its regular annual fees;

(b) all reasonable fees and expenses of the Issuer, the Administrator, the Trustee, or the Bank relating to this Loan Agreement, including, but not limited to:

(1) the fees and disbursements of counsel utilized by the Issuer, the Administrator, the Bank, and the Trustee in connection with the Loan and the Loan Agreement, and the enforcement thereof;

(2) all other out-of-pocket expenses of the Trustee and the Issuer in connection with the Loan, the Loan Agreement, and the enforcement thereof;

(3) all taxes and other governmental charges in connection with the execution and delivery of the Loan Agreement, or the Loan, whether or not the Loan is then outstanding, and the pledge and assignment of the Issuer's right, title and interest in and to the Loan Agreement pursuant to the Indenture (and with the exceptions noted therein) and all expenses, including attorney's fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof; and,

(c) all of the following:

(1) amounts owed by the Issuer under the Indenture with respect to any indemnification obligations to the Trustee or to any other entity under the Indenture; and,

(2) any other reasonable fees or expenses of the Issuer or the Trustee.

If any principal on the Loan is outstanding during a portion of a month, the interest on the Loan will be calculated on the actual days such principal was outstanding and (i) the interest on the Loan shall be prorated on the rates on the Bond for the actual days outstanding and (ii) amounts due hereunder with respect to Ongoing Expenses and earnings on funds held under the Indenture will be determined on the assumption that such Ongoing Expenses and earnings accrue at a constant rate throughout the month.

The Additional Payments enumerated in (a), (b), and (c) above may be paid with Loan proceeds.

The Borrower agrees to pay interest at the Default Rate on any Additional Payments enumerated in (a) and (b) above not received by the Issuer or the Trustee within 10 Business Days of demand therefor.

The Borrower's obligation to make the payments required by this Section shall survive payment or prepayment of the Loan and termination of this Loan Agreement.

Section 3.09. Interest Limit. Notwithstanding the provisions of Sections 3.01, 3.07, and 3.08, the interest costs of the Loan, together with all applicable fees to the extent required by law to be considered, shall not exceed the maximum rate permitted by law on the Outstanding Loan Amount.

With respect to the application of the foregoing sentence, the parties hereto reaffirm that the Bond is being issued to provide low cost financing to the Borrower, and that amounts paid hereunder are paid to provide funds to pay principal and interest on the Bond and to pay or reimburse the Issuer for its costs of issuing, carrying, and securing the Bond. To the extent permitted by applicable State or federal usury or other interest rate limitation law or statute, the parties hereto intend that notwithstanding the computation of the Loan Repayments as including payments with respect to certain fees, costs, and expenses of the Issuer, for purposes of such usury or interest rate limitation law or statute, interest shall include only payments with respect to interest to be paid by the Issuer on the Bond, and all other payments shall be treated as payments with respect to fees, costs, and expenses of the Issuer in issuing, carrying, paying and securing the Bond for the benefit of the Borrower. The Borrower hereby expressly waives the defense of usury.

The determination by the Trustee or the Bank in accordance with the Indenture of the rates to be borne by the Bond at any time, or the component bases thereof shall be conclusive and binding on the Borrower. Failure by the Trustee to give notice required hereunder, or any defect therein, shall not (i) affect the interest rate borne by the Bond or the payment obligations of the Borrower hereunder, or (ii) impose any liability on the Trustee to the Borrower.

Section 3.10. Unconditional Obligation to Pay Loan Repayments. The obligation of the Borrower to make payment of Loan Repayments or any other amounts required by this Article III and other Sections hereof, and to perform and observe the other covenants and agreements contained herein, shall be absolute and unconditional in all events except as otherwise expressly provided in this Loan Agreement. Notwithstanding any dispute between the Borrower and the Issuer, the Trustee, the Bank, any Bondholder or any other person, the Borrower shall make all payments of Loan Repayments when due and shall not withhold any Loan Repayments pending final resolution of such dispute, nor shall the Borrower assert any right of setoff or counterclaim against its obligation to make such payments required under this Loan Agreement.

The Borrower's obligation to pay rebate liability, if any, shall survive payment of the Loan and termination of this Loan Agreement. The Issuer and the Borrower agree that the Borrower shall bear all risk of damage or destruction in whole or in part to the Project or any part thereof, including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of the Project, or any manner or thing which for any reason interferes with, prevents or renders burdensome the use or occupancy of the Project or the compliance by the Borrower with any of the terms of this Loan Agreement. Notwithstanding the foregoing, this Section 3.10 shall not limit the rights of the Borrower to recover amounts owing to it, except as specifically set forth herein.

Section 3.11. Application of Loan Repayments. Loan Repayments shall be applied as follows: (i) first, to pay the interest portion of Loan Repayments, (ii) second, to pay Ongoing Expenses, (iii) third, to pay Additional Payments due under Section 3.08, and (iv) fourth, to pay the principal portion of the Loan Repayments.

Section 3.12. Loan Agreement to Survive Indenture and Bond. The Borrower acknowledges that its obligations hereunder shall survive the discharge of the Indenture and payment of the principal of and interest on the Bond, if and to the extent that amounts are due and owing hereunder as of the date of such discharge and payment.

Section 3.13. Optional Prepayment. (a) At the option of the Borrower and after giving at least 90 calendar days written notice of its intent to pay the Optional Prepayment Price, signed by an Authorized Officer of the Borrower, by certified or registered mail to the Issuer, the Administrator, and the Trustee, the Borrower may prepay, but only after the end of such 90 calendar day notice period, the Loan Repayments in whole, or in part (but only in an amount which will result in at least \$100,000 principal amount of the Bond being redeemed), so long as the Borrower is not in default under any of the provisions hereunder by paying to the Trustee for deposit in a separate and segregated account not more than 60 calendar days prior to any date the Bond is subject to optional call for redemption pursuant to Article III of the Indenture, the then applicable Optional Prepayment Price; and (2) all necessary and proper fees, compensation, and expenses of the Issuer, the Trustee, the Bank, or the Administrator. Amounts described in (1) shall be paid on the dates and shall bear interest if not paid when due as if they were Additional Payments. The Trustee shall use such moneys to pay the redemption price of the Bond and to pay such fees, compensation, and expenses, and shall return any remainder to the Borrower. In the event of a partial prepayment, the principal amounts so prepaid shall be deducted from the Borrower's principal repayments set forth on EXHIBIT B hereto beginning with the last scheduled principal payment on such EXHIBIT B, unless the Borrower requests that the Bank approve the amendment of such EXHIBIT B, and the Bank agrees to such request.

(b) Upon the date 124 days following prepayment of the Outstanding Loan Amount in whole as provided for in this Section, this Loan Agreement shall terminate, except for certain obligations and covenants provided in Article II and the indemnification and reimbursement provisions of Sections 7.03 and 7.04 and any obligation under this Article III to make further payments. The Outstanding Loan Amount may

not be prepaid in whole or in part except as provided in this Section or except as required in the event of acceleration.

Section 3.14. Arbitrage Certification. The Borrower recognizes that the Bank will have purchased such Bond upon the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bond. In this connection, the Borrower agrees that it shall take no action which may cause the interest on the Bond to be included in gross income for federal income taxation. It is the reasonable expectation of the Borrower that the proceeds of the Bond will not be used in a manner which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, and to this end the proceeds of the Bond and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Borrower further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bond to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bond from becoming taxable. The Mayor and the City Clerk, or either of them of the Borrower, are authorized and directed to make such certifications in this regard in connection with the sale of the Bond as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Borrower.

Section 3.15. Security for Loan. The Borrower hereby covenants and agrees that there shall be levied and collected in the same manner as other ad valorem taxes of the Borrower on all taxable property within the corporate limits of the Borrower without limitation as to time, rate, or amount, to the extent necessary in the event funds of the Borrower legally available to pay the indebtedness evidenced by this Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under this Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the Borrower under the terms and provisions of this Loan Agreement. For the prompt payment of the Borrower's obligations under this Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the Borrower are irrevocably pledged.

Notwithstanding the above, it is the intention of the City that the indebtedness evidenced by the Loan Agreement shall be additionally payable from, but not secured by, the revenues to be derived from the operation of the water system, subject to the payment of reasonable and necessary costs of operating, maintaining, repairing, and insuring such water system, and to any pledge of such revenues in favor of other obligations of the water system of the City.

#### ARTICLE IV

#### ASSIGNMENT

Section 4.01. Assignment by Issuer. (a) This Loan Agreement and the obligations of the Borrower to make payments hereunder may be assigned and reassigned in whole or in part to one or more assignees or subassignees at any time subsequent to their execution without the necessity of obtaining the consent of the Borrower. The Borrower expressly acknowledges that this Loan Agreement and the obligations of the Borrower to make payments hereunder (with the exception of certain of the Issuer's rights to indemnification, fees, and expenses), have been assigned under the Indenture to the Trustee, as security for the Bond, and that the Trustee shall be entitled to act hereunder and thereunder in the place and stead of the Issuer whether or not any portion of the Bond is in default.

(b) Upon receipt of notice of any assignment of this Loan Agreement to the Bank or upon payment in full by the Bank, the Borrower will make all payments required by Article III directly to the Bank without defense or setoff by reason of any dispute between the Borrower and the Issuer or the Trustee or any other person; provided, however that any such payments relating to indemnification and reimbursement of

the respective parties shall be made by the Borrower to the Trustee without defense or setoff by reason of any dispute between the Borrower and the Bank, the Issuer, the Trustee, or any other person.

Section 4.02. Assignment by Borrower. This Loan Agreement shall not be assigned by the Borrower for any reason without the prior written consent of the Issuer, the Trustee, and the Bank.

## ARTICLE V

### LOAN DEFAULTS AND REMEDIES

Section 5.01. Loan Defaults. If any of the following events occurs, it is hereby defined as and declared to be and to constitute a "Loan Default":

(a) failure by the Borrower to pay any payment obligation required to be paid hereunder when due, which failure shall continue a period of five Business Days;

(b) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) or (c) through (i) of this Section, which failure shall continue for a period of 30 calendar days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the Trustee or the Bank, unless the Trustee and the Bank shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Trustee and the Bank may not unreasonably withhold their consent to an extension of such time up to 30 calendar days from the delivery of the written notice referred to above if corrective action is instituted by the Borrower in the applicable period and diligently pursued until the Loan Default is corrected;

(c) any representation made by or on behalf of the Borrower contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect on the date on which such representation is made;

(d) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within 30 calendar days after such filing and such dismissal shall be final and not subject to appeal; or the Borrower shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property if such order remains in effect or such possession continues for more than 30 calendar days;

(e) the Borrower shall generally fail to pay its debts as such debts become due;

(f) default under any agreement to which the Borrower is a party evidencing, securing or otherwise respecting any indebtedness outstanding in the amount of \$100,000 or more if, as a result thereof, such indebtedness may be declared immediately due and payable or other remedies may be exercised with respect thereto, and if the Borrower's ability to meet its obligations to repay the Loan is adversely affected thereby;

(g) any material provision of this Loan Agreement shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability of any thereof shall be contested by the Borrower or any governmental agency or authority (other than the Issuer), or if the Borrower shall deny any further liability or obligation under this Loan Agreement; and,

(h) final judgment for the payment of money in the amount of \$100,000 or more is rendered against the Borrower and at any time after 45 calendar days from the entry thereof unless (i) such judgment shall have been discharged or (ii) the Borrower shall have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall have caused the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

Section 5.02. Notice of Default. The Borrower shall give the Trustee, the Administrator, the Bank, and the Issuer prompt telephonic notice (promptly confirmed in writing) of the occurrence of any event referred to in Section 5.01 (d) or (e) hereof and of the occurrence of any other event or condition that constitutes a Default or a Loan Default at such time as any Authorized Officer of the Borrower becomes aware of the existence thereof.

Section 5.03. Remedies on Default. Whenever a Loan Default referred to in Section 5.01 shall have happened and be continuing, the Trustee, as assignee of the Issuer, shall, with the consent of the Bank and subject to the provisions of the Indenture, have the right to take any action permitted or required pursuant to the Indenture and to take one or more of the following remedial steps:

(a) declare all Loan Repayments and all other amounts due hereunder to be immediately due and payable, and upon notice to the Borrower the same shall become immediately due and payable by the Borrower without further notice or demand; and,

(b) take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower hereunder.

In addition, if a Loan Default referred to in Section 5.01(d) or (e) shall have occurred the Trustee shall, with the consent of the Bank, declare all Loan Repayments and all other amounts due hereunder to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand.

Section 5.04. Attorney's Fees and Other Expenses. The Borrower shall on demand pay to the Issuer, the Administrator, the Bank, or the Trustee the reasonable fees, costs, and expenses of attorneys and other reasonable costs and expenses including, without limitation, the reasonably allocated costs of in-house counsel and legal staff incurred by any of them in collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance of any other obligations of the Borrower upon a Loan Default.

Section 5.05. Applications of Moneys. Any moneys collected by the Issuer or the Trustee pursuant to Section 5.03 hereof shall be applied in the same manner as Loan Repayments are applied pursuant to Section 3.11 hereof. Any moneys remaining shall be paid as owed, first to the Bank, then credited to Loan Repayments of the Borrower, and then shall be paid to the Administrator, as set forth in the Indenture.

Section 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Default or Loan Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.



Section 5.07. Retention of the Issuer's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof or of the Indenture, or anything else to the contrary contained herein, the Issuer shall have the right upon the occurrence of a Loan Default to take any action, including, without limitation, bringing an action against the Borrower at law or in equity, as the Issuer may, in its discretion, deem necessary to enforce the obligations of the Borrower to the Issuer pursuant to Section 5.04 hereof.

## ARTICLE VI

### TITLE TO PROJECT

Title to the Project will initially be in the Borrower. Provided the Borrower shall obtain a Favorable Opinion of Bond Counsel, the Borrower shall have the right to convey the Project to any other persons, subject to the limitations, if any, contained in other provisions of this Loan Agreement and the Borrower's Tax Exemption Certificate. Upon, and as a condition to, any such conveyance not permitted hereby, the Borrower shall prepay the Outstanding Loan Amount as provided in Section 3.13 hereof.

## ARTICLE VII

### DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; INDEMNIFICATION

Section 7.01. Disclaimer of Warranties. Neither the Issuer, the Administrator, the Trustee, nor the Bank makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness of the use of the Project or any portion thereof or any warranty with respect thereto. In no event shall the Issuer, the Administrator, the Bank or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Loan Agreement or the existence, furnishing, functioning or the Borrower's use of the Project or any item or products or services provided in this Loan Agreement.

Section 7.02. Warranties. The Borrower's sole remedy for the breach of any warranty, right of indemnification or representation relating to the Project or any part thereof shall be against the vendors or manufacturers of the Project and not against the Issuer, the Administrator, the Trustee, or the Bank, nor shall such matter have any effect whatsoever on the rights and obligations of the Borrower or the Issuer with respect to this Loan Agreement. The Borrower expressly acknowledges that neither the Issuer, the Administrator, the Trustee, nor the Bank makes, or has made, any representation or warranty whatsoever as to the existence or availability of any such warranties of such vendors or manufacturers.

Section 7.03. Indemnity and Hold Harmless Provisions. To the extent legally permissible, the Borrower hereby releases the Issuer and the Trustee and their respective members, agents, employees, attorneys, and consultants from, agrees that the Issuer and the Trustee and their respective members, agents, employees, attorneys, and consultants shall not be liable for, and agrees to reimburse and indemnify and hold the Issuer and the Trustee and their respective members, agents, employees, attorneys, and consultants harmless from and against, any and all: (1) liability for loss to the Project (or any injury to or death of any and all Persons that may be occasioned by any cause whatsoever pertaining to Project or arising by reason of or in connection with the acquisition, installation, maintenance, checkout, or use of or failure to use the Project); (2) liability arising from, or expense incurred by the Issuer and the Trustee by reason of, the Loan or this Loan Agreement and all causes of action and attorneys' fees and any other expense incurred in defending any suits or actions which may arise as a result of any of the foregoing; and, (3) all costs and expenses of the Issuer and the Trustee and their respective officers, directors, employees, agents, and attorneys incurred as a result of carrying out their obligations under this Loan Agreement; provided, however, the provisions of this

Section 7.03 shall survive the termination of this Loan Agreement and shall inure to the benefit of the Trustee's successor and assigns.

Section 7.04. Reimbursement of Issuer and Trustee. Notwithstanding that it is the intention of the parties hereto, other than herein expressly provided, the Issuer or the Trustee shall not incur any pecuniary liability by reason of this Loan Agreement or the Loan, or by reason of any actions, documents, statutes, ordinances, or regulations pertaining to the foregoing, the Borrower hereby agrees to promptly pay any and all costs and expenses (including reasonable attorney's fees, costs, and expenses), as such costs and expenses accrue, which may be incurred by, or judgments which may be rendered against, the Issuer or the Trustee or any of their respective officers, employees, or agents, at any time or times during, or subsequent to, the term of the Loan: (1) in enforcing any of the terms, covenants, conditions, or provisions of this Loan Agreement or any other document herein contemplated; (2) in taking any action as a result of the occurrence of any Loan Default; or, (3) in defending any action, suit, or proceeding brought against the Issuer or the Trustee or any of their respective officers, employees or agents, as a result of the violation by the Borrower of, or failure by the Borrower to comply with, any present or future federal, State or municipal law, ordinance, regulation, or order, or as a result of any alleged failure, neglect, misfeasance, malfeasance or default on the part of the Borrower, or any of the employees, servants, agents, or independent contractors of the Borrower in connection with, arising from, or growing out of, this Loan Agreement or the Loan or the Project, or any activities conducted with, or any use of or failure to use, the Project, or any action pertaining to, or connected with, any of the foregoing.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.01. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower, the Administrator, the Issuer, the Bank, and the Trustee at the following addresses:

(a) Issuer:

The Public Building Authority of the City  
of Clarksville, Tennessee  
c/o Runyon & Runyon  
301 Main Street  
Clarksville, Tennessee 37040

With a copy to:

Tennessee Municipal Bond Fund  
226 Capitol Boulevard, Suite 502  
Nashville, Tennessee 37219  
Attention: President/CEO

(b) Trustee:

The Bank of New York Mellon Trust Company, N.A.  
10161 Centurion Parkway  
Jacksonville, Florida 32256  
Attention: Corporate Trust – TMBF Administrator  
Telephone: (904) 998-4711  
Telecopier: (904) 645-1972

(c) Administrator:

Tennessee Municipal Bond Fund  
226 Capitol Boulevard, Suite 502  
Nashville, Tennessee 37219  
Attention: President  
Telephone: (615) 255-1561  
Telecopier: (615) 255-7428

(d) Bank:

First Tennessee Bank National Association  
511 Union Street, 4th Floor  
Nashville, Tennessee 37219  
Attention: W.A. Stringer  
Telephone: (615) 734-6516  
Telecopier: (615) 734-6148

(e) Borrower:

City of Crossville, Tennessee  
392 N. Main Street  
Crossville, Tennessee 38555  
Attention: Finance Director  
Telephone: (931) 456-5991  
Telecopier: (931) 484-7713

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificate or other communications shall be sent, by notice in writing given to the others.

Section 8.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower and their respective successors and assigns.

Section 8.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 8.04. Amendments, Changes and Modifications. This Loan Agreement may be amended only as provided in Article XIII of the Indenture.

Section 8.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.06. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State without regard to conflict of law principles.

Section 8.07. Consent and Approvals. Whenever the written consent or approval of the Issuer shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Issuer unless otherwise provided by law or by rules, regulations or resolutions of the Issuer or unless expressly delegated to the Trustee.

Section 8.08. Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 8.09. Benefits of Loan Agreement; Compliance with Indenture. This Loan Agreement is executed, among other reasons, to induce the purchase of the Bond. Accordingly, all covenants, representations, and agreements of the Borrower herein contained are hereby declared to be for the benefit of the Issuer and the Bank. The Borrower covenants and agrees to comply with, and to enable the Issuer to comply with, all covenants and requirements contained in the Indenture.

Section 8.10. Further Assurances. The Borrower shall, at the request of the Bank or the Issuer, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed and delivered, as of the execution date set forth on EXHIBIT A hereto.

THE PUBLIC BUILDING AUTHORITY OF THE  
CITY OF CLARKSVILLE, TENNESSEE

By: \_\_\_\_\_  
Chairman

Attest:

By: \_\_\_\_\_  
Secretary

CITY OF CROSSVILLE, TENNESSEE

By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
City Clerk

FIRST TENNESSEE BANK NATIONAL  
ASSOCIATION, Nashville, Tennessee

By: \_\_\_\_\_  
Senior Vice-President

Acknowledged by:

TENNESSEE MUNICIPAL BOND FUND

By: \_\_\_\_\_  
President

## Exhibit A

### Description of the Loan

- (1) Execution Date of this Loan Agreement: September \_\_, 2014
- (2) Name and Address of Borrower:
- City of Crossville, Tennessee  
392 N. Main Street  
Crossville, Tennessee 38555  
Attention: Finance Director  
Telephone: (931) 456-5991  
Telecopier: (931) 484-7713  
Email: [fred.houston@crossvilletn.gov](mailto:fred.houston@crossvilletn.gov)
- Billing Contact:
- Same as above
- (3) Loan Amount: Not Exceeding Maximum Principal Amount of \$6,385,500
- (4) Loan Term: 20 years (subject to the provisions of Section 3.03 hereof)
- (5) Initial Purchasing Bank Spread: 0.85% (subject to adjustment as set forth below)
- (6) Purchasing Bank Spread:

The Purchasing Bank Spread shall be applicable from the date hereof up to and including September \_\_, 2021, payable in arrears on the fifteenth day of each consecutive month beginning with the fifteenth day of the first month after the Loan is closed, based on the most recent Moody's Rating (provided, if a Moody's Rating is not available or, if it results in a higher rating, the most recent S&P Rating) of the Borrower's long term unsecured debt. The Purchasing Bank Spread will be calculated on an amount equal to the Outstanding Loan Amount as of the first day of each month, without regard to any reduction in such Loan during the month, and shall be charged at the rate(s) as follows:

<b>Moody's Rating</b>	<b>S&amp;P Rating</b>	<b>Purchasing Bank Spread</b>
Aaa Rated Borrower	AAA Rated Borrower	75 Basis Points (0.75% per annum)
Aa Rated Borrower	AA Rated Borrower	85 Basis Points (0.85% per annum)
A Rated Borrower	A Rated Borrower	105 Basis Points (1.05% per annum)
BAA Rated Borrower	BBB Rated Borrower	135 Basis Points (1.35% per annum)
Unrated Borrower Or less than Baa rated	Unrated Borrower or less than BBB rated	160 Basis Points (1.60% per annum)

If the Borrower is rated by both Moody's and S&P and there are more than two levels of difference between such ratings, the Bank shall determine the Purchasing Bank Spread, subject to the approval of the Administrator, and promptly notify the Trustee in writing of such determination.

If the Borrower's long term unsecured debt rating changes any time during the term of the Loan, the Purchasing Bank Spread shall be adjusted effective the following July 1<sup>st</sup> to reflect such rating change; provided, the Trustee has received written notification from the Administrator of such adjustment prior to such July 1<sup>st</sup>.

The Pricing Matrix set forth above is applicable from the date of Closing of the Loan through the Scheduled Termination Date. If the Bank elects to extend the Scheduled Termination Date, the Bank may elect to adjust said Pricing Matrix upwards or downwards, such adjusted Pricing Matrix to be effective September \_\_, 2021, provided, that the Bank shall have given notice to the Borrower, the Issuer, the Administrator, and the Trustee, not less than one hundred eighty (180) days prior to the Scheduled Termination of such adjusted Pricing Matrix.

The Purchasing Bank Spread shall be calculated based on the actual number of days elapsed from and including the last Interest Payment Date to and including the day before the next Interest Payment Date, based on a year composed of 365 days. There shall be no refund of any portion of the Purchasing Bank Spread by reason of expiration, termination, redemption, or prepayment of the Loan or the Bond subsequent to the date of receipt of the Purchasing Bank Spread by the Bank.

**Exhibit C**  
**Copy of Loan Resolution**



**Exhibit D**

**Copy of Opinion of Borrower's Counsel**

**Exhibit E**

**Copy of Request for Disbursement No. 1 and No. 2**

**Exhibit F**  
**Approval of Bank**

**Exhibit G**

**Approval of Director of State and Local Finance**

**Exhibit H**

**Borrower's Tax Exemption Certificate**

## TAX EXEMPTION CERTIFICATE

The undersigned, being the duly elected and qualified Mayor of the City of Crossville, Tennessee (the "Borrower" or the "City"), hereby certifies with respect to the Borrower's obligations evidenced by that certain Loan Agreement (the "Loan Agreement"), between the Borrower and The Public Building Authority of the City of Clarksville, Tennessee (the "Issuer" or the "Authority"), dated the date hereof, in the original principal amount of \$6,385,500 (the "Loan"), as follows:

### A. General.

1. I, along with other officers of the Borrower, am charged with the responsibility for issuing the Loan.

2. This certificate is made pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(g)-1, 1.150-1, and 1.150-2 (the "Regulations").

3. This certificate is based on the facts and estimates described herein in existence on this date, which is the date of delivery of the Loan to the Issuer and deposit of amounts to a Project Fund for the Borrower; and, on the basis of such facts and estimates, the Borrower expects that the future events described herein will occur. To the best of the knowledge and belief of the undersigned, the expectations set forth herein are reasonable.

4. A capitalized term used and not otherwise defined herein has the meaning ascribed to such term in the Loan Agreement.

### B. Purpose and Size.

1. The Loan is being issued pursuant to the Loan Agreement to provide funds to prepay (i) that certain Water and Sewer Revenue and Tax Bond, Series 2010A (the "Series 2010A Bond"), issued in the original principal amount of \$1,700,000, which bears interest at the rate of 3%, with a final maturity of May 8, 2050; (ii) that certain Water and Sewer Revenue and Tax Bond, Series 2011 (the "Series 2011 Bond"), issued in the original principal amount of \$4,000,000, which bears interest at the rate of 3%, with a final maturity of September 4, 2052; and, (iii) that certain Water and Sewer Revenue and Tax Bond, Series 2010, issued in the original principal amount of \$815,000, which bear interest at the rate of 3%, with a final maturity of November 13, 2050 (collectively, the "Outstanding Bonds"), the proceeds of such Outstanding Bonds having been used to finance water and sewer system improvements and extensions for the City (collectively, the "Project"), and to pay costs of issuance in connection with issuance of the Bond and the loan of the proceeds thereof to the City.

The amounts received from sale of the Loan, when added to amounts expected to be received from the investment of such proceeds, do not exceed the amounts which will be required to refund the Outstanding Bonds and the costs of issuing and administering the Issuer's obligations issued to finance the Loan.

2. The Project will be owned, operated, and maintained by the Borrower, and the Borrower has not contracted in any manner with any company, firm or other person or entity to operate or maintain the Project or any part thereof, for and on behalf of the Borrower. The Borrower does not expect to enter into any contract for the operation, maintenance, or management of the Project or any part thereof.

3. There is not, and as of the date hereof the Borrower does not anticipate entering into, any lease, contract or other understanding or arrangement, such as a take-or-pay contract or output contract, with any person other than a state or local governmental unit, pursuant to which the Borrower expects that

proceeds of the Loan, or the Project financed therewith or any part thereof, will be used in the trade or business of such person (including all activities of such persons who are not individuals).

4. The term of the Loan is not longer than is reasonably necessary for the governmental purposes of this Loan. The average maturity of the Loan is not more than 120% of the reasonably expected useful life of the assets financed by the Loan.

5. No receipts from the sale of the Loan or amounts received from the investment thereof will be used to pay the principal of or interest on any issue of obligations of the Borrower other than the Loan.

6. No other obligations of the Borrower payable from the same source of funds were sold or delivered within 15 days before or after the date hereof.

C. Refunding.

1. Proceeds of the Loan will be used to retire and discharge the obligations of the Borrower in connection with the Outstanding Bonds. No proceeds of the Loan will be used to retire and discharge any other obligations of the Borrower other than the Outstanding Bonds.

2. The Outstanding Bonds are valid, binding obligations of the Borrower issued in compliance with the laws of the State of Tennessee and the Borrower.

3. All of the Outstanding Bonds will be retired and fully discharged on \_\_\_\_\_, 2014.

D. Payment of Loan and Rebate.

1. There shall be levied and collected in the same manner as other ad valorem taxes of the Borrower on all taxable property within the corporate limits of the Borrower without limitation as to time, rate, or amount, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the Borrower under the terms and provisions of the Loan Agreement. For the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the Borrower have been irrevocably pledged.

2. Except as described herein, no funds of the Borrower have been pledged to payment of the principal of or interest on the Loan or otherwise restricted so as to give reasonable assurance of the availability of such funds for such purpose.

3. The Borrower has covenanted in the Loan Agreement that it will account separately for the proceeds of the Loan, that it will calculate the earnings on all nonpurpose investments, as such term is defined in the Regulations (the "Nonpurpose Investments"), allocated to proceeds of the Loan, and that it will make payments to the United States Treasury of any "rebtable arbitrage" as a result of such investments at least every five years and at the maturity of the Loan, together with any reports as the Secretary of the Treasury shall prescribe, as may be required by Section 148(f) of the Code.

E. No Artifice or Device.

1. In connection with the issuance of the Loan, the Borrower has not

(a) employed any abusive arbitrage device, or

(b) over-burdened the market for tax-exempt obligations.

F. Loan Not Hedge Bonds.

1. The Borrower expects to expend within three years from the date hereof, in addition to the costs of issuance of the Loan, an amount of proceeds of the Loan equal to not less than 85% of the net sale proceeds of the Loan.

2. No proceeds of the Loan have been invested in investments which have a substantially guaranteed yield for four years or more.

Dated: September \_\_, 2014

CITY OF CROSSVILLE, TENNESSEE

By: \_\_\_\_\_  
Mayor