
LOAN AGREEMENT

DATED AS OF OCTOBER 1, 2017

BETWEEN

SHELBY COUNTY, TENNESSEE

AND

STI INSTITUTIONAL & GOVERNMENTAL, INC.

**RELATING TO
SHELBY COUNTY, TENNESSEE
GENERAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 2017**

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of October 1, 2017 (this “*Agreement*”), is entered into between SHELBY COUNTY, TENNESSEE, a political subdivision of the State of Tennessee (the “*County*”) and STI INSTITUTIONAL & GOVERNMENT, INC., a Delaware corporation, and its successors and permitted assigns (the “*Lender*”).

RECITALS

WHEREAS, the County wishes to obtain a drawdown loan (the “*Loan*”) from the Lender hereunder and the Lender is willing, upon the terms and subject to the conditions set forth below, to provide the Loan to the County to finance certain capital projects of the County or for any other purpose permitted under the Act (as defined herein) and/or the Resolutions (as defined herein); and

WHEREAS, all obligations of the County to repay the Lender for extensions of credit made by the Lender under the Loan and to pay all other amounts payable to the Lender arising under or pursuant to this Agreement or the bond anticipation note to be issued to the Lender hereunder are created under and will be evidenced by this Agreement and such bond anticipation note will be a general obligation of the County secured by the full faith, credit and taxing powers of the County including unlimited ad valorem taxes of the County, all in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Lender to extend to the County the Loan, the County and the Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the recitals and elsewhere in this Agreement, the following terms shall have the following meanings:

“*Act*” means Title 9, Chapter 21, Tennessee Code Annotated, each as amended.

“*Advance Date*” means the date on which the Lender honors a Request for Advance and makes the funds requested available to the County.

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Agreement*” means this Loan Agreement, as the same may be amended from time to time.

“*Anti-Terrorism Laws*” has the meaning set forth in Section 6.18 hereof.

“*Applicable Factor*” means 67%.

“*Applicable Spread*” means, initially 65 basis points (0.65%), which is subject to maintenance of the County Rating in effect as of the Effective Date. In the event of a change in the County Rating, the Applicable Spread shall equal the number of basis points set forth in the Level associated with the lowest County Rating as set forth in the schedule below:

| | County Rating | | | Applicable Spread |
|-----------|---------------|--------------|--------------|-------------------|
| | Moody's | S&P | Fitch | basis points (%) |
| Level I | Aa1 or above | AA+ or above | AA+ or above | 65 bps (0.65%) |
| Level II | Aa2 | AA | AA | 75 bps (0.75%) |
| Level III | Aa3 | AA- | AA- | 85 bps (0.85%) |
| Level IV | A1 | A+ | A+ | 95 bps (0.95%) |
| Level V | A2 | A | A | 105 bps (1.05%) |
| Level VI | A3 | A- | A- | 115 bps (1.15%) |
| Level VII | Baa1 | BBB+ | BBB+ | 125 bps (1.25%) |

Any change in the Applicable Spread resulting from a change in the County Rating shall be and become effective as of and on the date of the announcement of the change in the County Rating. References to the County Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the County Rating in connection with the adoption of a “*global*” rating scale, each County Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any County Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any County Rating is reduced below “Baa1,” “BBB+” or “BBB+” by any of Moody’s, S&P or Fitch, respectively (*provided* that the County will only be required to maintain ratings from two Rating Agencies), or upon the occurrence of and during the continuance of an Event of Default, in each such case, all Obligations shall bear interest at the Default Rate automatically and without notice to the County. The County acknowledges that as of the Effective Date the Applicable Spread is that specified above for Level 1.

“*Approving Opinion*” means, with respect to any action or matter, an opinion delivered by Bond Counsel to the effect that such action (a) is permitted by this Agreement and the other Related Documents and (b) will not adversely affect the exclusion of interest on the Bank Note from gross income of the Lender for purposes of federal income taxation.

“*Authorized Representative*” means the County Mayor, the Director of Administration and Finance or any other authorized representative or authorized spokesperson conveying an

official position of the County or such person at the time and from time to time authorized to act on behalf of the County by written certificate furnished to the Lender.

"Bank Agreement" means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertakes to make loans, extend credit or liquidity to the County in connection with, or purchase on a private placement basis, any Parity Debt of the County.

"Bank Note" has the meaning set forth in Section 2.4 hereof.

"Bankruptcy Code" means the federal Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto.

"Bond Counsel" means Butler Snow LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed by the County and reasonably acceptable to the Lender.

"Business Day" means day on which the Lender is open for business and on which dealings in U.S. Dollar deposits are carried on in the London Inter-Bank Market.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or, pursuant to the accord commonly referred to as "Basel III" or the United States or foreign regulatory authorities, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Code" means the Internal Revenue Code of 1986, as amended, and, where appropriate, any statutory predecessor or any successor thereto.

"Commitment" means the agreement of the Lender pursuant to Section 2.1 hereof to make Advances under the terms hereof for the account of the County for the purpose of providing funds to pay for certain capital projects of the County or for any other purpose permitted under the Act.

"Commitment Amount" means, initially as of the Effective Date, \$120,000,000, which such amount shall be adjusted from time to time as follows: (a) downward in an amount equal to any Advance made to the County hereunder; (b) downward in an amount equal to any reduction thereof effected pursuant to Section 2.9 or Section 9.2 hereof; and (c) downward to zero upon the

expiration or termination of the Commitment Amount or the Commitment in accordance with the terms hereof.

“*County*” means Shelby County, Tennessee, a political subdivision of the State of Tennessee, and any permitted successor or assign thereof hereunder.

“*County Rating*” means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each of Moody’s, Fitch and S&P to the County’s Parity Debt; *provided* that the County will only be required to maintain ratings from two Rating Agencies.

“*Default*” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means the lesser of (a) the sum of the Prime Rate plus 2.00% per annum and (b) the Maximum Rate.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date when the County files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;

(b) on the date when the Lender or the County has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability has occurred, unless, within one hundred eighty (180) days after receipt by the County of such notification from the Lender, the County shall deliver to the Lender a ruling or determination letter issued to or on behalf of the County by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) on the date when the County shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the County (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the County or upon any other ground whatsoever, an Event of Taxability has occurred; or

(d) on the date when the County shall receive notice from the Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender the interest on the Bank Note due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) above unless the County has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made,

has been finally determined; *provided further, however*, that upon demand from the Lender, the County shall promptly reimburse the Lender for any payments, including any taxes, interest, penalties or other charges, the Lender shall be obligated to make as a result of the Determination of Taxability.

“*Dollar*” and “\$” mean lawful money of the United States.

“*Effective Date*” means October 24, 2017, subject to the satisfaction or waiver by the Lender of the conditions precedent set forth in Section 3.1(a) hereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*Event of Default*” with respect to this Agreement has the meaning set forth in Section 9.1 of this Agreement and, with respect to any other Related Document, has the meaning assigned therein.

“*Event of Taxability*” means (a) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on the Bank Note to become includable, in whole or in part, in the gross income of the Lender for federal income tax purposes or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bank Note to become includable, in whole or in part, in the gross income of the Lender for federal income tax purposes.

“*Executive Order*” has the meaning set forth in Section 6.18 hereof.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) (1/100 of 1%) charged to the Lender on such day on such transactions as determined by the Lender.

“*Fiscal Year*” means the twelve-month period commencing from July 1 through the following June 30, or such similar twelve-month period as the County may designate as its fiscal year.

“*Fitch*” means Fitch, Inc., and any successor rating agency.

“*FRB*” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“*General Obligation Debt*” means any Indebtedness of the County to which its full faith, credit and taxing power are pledged.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the County.

“*Governmental Authority*” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Guarantee*” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “*primary obligor*”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “*Guarantee*” as a verb has a corresponding meaning.

“*Indebtedness*” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money (including, but not limited to, amounts drawn under a letter

of credit, line of credit or other credit or liquidity facilities or amounts loaned pursuant to a Bank Agreement), (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all obligations of other Persons secured by a lien on, or security interest in, any asset of such Person whether or not such obligation is assumed by such Person, (f) all Guarantees by such Person of Indebtedness of other Persons (each such Guarantee to constitute Indebtedness in an amount equal to the amount of such other Person's Indebtedness guaranteed thereby) and (g) all obligations of such Person under any Swap Contract, in each case, whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

"Indemnatee" has the meaning set forth in Section 5.1 hereof.

"Interest Payment Date" means the fifth day of each January, April, July and October, and the Maturity Date.

"Interest Period" means a period of one (1) month, provided that (a) an Interest Period may be less than one month if the Effective Date is a day other than the first Business Day of a calendar month and (b) no Interest Period shall extend beyond the Maturity Date.

"Interest Rate Determination Date" means the Effective Date and the first Business Day of each calendar month thereafter.

"Lender" means STI Institutional & Government, Inc., a Delaware corporation, and its successors and assigns.

"Lender's Office" means the Lender's address and, as appropriate, the account as set forth in Section 10.3 hereof, or such other address or account of which the Lender may from time to time notify the County.

"LIBOR Index" means that rate per annum effective on any Interest Rate Determination Date which is equal to the quotient of:

(a) the rate per annum equal to the offered rate for deposits in U.S. Dollars for a one (1) month period, which rate appears on that page of Reuters reporting service, or such similar service as determined by the Lender, that displays ICE Benchmark Administration ("ICE") (or any successor thereto if ICE is no longer making a London Interbank Offered Rate available) interest settlement rates for deposits in U.S. Dollars, as of 11:00 A.M. (London, England time) two (2) Business Days prior to the Interest Rate Determination Date; provided, that if no such offered rate appears on such page, the rate used for such Interest Period will be the per annum rate of interest determined by the Lender to be the rate at which U.S. Dollar deposits for the Interest Period are offered to the Lender's affiliate bank in the London Inter-Bank Market as of 11:00 A.M. (London, England time) on the day which is two (2) Business Days prior to the Interest Rate Determination Date; and provided further that the Lender shall give prompt written notice to the County setting forth such alternate rate, the nature of the circumstances giving rise to the use of such alternate rate, and the method of calculating such alternate rate, divided by

(b) a percentage equal to 1.00 minus the maximum reserve percentages (including any emergency, supplemental, special or other marginal reserves) expressed as a decimal (rounded upward to the next 1/100th of 1%) in effect on any day to which the Lender's affiliate bank is subject with respect to any LIBOR loan pursuant to regulations issued by the Board of Governors of the Federal Reserve System with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities" under Regulation D); provided, however, that the County shall not be responsible for any such additional amounts required to compensate the Lender as a result of this clause (b) prior to the 60th day following prompt written notice from the Lender to the County setting forth the nature of the circumstances giving rise to such a change in maximum reserve percentages and the method of calculating such change in maximum reserve percentages following such notice. Subject to the proviso at the end of the previous sentence, this percentage will be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"*LIBOR Index Rate*" means a per annum rate of interest established on each applicable Interest Rate Determination Date, rounded upward to the third decimal place and effective on each related Interest Rate Determination Date, equal to the product of (a) the product of (i) the Applicable Factor multiplied by (ii) the sum of (x) the LIBOR Index plus (y) the Applicable Spread multiplied by (b) the Margin Rate Factor, if applicable.

"*Lien*" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"*Loan*" means the drawdown loan under this Agreement.

"*Margin Rate Factor*" means the fraction the numerator of which is equal to one (1) minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate

"*Margin Stock*" has the meaning ascribed to such term in Regulation T, U and/or X promulgated by the FRB, as now and hereafter from time to time in effect.

"*Material Adverse Effect*" or "*Material Adverse Change*" means any event or occurrence (including, without limitation, a change in applicable law) that causes a material adverse change in or a material adverse effect on (a) the validity or enforceability of this Agreement, the Bank Note or any of the other the Related Documents, (b) the validity or enforceability of the County's pledge of its full faith, credit and taxing powers to the payment of the Bank Note, (c) the status of the County as a political subdivision created and validly existing under the laws of the State, (d) the exemption of interest on the Bank Note from federal income tax or (e) the ability of the County to pay debt service on the Bank Note, any Parity Debt or amounts due on any other Obligations hereunder.

“Maturity Date” means October 24, 2020, unless extended from time to time as provided herein.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender). As of the Effective Date, the Maximum Federal Corporate Tax Rate is 35%.

“Maximum Rate” means the maximum non-usurious interest rate payable by the County under applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“1933 Act” means the Securities Act of 1933, as amended.

“OFAC” has the meaning set forth in Section 6.18 hereof.

“Obligations” means the Bank Note, all fees, expenses and charges payable or reimbursable hereunder to the Lender (including, without limitation, any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents) and all other payment obligations of the County to the Lender arising under or in relation to this Agreement or the other Related Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“Parity Debt” means any Indebtedness of the County secured by and/or payable from the full faith and credit and/or taxing power of the County and/or payable on parity with the Bank Note.

“Participant” means any entity to which the Lender has granted a participation in the obligations of the Lender hereunder and of the County hereunder and under the Bank Note.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001), as amended.

“Person” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“Plan” means an employee benefit plan maintained for employees of the County that is covered by ERISA.

“Prime Rate” shall mean the per annum rate which the Lender’s affiliate SunTrust Bank announces from time to time to be its prime rate, as in effect from time to time. The prime rate is

a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. The Lender's affiliate SunTrust Bank may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Rating Agency" means any of S&P, Moody's and/or Fitch, as context may require.

"Related Documents" means this Agreement, the Bank Note, the Resolutions, the Tax Certificate and any documents related thereto or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Request for Advance" means a request for an Advance made by the County to the Lender, in the form of Exhibit B hereto, executed and delivered on behalf of the County by the manual or facsimile signatures of any Authorized Representative.

"Resolutions" means resolutions of the Board of Commissioners of the County adopted on September 25, 2017, pledging the full faith, credit and taxing powers of the County to the payment of the Bank Note, as may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof.

"S&P" means S&P Global Ratings and any successor rating agency.

"State" means the State of Tennessee.

"Swap Contract" means (a) any and all rate swap transactions, total return swaps, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement.

"Tax Certificate" means that certain Tax Certificate of the County relating to the Bank Note and to be dated the Effective Date, as the same may be amended or supplemented from time to time.

“*Taxable Date*” means the date on which interest on the Bank Note is first includable in gross income of the holder thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable Period*” has the meaning set forth in Section 5.2 hereof.

“*Taxable Rate*” means, with respect to a Taxable Period, the sum of (a) the LIBOR Index plus (b) the Applicable Spread.

“*Termination Date*” means the earliest of (a) the Maturity Date, as such date may be extended pursuant to Section 2.10 hereof, (b) the date on which the Commitment and/or the Commitment Amount are otherwise terminated or reduced to zero in accordance with Section 2.9 hereof and (c) the date the Commitment terminates in accordance with Section 9.2 hereof.

“*United States*” means the United States of America.

“*Unutilized Commitment*” means the Commitment Amount then in effect minus the principal amount of Advances that have been made hereunder.

“*Unutilized Fee*” has the meaning set forth in Section 2.8(a) hereof.

Section 1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 7.1(a) hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the County or the Lender may by notice to the other party hereto, require that the Lender and the County negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the County shall be the same as if such change had not been made. No delay by the County or the Lender in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.2, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Section 1.3. Interpretation. The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (a) the singular includes the plural, and the plural the singular; (b) words importing any gender include the other gender; (c) references to statutes are to be construed as including all statutory provisions consolidating and amending, and all regulations promulgated pursuant to, such statutes; (d) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible font; (e) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are

to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; (i) references to Persons include their respective permitted successors and assigns; and (j) in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding." All references to "funds" herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise.

Section 1.4. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to central time (daylight or standard, as applicable).

Section 1.5. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the County of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the County to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the County nevertheless shall be fully bound by the provisions of this Agreement. Except as provided in subsection (c) of this Section 1.5, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

ARTICLE II

THE LOAN; PAYMENTS

Section 2.1. Credit Commitment. Subject to the terms and conditions hereof, the Lender, by its acceptance hereof, agrees to make the Loan to the County on a drawdown basis up to the amount of the Commitment Amount, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Advances shall not exceed the Commitment Amount. The Loan may be repaid before the Termination Date, subject to the terms and conditions hereof.

Section 2.2. Application. The County hereby applies to the Lender for, and authorizes and instructs the Lender to issue for its account, the Commitment in an amount equal to the Commitment Amount.

Section 2.3. Making of Loan; Use of Proceeds. (a) The Loan shall be evidenced by the Bank Note and shall bear interest and be paid in accordance with the payment terms set forth in the Bank Note and this Agreement. Subject to the terms and conditions of this Agreement, the Lender agrees to fund the Loan by making Advances from time to time on any Business Day, commencing on the Effective Date and ending on the Termination Date, in aggregate amounts not to exceed the Commitment Amount; provided, that the Lender shall not be required to make more than two Advances during any calendar month. Each Advance requested shall be in a minimum principal amount of \$1,000,000 or any integral multiples of \$250,000 in excess thereof. Each Advance shall be made solely for the purpose of providing funds to pay for capital projects of the County or any other purpose permitted under the Act. The aggregate amount of all Advances made shall not exceed the Commitment Amount.

(b) The Loan shall be originated by the Lender on a drawdown basis, and the proceeds of the Loan shall be advanced by the Lender directly to the County in an initial installment on the Effective Date and in subsequent installments upon receipt of the County's notice to the Lender in the form of Exhibit B hereto with blanks appropriately completed (each, a "*Request for Advance*"). Each Request for Advance shall be signed by an Authorized Representative and shall specify: (1) the Business Day of the requested Advance, which shall be at least three Business Days immediately prior to the day of the proposed Advance; (2) the principal amount of the Advance to be made; (3) that the aggregate amount of the requested Advance shall be used solely for the payment of capital projects pursuant to the Act; and (4) after giving effect to such Advance, the aggregate principal amount of all Advances made hereunder will not exceed the Commitment Amount. Each Request for Advance shall be faxed to [REDACTED] and emailed to [REDACTED]. Each Request for Advance must be received by the Lender not later than 11:00 a.m. central time three Business Days immediately prior to the requested date of borrowing.

(c) Upon receipt of a Request for Advance by the Lender not later than 11:00 a.m. central time on the Business Day which is three Business Days immediately prior to the day of the proposed Advance, the Lender, subject to the terms and conditions of this Agreement, shall be required to make an Advance by 3:30 p.m. central time on such day of the proposed Advance for the account of the County in an amount equal to the amount of the requested Advance. Notwithstanding the foregoing, in the event such Request for Advance is received by the Lender after 11:00 a.m. central time on the Business Day which is three Business Days immediately prior to the day of the proposed Advance, the Lender shall be required to make the related Advance by 3:30 p.m. central time on the fourth Business Day after receipt of the related Request for Advance. Any Request for Advance shall be signed by an Authorized Representative.

(d) If, after examination, the Lender shall have determined that a Request for Advance does not conform to the terms and conditions hereof, then the Lender shall use its best efforts to give notice to the County to the effect that documentation was not in accordance with the terms and conditions hereof and stating the reasons therefor. The County may attempt to

correct any such nonconforming Request for Advance, if, and to the extent that, the County is entitled (without regard to the provisions of this sentence) and able to do so. During the existence of a Default or an Event of Default, no Advances may be requested without the prior written consent of the Lender in its sole discretion.

Section 2.4. Loan Evidenced by the Bank Note. The Loan shall be evidenced by a bond anticipation note of the County to the Lender in substantially the form set forth in Exhibit A hereto (the “*Bank Note*”) to be issued on the Effective Date. Each Advance made by the Lender and all payments and prepayments made on account of the principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Bank Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the County hereunder or under the Bank Note in respect of unpaid principal and interest on the Bank Note. Upon the advancement of the proceeds of the Loan in accordance with the terms hereof, the principal amount of the Bank Note in a principal amount equal to the amount so advanced shall be deemed to be increased automatically and without further acts on the part of the Lender or the County. The initial installment of the Loan shall be in the amount of \$1,000,000.00. Notwithstanding anything in this Agreement to the contrary, no additional amounts of the Loan may be drawn down and funded hereunder after the Maturity Date.

Section 2.5. Interest on Loan and the Bank Note. (a) Subject to Sections 5.2 and 5.3 hereof, the Loan and the Bank Note shall bear interest at the LIBOR Index Rate. The Lender shall determine the LIBOR Index Rate on the Interest Rate Determination Date for the applicable Interest Period, and such rate shall become effective on the Effective Date, in the case of the initial Interest Period, and on each Interest Rate Determination Date thereafter, and interest at such rate shall accrue each day during such Interest Period, commencing on and including the first day of such Interest Period to but excluding the last day of such Interest Period. Promptly following the determination of the LIBOR Index Rate for any Interest Period, the Lender shall give notice thereof to the County. If the LIBOR Index Rate is not determined by the Lender on the Interest Rate Determination Date, the rate of interest born on the Loan and the Bank Note shall be the rate in effect for the immediately preceding Interest Rate Determination Date until the Lender next determines the LIBOR Index Rate as required hereunder. Notwithstanding any other provision of this Agreement to the contrary, the interest rate on the Loan and the Bank Note shall never exceed the Maximum Rate.

(b) The Bank Note shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the advanced and unpaid principal amount thereof at a rate per annum equal to the applicable LIBOR Index Rate for such Interest Period. Interest on the Bank Note shall be payable by the County on each Interest Payment Date and on the Maturity Date.

(c) If the Lender determines in its sole discretion at any time (the “*Determination Date*”) that it can no longer fund or maintain the Loan at a floating rate based on the LIBOR Index (a “*LIBOR Loan*”) due to circumstances beyond the control of the Lender, including without limitation illegality, or LIBOR cannot be ascertained, or does not accurately reflect the Lender’s cost of funds, or the Lender would be subject to additional costs that cannot be recovered from the County, then the Lender may notify the County and thereafter will have no obligation to fund or maintain LIBOR Loans. Upon such Determination Date and receipt of an

Approving Opinion of Bond Counsel, the interest rate on the Loan and the Bank Note will be converted to a variable rate equal to the sum of the Federal Funds Rate plus 50 basis points (0.50%).

Section 2.6. Repayment of the Loan and the Bank Note. The principal of the Loan and the Bank Note shall be repaid in full on the Maturity Date.

Section 2.7. Prepayment of the Loan and the Bank Note. The County may prepay the Loan and the Bank Note, in whole or in part, without premium or penalty, on any date, provided at least two (2) Business Days' notice is provided by the County to the Lender. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement.

Section 2.8. Fees. (a) *Unutilized Fees.* The County agrees to pay to the Lender a nonrefundable fee (the "*Unutilized Fee*") accruing at a rate of [REDACTED] basis points ([REDACTED]%) per annum multiplied by the average daily Unutilized Commitment. The Unutilized Fee shall be payable quarterly in arrears on the fifth (5th) day of each January, April, July and October of each calendar year (beginning on the first such date to occur after the Effective Date) and on the Maturity Date, or such earlier date on which the Commitment may be terminated in accordance with the terms of this Agreement. The Unutilized Fee shall be calculated on the basis of 360-day year and actual days elapsed.

(b) *Origination Fee.* The County agrees to pay to the Lender a nonrefundable origination fee (the "*Origination Fee*") of [REDACTED] on or prior to the Effective Date.

(c) *Costs, Expenses and Taxes.* To the extent permitted by law, the County shall pay (i) all reasonable, out-of-pocket costs and expenses of the Lender, including the reasonable fees, charges and disbursements of counsel for the Lender and, in connection with the preparation and administration of the Related Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Related Document shall be consummated), (ii) all out-of-pocket costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of outside counsel actually incurred) incurred by the Lender in connection with the enforcement or protection of its rights in connection with this Agreement, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Bank Note, (iii) all taxes (other than income taxes) applicable to such transactions and (iv) all present and future recording and filing fees and taxes relating to the Bank Note or the security for the Bank Note.

(d) If the County shall fail to pay any amount payable under this Section 2.8 as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The obligations of the County under this Section 2.8 shall survive the termination of this Agreement.

Section 2.9. Reduction and Termination. (a) The Commitment Amount shall be reduced from time to time as requested by the County within three (3) Business Days of the County's written notice to the Lender requesting such reduction in the form of Exhibit E hereto; *provided*, that (i) each such reduction amount shall be in an amount equal to \$1,000,000 or an

integral multiple thereof, and (ii) any reduction in the Commitment Amount shall not be effective until the Lender delivers to the County a notice in the form attached hereto as Exhibit F reflecting such reduction.

(b) The County may at any time and at its sole option terminate the Commitment upon three (3) Business Days' written notice to the Lender requesting such termination in the form of Exhibit E hereto. As a condition to any such termination, the County shall pay or cause to be paid all Obligations owed to the Lender.

Section 2.10. Extension of Maturity Date. Subject to and in accordance with the Act, the County may request an extension of the Maturity Date in writing in the form of Exhibit C hereto not more than one (1) year prior to the Maturity Date and not less than 120 days prior to the Maturity Date. The Lender will make reasonable efforts to respond to such request within sixty (60) days after receipt of all information necessary, in the Lender's judgment, to permit the Lender to make an informed credit decision. If the Lender fails to definitively respond to such request within such 60-day period, the Lender shall be deemed to have refused to grant the extension requested. The Lender's consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Lender (which may include, but shall not be limited to the delivery of an Approving Opinion of Bond Counsel).

Section 2.11. Payments. All payments to be made by the County shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly *provided* herein, all payments by the County hereunder shall be made to the Lender at the Lender's Office in U.S. Dollars and in immediately available funds not later than 12:00 noon, central time, on the date specified herein. All payments received by the Lender after 12:00 noon, central time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the County shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

ARTICLE III CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Effective Date. The obligations of the Lender to make the Commitment and Loan available hereunder shall be subject to the fulfillment of each of the following conditions precedent on or before the Effective Date in a manner satisfactory to the Lender:

(a) The Lender shall have received the following documents, each dated and in form and substance as is satisfactory to the Lender:

(i) copies of the Resolutions of the governing body of the County approving the execution and delivery of the Related Documents to which the County is a party, and the other matters contemplated hereby, certified by the County as being true and complete and in full force and effect on the Effective Date;

(ii) certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the County or any Governmental

Authority necessary for the County to enter into each of the Related Documents and the transactions contemplated herein and therein;

(iii) the audited annual financial statements of the County for the Fiscal Year ended June 30, 2016, a copy of the most recent budget of the County and a copy of the County's Capital Improvement Plan FY18-22 (such requirement to be satisfied if such information is available on the County's website);

(iv) a certificate of the County dated the Effective Date and executed by the County certifying as to the authority, incumbency and specimen signatures of the Authorized Representatives authorized to sign this Agreement and the Bank Note and any other documents to be delivered by it hereunder and who will be authorized to represent the County in connection with this Agreement, upon which the Lender may rely until it receives a new such certificate; and

(v) an executed original or certified copy, as applicable, of each of the Related Documents.

(b) The following statements shall be true and correct on the Effective Date, and the Lender shall have received a certificate signed by an Authorized Representative, dated the Effective Date, certifying that: (A) the representations and warranties of the County contained in each of the Related Documents and each certificate, letter, other writing or instrument delivered by the County to the Lender pursuant hereto or thereto are true and correct on and as of the Effective Date as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the County's execution and delivery of this Agreement, the Bank Note or the acceptance of the Commitment by the County; (C) the audited annual financial statements of the County for the Fiscal Year ended June 30, 2016, including the balance sheet as of such date of said period, all examined and reported on by Watkins Uiberall, PLLC, and Banks, Finley, White & Co., as heretofore delivered to the Lender, correctly and fairly present the financial condition of the County as of said date and the results of the operations of the County for such period and have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; (D) since the release of the audited annual financial statements of the County for the Fiscal Year ended June 30, 2016, no material adverse change has occurred in the financial condition of the County prior to the Effective Date, and on or prior to the Effective Date no material transactions or obligations (not in the ordinary course of business) shall have been entered into by the County, other than as previously advised in writing to the Lender; (E) this Agreement constitutes an arm's length commercial transaction between the County and the Lender; (F) the County has consulted with its own respective legal and financial advisors in connection with this Agreement; and (G) the Lender has not acted as a fiduciary in favor of the County with respect to the Bank Note or this Agreement.

(c) The Lender shall have received an opinion addressed to the Lender and dated the Effective Date from Bond Counsel as to (1) the due authorization, execution, delivery, validity and enforceability with respect to the County of this Agreement and the Bank Note, (2) the exclusion of interest on the Bank Note from gross income for federal income tax purposes and exemptions from state, county and municipal taxation and (3) such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(d) All necessary action on the part of the County shall have been taken as required for the pledge of the County's full faith, credit and taxing powers as described in Article IV hereof.

(e) All other legal matters pertaining to the execution and delivery of this Agreement, the Bank Note and the other Related Documents shall be satisfactory to the Lender and its counsel.

(f) On or prior to the Effective Date, the Lender shall have received the Origination Fee and reimbursement of the Lender's reasonable fees and expenses (including the legal fees and expenses of Moore & Van Allen PLLC) incurred in connection with the transaction contemplated by this Agreement due on the Effective Date.

(g) The Lender shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement, the Bank Note and the other Related Documents as the Lender may reasonably request.

Section 3.2. Conditions Precedent to Each Advance. The obligation of the Lender to make an Advance on any date is subject to the conditions precedent that on the proposed Advance Date:

(a) The Lender shall have received a Request for Advance as provided in Section 2.3 hereof;

(b) All representations and warranties of the County as set forth in Article VI hereof and each other Related Document shall be true and correct as though made on the date of such Request for Advance and on the proposed Advance Date and no Default or Event of Default shall have occurred and be continuing on the date of such Request for Advance or on the proposed Advance Date;

(c) After giving effect to any Advance, the aggregate principal amount of all Advances made hereunder shall not exceed the Commitment Amount;

(d) The Lender shall have received satisfactory evidence that all representations and certifications of the County that the Lender deems necessary to maintain the tax-exempt status of the interest on the Bank Note have been delivered and are true and correct;

(e) No Material Adverse Change shall have occurred;

(f) The Commitment and the obligation of the Lender to make an Advance hereunder shall not have terminated or been reduced pursuant to Section 2.9 hereof or pursuant to Section 9.2 hereof.

Unless the County shall have otherwise previously advised the Lender in writing, delivery to the Lender of a Request for Advance shall be deemed to constitute a representation and warranty by the County that on the date of such Request for Advance and on the Advance Date that each of the foregoing conditions has been satisfied and that all representations and warranties of the County as set forth in Article VI hereof and each other Related Document are true and correct as

though made on the date of such Request for Advance and on the date of the proposed Advance and no Default or Event of Default shall have occurred and be continuing on the date of such Request for Advance or on the date of the proposed Advance.

ARTICLE IV

GENERAL OBLIGATION PLEDGE

Section 4.1. General Obligation Pledge. (a) The Bank Note constitutes a direct general obligation of the County for the payment of which as to both principal and interest the full faith and credit and unlimited taxing power of the County is irrevocably pledged pursuant to the Resolutions. The Bank Note shall evidence and secure the Loan. In accordance with the provisions of Tennessee Code Annotated, Section 9-21-504, adequate provision will be made for raising annually by tax upon all property subject to taxation by the County of a sum sufficient to pay the interest on and principal of the Bank Note as the same shall become due. The County shall ensure that a tax sufficient to pay when due such principal and such interest on the Bank Note shall be levied annually and assessed, collected and paid in like manner with the other taxes of the County and shall be in addition to all other taxes authorized or limited by law. The Bank Note is a bond anticipation note issued pursuant to Section 9-21-501, *et seq.*, Tennessee Code Annotated.

(b) Unless the payment of the principal of the Bank Note otherwise shall be provided for by or on behalf of the County from proceeds of other available moneys, on or before the Maturity Date the County shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of bonds or other obligations of the County (or otherwise obtain governmental financing) in an amount sufficient to provide for the payment of the outstanding principal of the Bank Note on the Maturity Date.

ARTICLE V

LIABILITY, INDEMNITY AND PAYMENT

Section 5.1. Indemnification by the County. (a) In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, to the extent permitted by law, the County shall indemnify the Lender and its directors, officers, employees, agents or advisors (each, an “*Indemnitee*”) against, and hold the Indemnitees harmless from, any and all costs, losses, liabilities, claims, damages and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee (“*Claims and Expenses*”), which may be incurred by or asserted against any Indemnitee arising out of, in connection with or as a result of the following (each, an “*Indemnity Proceeding*”): (i) the execution or delivery of this Agreement, the Bank Note and any other Related Document or other agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of any of the transactions contemplated hereby or thereby or (ii) any actual or threatened claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the County and regardless of whether any Indemnitee is a party thereto; provided, such indemnity shall not, as to any Indemnitee, be available to the extent

that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Indemnatee.

Section 5.2. Determination of Taxability. (a)(i) In the event a Determination of Taxability occurs, the County hereby agrees to pay to the Lender on demand therefor an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender on the Bank Note during the period for which interest on the Bank Note is included in the gross income of the Lender if the Bank Note had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Lender during the Taxable Period;

(ii) Subject to the provisions of clause (iii) below, the Lender shall afford the County the opportunity, at the County's sole cost and expense, to contest (A) the validity of any amendment to the Code which causes the interest on the Bank Note to be included in the gross income of the Lender or (B) any challenge to the validity of the tax exemption with respect to the interest on the Bank Note, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

(iii) As a condition precedent to the exercise by the County of its right to contest set forth in clause (ii) above, the County shall, on demand, immediately reimburse the Lender for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Lender in its sole discretion) that may be incurred by the Lender in connection with any such contest, and shall, on demand, immediately reimburse the Lender for any payments, including any taxes, interest, penalties or other charges payable by the Lender for failure to include such interest in its gross income.

(b) *Delay in Requests.* Subject to (c) below, failure or delay on the part of the Lender to demand compensation pursuant to this Section 5.2 shall not constitute a waiver of the Lender's right to demand such compensation.

Section 5.3. Default Rate. Any and all amounts remaining unpaid when due under this Agreement shall bear interest at the Default Rate until repaid and shall be payable upon demand. Any such amounts which constitute interest remaining unpaid when due shall be added to principal, and such interest shall, in turn, bear interest at the Default Rate until repaid and shall be payable upon demand. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the greater of the (a) Default Rate and (b) the interest rate that otherwise would be applicable to such Obligations but for the provisions of this paragraph, which shall be payable by the County to the Lender upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed.

Section 5.4. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender or any Participant;

(ii) subject the Lender or any Participant to any tax of any kind whatsoever with respect to the Loan or change the basis of taxation of payments to the Lender or any Participant in respect thereof; or

(iii) impose on the Lender, any Participant or the London interbank market any other condition, cost or expense related to making the Loan, and the result of any of the foregoing shall be to increase the cost to the Lender or any Participant of making the Loan, or to reduce the amount of any sum received or receivable by the Lender or any Participant (whether of principal, interest or any other amount)

then, upon request of the Lender, the County will pay to the Lender and any such Participant such additional amount or amounts as will compensate the Lender and any such Participant for such additional costs incurred or reduction suffered; provided, however, that the County shall not be responsible for any such additional amounts required to compensate the Lender of any Participant for such additional costs incurred or reductions suffered prior to the 60th day following prompt written notice from the Lender to the County setting forth the nature of the circumstances giving rise to such additional costs incurred or reductions suffered and the method of calculating such additional costs or reductions following such notice.

(b) If the Lender or any Participant shall have determined that on or after the Effective Date any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender's or such Participant's capital (or on the capital of the Lender's parent corporation) as a consequence of its obligations in making the Loan to a level below that which the Lender, the Lender's parent corporation or such Participant could have achieved but for such Change in Law (taking into consideration the Lender's policies or the policies of the Lender's parent corporation or any Participant with respect to capital adequacy), then, from time to time, (i) within five (5) Business Days after receipt by the County of written demand by the Lender, the County shall pay to the Lender or such Participant such additional amounts as will compensate the Lender, the Lender's parent corporation or such Participant for any such reduction suffered; provided, however, that the County shall not be responsible for any such additional amounts required to compensate the Lender of any Participant for such reductions suffered prior to the 60th day following prompt written notice from the Lender to the County setting forth the nature of the circumstances giving rise to such reductions suffered and the method of calculating such additional costs or reductions following such notice.

(c) A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender, its parent corporation or any Participant, as the case may be, as specified in paragraph (a) or (b) of this provision shall be delivered to the County and shall be conclusive, absent manifest error. Subject to the 60-day grace periods and provisos set forth in paragraphs (a)

and (b), the County shall pay the Lender such amount or amounts within 10 days after receipt thereof.

(d) Subject to the 60-day grace periods and provisos set forth in paragraphs (a) and (b), failure or delay on the part of the Lender to demand compensation pursuant to this provision shall not constitute a waiver of the Lender's right to demand such compensation.

Section 5.5. Liability of the Lender. Neither the Lender, its Affiliates nor any of their respective officers, directors, employees or agents shall be liable or responsible for any of the following: (a) any of the acts, omissions, agreements, circumstances or conditions covered by the indemnification provided in Section 5.1 hereof; or (b) any other act or omission of the Lender, other than an act or omission which is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Lender.

Section 5.6. Obligations Unconditional. The County's obligation to repay the Bank Note and all of its other Obligations under this Agreement shall be absolute and unconditional under any and all circumstances, including without limitation: (a) any lack of validity or enforceability of this Agreement, the Bank Note or any of the other Related Documents; (b) any amendment or waiver of or any consent to departure from all or any of the Related Documents; (c) the existence of any claim, set-off, defense or other right which the County may have at any time against the Lender or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or (d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement, the County makes the following representations and warranties to the Lender:

Section 6.1. Organization, Powers, Etc.. The County is a corporation within the meaning of Chapter 1, Title 5, Tennessee Code Annotated, duly created and existing under the laws of the State and possessing general powers of taxation, including the power to levy ad valorem taxes and has full legal right, power and authority (a) to conduct its business and own its Property, (b) to enter into, and perform its obligations under, this Agreement and the Related Documents to which it is a party, to borrow hereunder and to execute, deliver and perform its obligations under the Bank Note and to repay the Obligations, (c) to adopt, and comply with, the Resolutions, and (d) to carry out and consummate all other transactions contemplated by this Agreement and the other Related Documents to which the County is a party.

Section 6.2. Authorization, No Contravention. The execution, delivery and performance by the County of this Agreement, the Bank Note and each other Related Document to which the County is a party are or were, as applicable, within the County's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any

Governmental Authority. The execution, delivery and performance by the County of this Agreement, the Bank Note and the other Related Documents to which it is a party did not, do not and will not violate (a) any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award as currently in effect to which the County is subject including, without limitation, the Act to which the County is subject; and (b) result in a breach of or constitute a default under the provisions of any resolution, indenture, loan or credit agreement or any other agreement, lease or instrument to which the County may be or is subject or by which it, or its Property, is bound; and the County is not in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such resolution, indenture, agreement, lease or instrument including, without limitation, the Act to which the County is subject.

Section 6.3. Due Execution and Delivery; Binding Effect. (a) This Agreement, the Bank Note and the other Related Documents to which the County is a party have been duly executed and delivered to the Lender by an officer of the County who has been duly authorized to perform such acts; (b) this Agreement, the Bank Note and each of the other Related Documents to which the County is a party constitute legal, valid and binding obligations of the County, enforceable against the County in accordance with their respective terms, except as such enforceability may be limited by the County's bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors' rights generally and (c) each of the Related Documents to which the County is a party is or will be on the Effective Date in full force and effect.

Section 6.4. Financial Information. All information supplied by the County to the Lender relating to the County is true and accurate in all material respects including, without limitation, the audited income statements and balance sheets of the County as of June 30, 2016, and the independent auditors' report dated November 30, 2016, of Watkins Uiberall, PLLC, and Banks, Finley, White & Co., copies of which have been delivered to the Lender are in all respects complete and correct and fairly present the financial condition of the County as at such dates for the periods covered by such statements, all in conformity with GAAP. Except as disclosed in writing by the County to the Lender prior to the Effective Date, there has been no material adverse change in the condition (financial or otherwise) of the business or operations of the County since June 30, 2016.

Section 6.5. Litigation. Except as has been disclosed in writing to the Lender, there is no action, inquiry or investigation, suit or proceeding pending against or, to the best knowledge of the County, at law or in equity, threatened against or affecting the County or relating to the Act, this Agreement, the Bank Note, or any other Related Document to which the County is a party before any court or other Governmental Authority in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, financial position or results of operations of the County or which in any manner draws into question the validity or enforceability of the Act, this Agreement, the Bank Note or any other Related Document to which the County is a party or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by any of the foregoing, the authority or ability of the County to perform its obligations under this Agreement, the Bank Note or any other Related Document to which the County is a party or the exemption of

interest on the Bank Note from the gross income of the recipients thereof for Federal income tax purposes.

Section 6.6. ERISA. The County is not subject to ERISA and does not maintain and is not required to maintain a Plan. The County has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material Adverse Effect. The County and each employee benefit plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto.

Section 6.7. Disclosure. All information heretofore furnished by the County to the Lender for purposes of or in connection with this Agreement and each transaction contemplated hereby (and the ability of the County to perform its obligations under this Agreement, the Bank Note and each of the other Related Documents to which the County is a party) is, and all such information hereafter furnished by the County to the Lender will be, true, accurate and complete in all material respects or based on reasonable estimates on the date as of which such information is stated or certified and such information does not omit to state a material fact necessary to make such statements and information, in light of the circumstances under which they were made, not misleading in any material respect. Furthermore, the representations, warranties or other statements made by the County in or pursuant to this Agreement and each Related Document to which the County is a party and each other document or financial statement provided by the County to the Lender in connection with this Agreement or any other Related Document to which the County is a party are true and correct. The County has disclosed to the Lender in writing any and all facts which materially and adversely affect or may affect, the business, operations, prospects or condition, financial or otherwise, of the County, or the ability of the County to perform its obligations under this Agreement, the Bank Note or any of the Related Documents to which the County is a party.

Section 6.8. Status of Obligations. The Bank Note constitutes a direct general obligation of the County for the payment of which as to both principal and interest the full faith and credit and unlimited taxing power of the County is irrevocably pledged pursuant to the Resolutions. The Bank Note is a bond anticipation note issued pursuant to Section 9-21-501, *et seq.*, Tennessee Code Annotated.

Section 6.9. Incorporated Representations. The County makes each of the representations, warranties and covenants contained in the Related Documents to which it is a party to, and for the benefit of, the Lender as if the same were set forth at length herein together with all applicable definitions thereto. No amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Lender to which the County is a party. The representations and warranties of the County in all of the Related Documents are true and correct in all material respects.

Section 6.10. No Proposed Legal Changes. There is no amendment, or to the knowledge of the County, proposed amendment certified for placement on a statewide ballot to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any law of the State, or any legislation that has passed either house of the State

legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (a) the security for the Bank Note or the County's ability to make its payment obligation under this Agreement when due or any obligations under the Bank Note or any other Related Documents to which it is a party, (ii) the adoption of the Resolutions, (iii) the execution and delivery of this Agreement, the Bank Note or any of the other Related Documents to which the County is a party, (iv) the creation, organization or existence of the County or the titles to office of any officers thereof executing this Agreement, the Bank Note or any of the other Related Documents to which the County is a party, or (v) the power of the County to levy taxes on the assessable property within the County to pay the principal of and interest on the Bank Note or any General Obligation Debt. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

Section 6.11. No Violation of Usury Laws. The terms of the Bank Note, this Agreement and the other Related Documents regarding the calculation and payment of interest on the Bank Note, the Loan and fees and other amounts due hereunder and under the other Related Documents do not violate any applicable usury laws.

Section 6.12. Compliance. The County is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect on the County and compliance with the respective provisions of the foregoing will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or of the United States of America or any applicable judgment or decree or any agreement or other instrument to which the County is a party or by which it or any of its Property is bound.

Section 6.13. Default. The County is not in default under any loan agreement, note, bond, mortgage or other instrument evidencing or securing indebtedness which such default could reasonably be expected to have a Material Adverse Effect. No bankruptcy, insolvency or other similar proceedings pertaining to the County or any agency or instrumentality of the County are pending or presently contemplated. The County is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Related Document or other resolution, agreement or instrument to which it is a party which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

Section 6.14. Margin Stock. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System). The County is not engaged principally or as one of its principle activities in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System). The execution, delivery and performance of this Agreement and the use of the proceeds of the Loans do not and will not constitute a violation of said regulations.

Section 6.15. Tax Exempt Status. The County has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity,

which action, if taken or omitted, would adversely affect the exclusion of interest on the Bank Note from gross income for purposes of federal income taxation.

Section 6.16. Taxes. The County has filed all federal, state and other material tax returns and reports required to be filed, and has paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the County that would, if made, have a Material Adverse Effect on the County.

Section 6.17. Acceleration. There is no outstanding General Obligation Debt or Parity Debt of the County which is subject to becoming or being declared immediately due and payable or otherwise due and payable prior to the stated maturity thereof upon a default, event of default or similar event thereunder.

Section 6.18. Anti-Terrorism Laws. The County is not in violation of any Laws relating to terrorism or money laundering ("*Anti-Terrorism Laws*"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "*Executive Order*"), and the Patriot Act;

(a) The County is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("*OFAC*") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The County does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 6.19. Environmental Matters. The operations of the County are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect.

ARTICLE VII

AFFIRMATIVE COVENANTS OF THE COUNTY

Section 7.1. Affirmative Covenants of the County. So long as the Commitment is outstanding and until all Obligations shall have been paid in full, the County hereby covenants and agrees, that:

(a) *Reporting Requirements.* The County shall furnish to the Lender:

(i) as soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year, the financial statements of the County as of the end of such Fiscal Year, all prepared in accordance with GAAP and in reasonable detail, accompanied by an independent auditors' report thereon to the effect that the financial statements described herein have been prepared in accordance with GAAP and present fairly in accordance with GAAP the financial condition of the County as of the close of such Fiscal Year and the results of their operations for the Fiscal Year then ended and that an examination by such auditors in connection with such financial statements has been made in accordance with Governmental Auditing Standards;

(ii) promptly after knowledge thereof by the County, written notice of the occurrence of any Event of Default or Default, together with a statement of the County setting forth the details thereof and the action which the County is taking or proposes to take with respect thereto;

(iii) promptly after process has been served on the County, notice of any action, suit or proceeding before any court or Governmental Authority in which there is a reasonable probability of an adverse decision which could (A) materially adversely affect the business, financial position or results of operations of the County or the ability of the County to perform its obligations hereunder, the Bank Note or under any other Related Document to which the County is a party or (B) draw into question the validity or enforceability of this Agreement, the Bank Note or any other Related Document;

(iv) promptly after obtaining knowledge thereof, written notice of any change in the long-term unenhanced ratings assigned by a Rating Agency to any General Obligation Debt or Parity Debt of the County;

(v) as soon as available, but in any event within ten (10) days after the issuance of General Obligation Debt or Parity Debt of the County the proceeds of which

shall be used to repay the Bank Note, notice of the issuance thereof and information with respect to such Indebtedness;

(vi) as soon as available to the County, copies of all enacted legislation which, to the best knowledge of the County, relates to, in any material way, or impacts upon this Agreement, the Bank Note or the other Related Documents or the ability of the County to perform its obligations in connection herewith or therewith;

(vii) within thirty (30) days after its adoption, a copy of the County's general fund budget, together with each amendment or supplement thereto that exceeds \$10,000,000 and is not revenue neutral that may be adopted from time to time during each Fiscal Year; and

(viii) from time to time such additional information regarding the financial position, operations, business or prospects for the County as the Lender may reasonably request.

(b) *Notices.* In addition to the notices described in Section 7.1(a) hereof, the County will provide promptly to the Lender each of the following:

(i) notice of any event known to the County which could reasonably be expected to result in a Material Adverse Effect on the County; and

(ii) notice of any proposed amendment or supplement to the Resolutions or any other Related Document and copies of all such amendments and supplements promptly following the execution thereof.

(c) *Inspection of Property, Books and Records.* The County shall keep adequate records and books of account, in which complete entries will be made, reflecting all financial transactions of the County; and at any reasonable time and from time to time upon reasonable notice thereof, permit the Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and to the extent permitted by applicable law, visit the properties of, the County and to discuss, at such reasonable time as the Lender may reasonable request, the affairs, finances and accounts of the County with the County's principal officers.

(d) *Waiver of Immunity.* To the fullest extent permitted by law, the County agrees not to assert the defense of sovereign immunity, if available, in any proceeding to enforce any of the obligations of the County under this Agreement, the Bank Note or any other Related Document to which it is a party.

(e) *Compliance with Laws.* The County shall comply with all laws, ordinances, orders, rules and regulations that may be applicable to it if the failure to comply could have a material adverse effect on the County's ability to repay when due the principal or interest on the Bank Note or any other Obligations under this Agreement or any other obligations under any of the other Related Documents to which the County is a party, or which could reasonably be expected to have a Material Adverse Effect.

(f) *Loan Proceeds.* The County has and shall use the proceeds of the Loan for the purposes set forth in this Agreement and in accordance with the Act. The County will not take or omit to take any action which action or omission will in any way cause the proceeds of the Loan advanced to it to be applied in a manner contrary to that provided in the Resolutions or the Related Documents to which it is a party and this Agreement.

(g) *Disclosure to Participants.* The County shall permit the Lender to disclose any information received by the Lender in connection herewith including, without limitation, the financial information described in Section 7.1(a) hereof, to any Participant.

(h) *Incorporation of Covenants.* From and after the date hereof and so long as this Agreement is in effect, except to the extent compliance in any case or cases is waived in writing by the Lender, the County agrees that it will, for the benefit of the Lender, comply with, abide by, and be restricted by all the agreements, covenants, obligations and undertakings contained in the provisions of the Related Documents to which the County is a party, together with the related definitions, exhibits and ancillary provisions, all of which are incorporated herein by reference, *mutatis mutandis*, and made a part hereof to the same extent and with the same force and effect as if the same had been herein set forth in their entirety, and no amendment, modification or waiver to any of the foregoing shall in any manner constitute an amendment, modification or waiver of the provisions thereof as incorporated herein unless consented to in writing by the Lender.

(i) *Maintenance of Approvals, Filings, Etc.* The County shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for its execution, delivery and performance of this Agreement and the other Related Documents to which the County is a party and to maintain the pledge of its full faith, credit and taxing powers (including unlimited ad valorem taxes) to the payment of the Bank Note.

(j) *Margin Stock.* No portion of the proceeds of the Loan has or will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

(k) *Hedging Agreements.* The County will not enter into any Swap Contract relating to Indebtedness (i) wherein any termination payments thereunder are senior to or on parity with the priority of payment of the Bank Note or (ii) which requires the County to post cash collateral to secure its obligations thereunder.

(l) *Compliance with Terms and Requirements.* The County covenants and agrees to comply with the terms and requirements applicable to the County in this Agreement and the other Related Documents to which it is a party. The County will neither take any action, nor cause any Person to take any action, under any Related Document which would materially adversely affect the rights, interests, remedies or security of the Lender under this Agreement, the Bank Note or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect.

(m) *Further Assurances.* The County shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Lender, all such instruments and documents as in the reasonable judgment of the Lender are necessary or advisable to carry out the intent and purpose of this Agreement and the other Related Documents.

(n) *Underlying Rating.* The County shall at all times maintain a rating on its long-term unenhanced General Obligation Debt from at least two Rating Agencies. The County covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its General Obligation Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Applicable Spread.

(o) *Existence, Etc.* The County (i) shall maintain its existence pursuant to its authorizing legislation and the laws of the State and (ii) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of its Property, assets or business, or combine, merge or consolidate with or into any other entity or change the use of facilities or assets.

(p) *General Obligations.* (i) The Bank Note constitutes a direct general obligation of the County for the payment of which as to both principal and interest the full faith and credit and unlimited taxing power of the County is irrevocably pledged pursuant to the Resolutions. In accordance with the provisions of Tennessee Code Annotated, Section 9-21-504, the County shall ensure that adequate provision is made for raising annually by tax upon all property subject to taxation by the County of a sum sufficient to pay the interest on and principal of the Bank Note as the same shall become due. The County hereby covenants that a tax sufficient to pay when due such principal and such interest on the Bank Note shall be levied annually and assessed, collected and paid in like manner with the other taxes of the County and shall be in addition to all other taxes authorized or limited by law. The Bank Note is a bond anticipation note issued pursuant to Section 9-21-501, *et seq.*, Tennessee Code Annotated. All Obligations, other than the Bank Note, shall be payable from other legally available funds of the County.

(ii) Unless the payment of the principal of the Bank Note otherwise shall be provided for by or on behalf of the County from proceeds of other available moneys, on or before the Maturity Date thereof the County shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of bonds or other obligations of the County (or otherwise obtain governmental financing) in an amount sufficient to provide for the payment of the outstanding principal of the Bank Note on the Maturity Date.

(q) *Taxes and Liabilities.* The County shall pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its Property, real, personal or mixed, or upon any part thereof, before the same shall become in default, which default could have a Material Adverse Effect, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP.

ARTICLE VIII

NEGATIVE COVENANTS OF THE COUNTY

Section 8.1. Negative Covenants of the County. So long as the Commitment is outstanding and until all of the Obligations shall have been paid in full, the County hereby covenants and agrees that it will not:

(a) *Amendments to the Related Documents to which the County is a Party.* The County will not agree to any amendment to, or waive any default under, any Related Document to which the County is a party or for which its consent is required without the prior written consent of the Lender. The County will not agree to any amendment to, or waive any default under, any Related Document to which the County is a party or for which its consent is required in a manner which could reasonably be expected to result in a Material Adverse Effect or have a material adverse effect upon the County's ability to perform its obligations under this Agreement, make its payment obligations under the Bank Note or to repay Indebtedness which constitutes General Obligation Debt of the County or which adversely affects the security for the Bank Note or the County's ability to repay when due the Obligations or the rights, interest, security or remedies of the Lender.

(b) *Disclosure Documents.* Except as may be required by law (including, but not limited to, federal and state securities laws and State open records laws), the County shall not use the Lender's name in any published materials (other than the County's staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Lender (which consent shall not be unreasonably withheld); *provided that*, without the prior written consent of the Lender, the County may identify the Lender as a party to this Agreement, the stated amount of the Commitment, the expiration date of the Commitment and that the Bank Note is secured by the full faith, credit and taxing powers of the County, so long as no other information relating to this Agreement or the Lender is disclosed in such offering documents without the prior written consent of the Lender.

(c) *Maintenance of Tax-Exempt Status of the Bank Note.* The County shall not take any action or omit to take any action or permit any Person to take any action or omit to take any action, that if taken or omitted, would adversely affect the excludability of interest on the Bank Note from the gross income of the Lender for Federal income tax purposes.

(d) *ERISA.* The County shall not be subject to ERISA. The County and each employee benefit plan to which it is subject shall remain in compliance in all material respects with the terms of any such plan and applicable law related thereto.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.1. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of law) shall be an "Event of Default" hereunder:

(a) the County shall fail to pay the principal of or interest on the Bank Note when and as due when due;

(b) the County shall fail to pay any Obligation (other than the obligation to pay any principal of or interest on the Bank Note when and as due) and such failure shall continue for three (3) Business Days;

(c) any representation or warranty made by or on behalf of the County in this Agreement or in any other Related Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue or incomplete or misleading in any material respect when made or deemed to have been made or delivered;

(d) the County shall default in the due performance or observance of any of the covenants set forth in Section 7.1(d), (f), (k), (n), (o) or (q) hereof or Section 8.1 hereof;

(e) the County shall default in the due performance or observance of any other term, covenant or agreement contained in (or incorporated by reference in) this Agreement (other than those referred to in Sections 9.01(a), 9.01(b), 9.01(c) and 9.01(d) hereof) or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof. In the case of any such breach or default that cannot with the due diligence be cured within such thirty (30) day period but can be wholly cured within a period of time not materially detrimental to the rights of the Lender, to be determined conclusively by the Lender, it shall not constitute an Event of Default if corrective action is instituted by the County within the applicable period and diligently pursued until the breach or default is corrected in accordance with and subject to any directions or limitations of time established by the Lender;

(f) the County shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 9.1(g) or (h) of this Agreement;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the County or any substantial part of its Property, or a proceeding described in Section 9.1(f)(v) shall be instituted against the County and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Indebtedness of the County by the County or any Governmental Authority with appropriate jurisdiction or (ii) any Governmental Authority of competent jurisdiction shall declare a financial emergency or similar declaration with respect to the County and shall appoint or designate, with respect to the County, a neutral evaluator, an emergency manager or an entity such as an organization, a board, a commission, an authority, an agency or any other similar body to examine or manage the affairs and operations of the County;

(i) (i) any material provision of this Agreement or any other Related Document shall at any time for any reason cease to be valid and binding on the County as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable; or (ii) the validity or enforceability of any material provision of this Agreement or any Related Document shall be publicly contested by the County;

(j) dissolution or termination of the existence of the County;

(k) the County shall (i) default on the payment of the principal of or interest on any Parity Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;

(l) the County shall (i) default on the payment of the principal of or interest on any Indebtedness (other than Parity Debt) aggregating in excess of \$10,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness (other than Parity Debt) was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Indebtedness (other than Parity Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such Indebtedness to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Indebtedness;

(m) any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Lender, in an aggregate amount not less than \$10,000,000 shall be entered or filed against the County or against any of its Property and remain unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days;

(n) any "event of default" under any Related Document (as defined respectively therein) shall have occurred; or

(o) any of Fitch, Moody's and S&P shall have downgraded its rating of any long-term unenhanced Parity Debt of the County to below "BBB+" (or its equivalent), "Baa1" (or its equivalent), or "BBB+" (or its equivalent) respectively, or suspended or withdrawn its rating of the same.

Section 9.2. Rights and Remedies upon Default. Upon the occurrence of an Event of Default hereunder, the Lender may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) by written notice to the County, reduce the Commitment Amount to zero and thereafter the Lender will have no further obligation to make Loans hereunder and/or terminate the Commitment;

(b) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however,* that the Lender shall have no obligation to effect such a cure;

(c) by mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce Lender's rights against the County, the Board of Commissioners of the County and any officer, agent, or employee of the County, including, but not limited to, the right to require the County, the Board of Commissioners of the County and any proper officer, agent or employee of the County to assess, levy and collect taxes, and to fix and collect fees, rents, tolls, or other charges adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County, the Board of Commissioners of the County and any officer, agent or employee of the County to carry out any other covenants and agreements and to perform its and their duties hereunder;

(d) by action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of the Lender.

If, pursuant to any agreement or instrument, the County shall grant the holder or credit enhancer of any Parity Debt the right to declare amounts due under such Parity Debt immediately due and payable, Section 9.2 of this Agreement shall be deemed to be amended automatically to incorporate the ability of the Lender to declare amounts under this Agreement to be immediately due and payable upon the occurrence of any Event of Default hereunder.

Section 9.3. No Waiver. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No delay or omission by the Lender in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Lender or to be acquiescence therein. No express or implied waiver by the Lender of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 9.4. Discontinuance of Proceedings. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the County and the Lender shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked.

ARTICLE X

MISCELLANEOUS

Section 10.1. Evidence of Debt. The Lender shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each Advance made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

Section 10.2. Amendments and Waivers. No amendment or waiver of any provision of this Agreement nor consent to any departure by the parties hereto shall in any event be effective unless the same shall be in writing and signed by such parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 10.3. Addresses for Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be mailed by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid, or sent by telex, telegram, telecopy or other similar form of rapid transmission confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other parties.

The County: Shelby County, Tennessee
 160 N. Main Street, Suite 1100
 Memphis, TN 38103
 Attention: Director of Administration and Finance
 Telephone: (901) 222-2010

The Lender: STI Institutional & Government, Inc.



Wire Instructions to be provided by the Lender.

Section 10.4. Survival of This Agreement. All covenants, agreements, representations and warranties made in this Agreement shall survive the extension by the Lender of the Commitment and shall continue in full force and effect so long as the Commitment shall be unexpired or any sums drawn or due thereunder or any other obligations shall be outstanding and unpaid, regardless of any investigation made by any Person and so long as any amount payable hereunder remains unpaid. The agreement of the County to indemnify the Lender and each Indemnatee under Section 5.1 hereof shall continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. The obligations of the County under Section 5.2 hereof shall also continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. Whenever in this Agreement the Lender is referred to, such reference shall be deemed to include the successors and assigns of the Lender and all covenants, promises and agreements by or on behalf of the County which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lender. The rights and duties of the County may not be assigned or transferred without the prior written consent of the Lender in its sole discretion, and all obligations of the County hereunder shall continue in full force and effect notwithstanding any assignment by the County of any of its rights or obligations under any of the Related Documents or any entering into, or consent by the County to, any supplement or amendment to, or termination of, any of the Related Documents.

Section 10.5. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 10.6. Governing Law; Waiver of Jury Trial; Jurisdiction and Venue. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TENNESSEE.

(b) TO THE EXTENT PERMITTED BY LAW, EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE OF TENNESSEE AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE OF TENNESSEE. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE OF TENNESSEE AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT. REGARDLESS OF WHETHER THE PARTY'S ACTIONS TOOK PLACE IN THE STATE OF TENNESSEE OR ELSEWHERE IN THE UNITED STATES, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION TO THE EXTENT NOT OTHERWISE PROHIBITED BY APPLICABLE LAW.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION

BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

(d) In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 10.7. Successors and Assigns; Participants.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the County, its successors, transferees and assigns and shall inure to the benefit of the Lender and its permitted successors, transferees and assigns. The County may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender in its sole discretion. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, the Lender may not assign its obligations to fund the Loan pursuant to the terms of this Agreement without the prior written consent of the County (such consent not to be unreasonably withheld). Lender may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (b) of this Section.

(b) *Participations.*

(i) The Lender shall have the right to grant participations in all or a portion of the Lender's interest in the Bank Note, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (A) no such participation by any such Participant shall in any way affect the obligations of the Lender hereunder and (B) the County shall be required to deal only with the Lender, with respect to any matters under this Agreement, the Bank Note and the other Related Documents and no such Participant shall be entitled to enforce any provision hereunder against the County.

(ii) Anything herein to the contrary notwithstanding, including without limitation Section 5.4 hereof, if any Participant shall incur increased costs or capital adequacy requirements as contemplated by Section 5.4 hereof, and such increased costs or capital adequacy requirements are greater than those that the Lender would have incurred had it not granted a participation interest as provided for in this Section 10.7(b), then the County shall not be obligated to pay to such Participant any portion of the cost greater than that which the County would have paid under the provisions of Section 5.4 hereof had the Lender not granted such participation interest.

Section 10.8. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, taken together, shall constitute but one and the same Agreement. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such

party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 10.10. Patriot Act. The Lender hereby notifies the County that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the County, which information includes the name and address of the County and other information that will allow the Lender to identify the County in accordance with the Patriot Act. The County hereby agrees that it shall promptly provide such information upon request by the Lender.

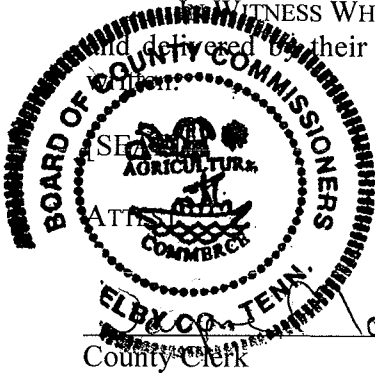
Section 10.11. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the County acknowledges and agrees, that: (a)(i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) the County is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by this Agreement and the other Related Documents, (iii) the Lender is not acting as a municipal advisor or financial advisor to the County and (iv) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the County with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the County on other matters); (b)(i) the Lender is and has been acting solely as a principal in an arm's-length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the County, or any other Person and (ii) the Lender has no obligation to the County with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; (c) notwithstanding anything herein to the contrary, it is the intention of the County and the Lender that the Agreement and the other Related Documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to the Lender is delivered solely to evidence the repayment obligations of the County under the Agreement and the other Related Documents; and (d) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the County, and the Lender has no obligation to disclose any of such interests to the County. To the fullest extent permitted by law, the County hereby waives and releases any claims that it may have against the

Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. The Agreement and the other Related Documents are entered into pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq.*, to the extent that such rules apply to the transactions contemplated hereunder.

Section 10.12. Permission to Use Information. The County agrees and consents that Lender shall be permitted to use information related to the loan transaction in connection with marketing, press releases or other transactional announcements or updates provided to investors or trade publications, including, but not limited to, the placement of the logo or other identifying name on marketing materials or of “tombstone” advertisements in publications of its choice at its own expense.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above



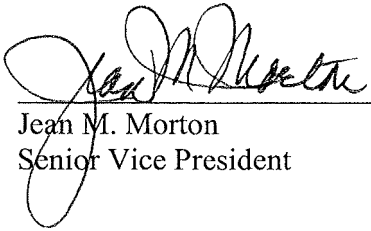
SHELBY COUNTY, TENNESSEE

By: [Signature]
County Mayor

By: [Signature]
Chairman, Board of County Commissioners

[Signature Page to SunTrust – Shelby County Loan Agreement]

STI INSTITUTIONAL & GOVERNMENT, INC.

By: 

Jean M. Morton
Senior Vice President

EXHIBIT A

[FORM OF BANK NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENT OF THE SECURITIES ACT. IN ADDITION, THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SECTION 10.7 OF THE HEREINAFTER DEFINED LOAN AGREEMENT.

UNITED STATES OF AMERICA

STATE OF TENNESSEE

COUNTY OF SHELBY

**GENERAL OBLIGATION BOND ANTICIPATION NOTE
SERIES 2017**

Number: R-1

Dated: October 24, 2017

Principal Amount: ONE HUNDRED TWENTY-MILLION DOLLARS (\$120,000,000)

Registered Owner: STI Institutional & Government, Inc. and its successor or assigns

KNOW ALL MEN BY THESE PRESENTS: That the County of Shelby, in the State of Tennessee (the "County"), hereby acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Amount set forth above, or so much of the Principal Amount stated above as shall be outstanding as reflected on the Schedule of Advances and on the Schedule of Prepayments attached to this Note, payable as provided herein. For the prompt payment of this Note, both principal and interest, the full faith, credit and other resources of the County are hereby irrevocably pledged.

This Note evidences the loan (the "Loan") made by the Registered Owner to the County on the dated date set forth above pursuant to the Loan Agreement dated as of October 1, 2017, as amended, supplemented, modified or restated from time to time (the "Loan Agreement"), between the Registered Owner, as lender, and the County. The Loan is funded on a drawdown basis in an amount not exceeding the Principal Amount set forth above.

This Note shall bear interest from its dated date on the Principal Amount set forth above, or so much of the Principal Amount stated above as shall be outstanding as reflected on the Schedule of Advances and on the Schedule of Prepayments attached to this Note, at the rate as provided in the Loan Agreement and the hereinafter defined Resolutions, and the principal of

this Note shall be payable in the amounts and on the dates on which principal payments on the Loan are due and payable as provided in the Loan Agreement.

Notwithstanding anything in the Loan Agreement to the contrary, this Note shall mature on October 24, 2020; *provided however*, and subject to the provisions of the Loan Agreement, that the maturity date of this Note may be extended or renewed for not more than one (1) additional period not exceeding two (2) years with the approval of the Director of the Office of State and Local Finance, in accordance with Section 9-21-505, Tennessee Code Annotated. In any year in which the maturity date of this Note is extended or renewed and is outstanding beyond the maturity date as set forth above, the County shall retire a portion thereof equal to not less than 1/20th of the original Principal Amount of this Note as required by Section 9-21-501, *et seq.*, Tennessee Code Annotated, unless otherwise waived by the Director of the Office of State and Local Finance. Each such approval or waiver of the Director of the Office of State and Local Finance shall be in writing and shall be delivered to the County and the Registered Owner.

This Note is issued under the authority of and in full compliance with the Constitution and statutes of Tennessee, including Section 9-21-501, *et seq.*, and resolutions duly adopted by the Board of Commissioners of the County on September 25, 2017 (collectively, the "Resolutions"), which authorize said Note. This Note is issued for the purpose of providing funds to be applied to the payment of costs of financing and refinancing of the design, acquisition, construction, renovation, equipping and furnishing of various capital projects and the payment of the costs of issuing the Note.

All sums becoming due on this Note for principal and interest shall be paid in lawful money of the United States by the method and at the address specified for such purpose by the Registered Owner of this Note in writing to the County, without the presentation or surrender of this Note or the making of any notation hereon, except that upon the written request of the County made concurrently with or reasonably promptly after prepayment in full of this Note, the Registered Owner of this Note shall surrender this Note for cancellation, reasonably promptly after any such request, to the County. Prior to any sale or other disposition of this Note, the Registered Owner of this Note shall endorse hereon the amount of principal advanced hereunder, the amount of principal paid hereon and the last date to which interest has been paid hereon.

All advances of proceeds under this Note and all payments of principal of this Note (whether at maturity or upon prepayment), including the date and amount of each advance of proceeds and each payment or principal, shall be endorsed by the Registered Owner of this Note on the Schedule of Advances or the Schedule of Prepayments, as applicable, attached to this Note; provided, however, that any failure by the Registered Owner of this Note to endorse such information on such Schedule or any error therein shall not in any manner affect the obligation of the County to make payments of principal and interest in accordance with the terms of this Note. The County hereby irrevocably authorizes and directs the Registered Owner of this Note to enter on the Schedule of Advances and the Schedule of Prepayments, as applicable, the date and amount of each payment of principal of this Note.

This Note is subject to prepayment on the dates and in the amounts, in whole or in part, of the outstanding principal of the Loan evidenced and secured by this Note as provided in Section 2.7 of the Loan Agreement.

This Note is issued in fully registered form and is non-negotiable. It may be exchanged for a like aggregate principal amount of Note of authorized denominations, as set forth in the Resolutions. This Note is transferable as permitted by Section 10.7 of the Loan Agreement by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the principal office of the Director of Administration and Finance of the County in Memphis, Tennessee, upon surrender and cancellation of this Note. Upon such transfer, a new Note of an authorized denomination for the same aggregate principal amount will be issued to the transferee in exchange therefor.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and by the laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this Note, do exist, and have been properly done, have happened and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal hereof and interest hereon as same falls due.

This Note is a valid and binding obligation of County.

[SEAL]

SHELBY COUNTY, TENNESSEE

ATTEST:

By: _____
County Mayor

County Clerk

By: _____
Chairman, Board of County Commissioners

SCHEDULE OF ADVANCES

[illegible]

[illegible]

Assignment

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or
Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by
a member or participant of a signature
guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT B

[FORM OF REQUEST FOR ADVANCE]

REQUEST FOR ADVANCE

SunTrust Bank

[REDACTED]

With a copy to:

STI Institutional and Government
SunTrust Bank

[REDACTED]

RE: Shelby County Government – [REDACTED]

Ladies and Gentlemen:

The undersigned, an Authorized Representative, refers to the Loan Agreement, dated as of October 1, 2017 (together with any amendments or supplements thereto, the "*Agreement*"), between Shelby County, Tennessee (the "*County*") and STI Institutional & Government, Inc. (the "*Lender*") (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.3 of the Agreement, that the Lender make an Advance under the Agreement, and in that connection sets forth below the following information relating to such Advance (the "*Proposed Advance*"):

1. The Business Day of the Proposed Advance is _____, 20__ (the "*Advance Date*"), which is at least three Business Days following the date hereof.
2. The principal amount of the Proposed Advance is \$_____, which, taken together with all Advances that have previously been made under the Loan Agreement, is not greater than the Commitment Amount as of the Advance Date set forth in 1 above.

3. The aggregate amount of the Proposed Advance shall be used solely for the payment of capital projects of the County as permitted under the Act.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Advance Date, before and after giving effect thereto:

(a) the undersigned is an Authorized Representative;

(b) the representations and warranties of the County set forth in Article VI of the Agreement and in each other Related Document are and shall be true and correct in all material respects on the date hereof and on such Advance Date as though made on the date hereof and on the date of Advance Date;

(c) no Default or Event of Default has occurred as of the date hereof or shall have occurred and be continuing on such Advance Date; and

(d) no Material Adverse Change shall have occurred on or before such Advance Date.

The Proposed Advance shall be made by the Lender by transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:



The County certifies and acknowledges that the above wiring instructions are accurate and that the Lender may rely on this information in making the requested wire transfer(s). The County will hold Lender harmless if it acts in accordance with the instructions above, and the Lender shall only be liable as provided by applicable law for any error or delay. In no event will the Lender be liable for any special consequential, punitive, indirect or exemplary damages.

Very truly yours,

SHELBY COUNTY, TENNESSEE

By: _____

Name: _____

Title: _____

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

REQUEST FOR EXTENSION

[Date]

STI Institutional and Government
SunTrust Bank



RE: [REFERENCE FOR LENDER]

Ladies and Gentlemen:

Reference is made to the Loan Agreement dated as of October 1, 2017 (together with any amendments or supplements thereto, the "*Agreement*") between the undersigned, Shelby County, Tennessee (the "*County*") and STI Institutional & Government, Inc. (the "*Lender*"). All terms defined in the Agreement are used herein as defined therein.

The County hereby requests, pursuant to Section 2.10 of the Agreement, that the Maturity Date as of the date hereof be extended to _____, _____. Pursuant to such Section 2.10, we have enclosed with this request the following information:

1. A reasonably detailed description of any and all Defaults that have occurred and are continuing;
2. Confirmation that all representations and warranties of the County as set forth in Article VI of the Agreement and each Related Document are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof; and
3. Any other pertinent information previously requested by the Lender.

The Lender is asked to notify the County of its decision with respect to this request within 60 days of the date of receipt hereof. If the Lender fails to notify the County of the Lender's decision within such 60-day period, the Lender shall be deemed to have rejected such request.

Very truly yours,

SHELBY COUNTY, TENNESSEE

By: _____

Name: _____

Title: _____

EXHIBIT D

[FORM OF NOTICE OF TERMINATION]

NOTICE OF TERMINATION

Shelby County, Tennessee
160 N. Main Street, Suite 1100
Memphis, TN 38103
Attention: Director of Administration and Finance
Facsimile: (901) 545-3796

Ladies and Gentlemen:

We refer to the Loan Agreement dated as of October 1, 2017 (together with any amendments or supplements thereto, the "*Agreement*") between Shelby County, Tennessee (the "*County*") and the undersigned, STI Institutional & Government, Inc. Any term below which is defined in the Agreement shall have the same meaning when used herein.

We hereby notify you that an Event of Default has occurred under Section 9.1__ of the Agreement. As a result, unless and until you have been advised otherwise by us:

1. The Commitment Amount **[has been automatically]/[is hereby]** reduced to \$0.00 and the Lender has no further obligation to make Advances under the Agreement; and
2. The Commitment **[has been automatically]/[is]** terminated and will no longer be reinstated.

EXHIBIT E

[FORM OF NOTICE OF TERMINATION OR REDUCTION]

NOTICE OF TERMINATION OR REDUCTION

[Date]

STI Institutional and Government
SunTrust Bank

RE: [REFERENCE FOR LENDER]

Ladies and Gentlemen:

Re: Loan Agreement dated as of October 1, 2017

Shelby County, Tennessee (the "*County*"), through its undersigned, an Authorized Representative, hereby certifies to STI Institutional & Government, Inc. (the "*Lender*"), with reference to the Loan Agreement dated as of October 1, 2017 (together with any amendments or supplements thereto, the "*Agreement*") by and between the County and the Lender (the terms defined therein and not otherwise defined herein being used herein as therein defined):

[(1) The County hereby informs you that the Commitment is terminated in accordance with the Agreement.]

OR

[(1) The County hereby informs you that the Commitment Amount is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on _____.]

IN WITNESS WHEREOF, we have executed and delivered this Notice as of the ____ day of _____, 20__.

Very truly yours,

SHELBY COUNTY, TENNESSEE

By: _____
Name: _____
Title: _____

EXHIBIT F

[FORM OF NOTICE OF REDUCTION].

NOTICE OF REDUCTION

[Date]

Shelby County, Tennessee
160 N. Main Street, Suite 1100
Memphis, TN 38103
Attention: Director of Administration and Finance
Facsimile: (901) 545-3796

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.9(a) of the Loan Agreement, dated as of October 1, 2017, between the undersigned, Shelby County, Tennessee (the "*County*"), and STI Institutional & Government, Inc. (the "*Lender*"), the Commitment Amount is reduced from **[insert amount as of the date of Certificate]** to **[insert new amount]**, such reduction to be effective on _____.

Very truly yours,

STI INSTITUTIONAL & GOVERNMENT, INC.

By: _____
Name: _____
Title: _____