

RESOLUTION NO. 30553

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE THE ATTACHED LOAN DOCUMENTS AND ANY OTHER NECESSARY TAX INCREMENT FINANCE DOCUMENTS WHICH PROVIDE FOR A FOUR MILLION DOLLAR (\$4,000,000.00) LOAN FROM THE CITY TO THE INDUSTRIAL DEVELOPMENT BOARD FOR THE CITY OF CHATTANOOGA, TENNESSEE, FOR THE PURPOSE OF FUNDING INFRASTRUCTURE IMPROVEMENTS AND OTHER CAPITAL IMPROVEMENT PROJECTS AT THREE AND A HALF (3.5%) PERCENT INTEREST RATE FOR TWENTY (20) YEARS TO FUND INFRASTRUCTURE IMPROVEMENTS WITHIN THE EAST CHATTANOOGA RISING TIF DISTRICT PURSUANT TO THE ASSOCIATED ECONOMIC IMPACT PLAN FOR THE AREA.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, that it is hereby authorizing the Mayor to execute the attached loan documents and any other necessary tax increment finance documents which provide for a \$4 million loan from the City to the Industrial Development Board for the City of Chattanooga, Tennessee, for the purpose of funding infrastructure improvements and other capital improvement projects at three and a half (3.5%) percent interest rate for twenty (20) years to fund infrastructure improvements within the East Chattanooga Rising TIF District pursuant to the associated Economic Impact Plan for the area.

ADOPTED: November 10, 2020

/mem

THE CITY OF CHATTANOOGA, TENNESSEE

and

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA,
TENNESSEE**

LOAN AGREEMENT

Dated as of _____, 2020

LOAN AGREEMENT

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Loan Agreement”) is made and entered into as of _____, 2020, between City of Chattanooga, Tennessee (referred to herein as “Lender” or “City”) and Industrial Development Board of the City of Chattanooga, Tennessee (referred to herein as “Borrower” or “IDB”).

RECITALS:

A. The IDB is a public, nonprofit corporation and a public instrumentality of the City of Chattanooga, Tennessee and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”), to prepare and submit to cities and counties an economic impact plan with respect to an area that has a qualifying “project” within the meaning of Tennessee Code Annotated Section 7-53-101(15)(A)(ii) and (iv) and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such project.

B. Tennessee Code Annotated Section 7-53-312 authorizes cities and counties to apply and pledge new incremental tax revenues, which arise from the area subject to the economic impact plan, to the IDB to promote economic development, to pay the costs of projects or to pay debt service on bonds or other obligations issued by the IDB to pay the costs of projects.

C. Pursuant to and in accordance with the provisions of the Act, the IDB has formulated an Economic Impact Plan for the development of an industrial development by Nippon Paint Automotive Americas (the “Plan”), which area is comprised of approximately 28.94 acres and the improvements now or to be constructed thereon, being shown on the current, official maps of the Assessor of Property for Hamilton County, as Tax Parcels 136E-A-005 and 136E-A-005.02, and being more particularly described on Exhibit “C” to the Plan (the “Plan Area”).

D. The IDB has determined that in order to make development of the Plan Area financially feasible, it will provide tax increment financing pursuant to Tennessee Code Annotated Section 7-53-312, the proceeds of which tax increment financing would be used exclusively to pay all or a portion of the cost of acquiring and/or developing the site for both the Present Public Infrastructure Improvements (as herein defined) and Future Public Infrastructure Improvements (as herein defined) (the “Nippon Paint Automotive Americas Project”).

E. The Plan Area and the Nippon Paint Automotive Americas Project were approved by the Chattanooga City Council on December 3, 2019 by Resolution No. 30147, and by the Hamilton County Commission on December 18, 2019 by Resolution No. 1219-27.

F. Lender owns land surrounding the area subject to the Plan as more particularly described on Exhibit A attached hereto (the “Lender’s Property”).

G. Pursuant to that certain Donation Agreement by and between Lender and Nippon Paint Automotive Americas and Supplemental Donation Agreement by and between Lender and Nippon Paint Automotive Americas (collectively, the “Agreement”), Lender has agreed to build a public right-of-way through Lender’s Property connecting Roanoke Avenue as an extension of Hardy Street to provide access to the property subject to the Agreement.

H. Lender anticipates issuing a Request for Proposal for the development of the Lender’s property, with possible upgrades to Sherman, Heaton and Southern streets encompassing the Plan Area.

I. Any developer(s) chosen to upgrade the Future Public Infrastructure Improvements must submit design plans to the IDB for approval and meet all requirements for tax increment financing.

J. Lender has agreed to loan funds (the “Loan”) to the IDB and accept from the IDB a promissory note in the principal amount of up to FOUR MILLION AND NO DOLLARS (\$4,000,000) (the “TIF Note”) to finance certain tax increment eligible costs relating to the construction of both the Present Public Infrastructure Improvements and the Future Public Infrastructure Improvements.

K. Under Tenn. Code Ann. §§ 7-53-301, et seq. (the “Act”), and the Plan, IDB is authorized to issue and secure the TIF Note (as herein defined) to finance the Costs (as herein defined).

L. IDB has established a special fund (the “The Tax Increment Revenue Fund”) into which Tax Increment Revenues (as herein defined) will be deposited, and from which debt service on the TIF Note will be paid in accordance with the Act.

M. Interest on the TIF Note will be paid annually commencing on June 30, 2022. Following reassessment of the Property by the Property Assessor for Hamilton County, Tennessee, after completion of construction of the Nippon Paint Automotive Americas Project, principal payments will commence in accordance with the TIF Note. All outstanding principal and interest under the TIF Note will be due and payable in full on December 31, 2040. The TIF Note shall be paid from the Tax Increment Revenues (as defined below) and such revenues shall be first applied to interest and then to principal as set forth in the TIF Note.

TERMS:

NOW, THEREFORE, in consideration of the Recitals above, the premises and the mutual covenants and undertakings below, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE I
DEFINITIONS

The following words and phrases shall have the following meanings.

“Assignment” means the Assignment of Tax Increment Revenues executed by IDB and delivered in accordance with Article III hereof and any amendments thereto from time to time.

“Borrowing Certificate” means a certificate executed by IDB in the form of Exhibit B hereto with respect to the disbursement of proceeds hereunder.

“Budget” means the portion of the Costs which have been or will be paid through the use of Loan proceeds as set forth in Exhibit C hereto.

“Business Day” means any day on which Lender is regularly open for business in Chattanooga, Tennessee (other than any Saturday or Sunday on which Lender may be so open for business).

“Closing Date” means the date on which the TIF Note is issued by IDB to Lender.

“Collateral Documents” means the Assignment.

“Costs” means the Transaction Costs.

“Default” means any Default under this Loan Agreement as specified in and defined in Article VIII hereof.

“Eligible Improvement Costs” means the Nippon Paint Automotive Americas Project costs described on Exhibit D attached hereto and incorporated herein by reference.

“Future Public Infrastructure Improvements” means the development of upgrades to Sherman, Heaton and Southern streets surrounding the Plan Area.

“Interest Payment Date” means June 30 of each year, beginning June 30, 2022, following reassessment of the Property by the Property Assessor for Hamilton County, Tennessee after completion of construction of the Nippon Paint Automotive Americas Project, and on each June 30 of each year thereafter through the Maturity Date.

“Lender’s Property” means the property owned by Lender and described on Exhibit A.

“Loan” means the loan made under this Loan Agreement and evidenced by the TIF Note.

“Maturity Date” means December 31, 2040.

“Present Public Infrastructure Improvements” means a public right-of-way through the Lender’s Property connecting Roanoke Avenue as an extension of Hardy Street to provide access to the property subject to the Agreement.

“Property” means certain real property located in Hamilton County, Tennessee, within the Plan Area, all more particularly described on Exhibit E hereto and the easements and rights appurtenant thereto.

“Redevelopment Parcel Tax Increment Revenues” means that portion of the ad valorem property taxes that are assessed annually on the Property by the City of Chattanooga and Hamilton County and allocated to IDB in accordance with Section 7-53-312 of the Act with respect to calendar year 2021 and subsequent calendar years through and including calendar year 2024 (regardless of when such taxes are paid).

“State” means the State of Tennessee.

“Tax Increment Revenues” means the Redevelopment Parcel Tax Increment Revenues payable to IDB prior to the Maturity Date.

“TIF Note” means the Tax Increment Revenue Note issued pursuant to Article II hereof.

“Transaction Costs” means the purchase price of the Property and all commitment fees, donation/repayment penalties, loan fees, IDB’s reasonable administrative fees, and all actual and verifiable recording costs, conveyance taxes, reasonable legal fees and other similar fees and expenses incurred in connection with and attributable to the issuance of the TIF Note and the transactions directly related thereto.

ARTICLE II THE TIF NOTE

Section 2.1 Designation. The TIF Note shall be designated “IDB Tax Increment Revenue Note (The Nippon Paint Automotive Americas Project).”

Section 2.2 Principal Amount. The TIF Note shall be in the aggregate original principal amount of up to FOUR MILLION AND NO/100 DOLLARS (\$4,000,000).

Section 2.3 Interest Rate. The TIF Note shall bear interest at a fixed rate specified therein, all as more particularly provided in the TIF Note.

Section 2.4 Maturity. The TIF Note shall mature on the Maturity Date, unless prepaid earlier as provided below or unless accelerated as provided in this Loan Agreement or the TIF Note.

Section 2.5 Interest Payments. Accrued interest shall be due and payable on the aggregate principal amount of the TIF Note outstanding from time to time as follows:

(a) All accrued interest is due and payable annually in arrears beginning June 30, 2022, and thereafter on each Interest Payment Date during the term of the TIF Note.

(b) All accrued and unpaid interest is due and payable on the Maturity Date.

(c) Interest shall be calculated based on a 360-day year at the interest rate specified in the TIF Note based on the actual number of days. For payments due following reassessment of the Property by the Property Assessor for Hamilton County, Tennessee, after completion of construction of the Nippon Paint Automotive Americas Project, Lender shall calculate the interest due and payable on each Interest Payment Date as provided above and provide such calculation, in writing, to IDB at least five (5) Business Days prior to such Interest Payment Date. In addition, if requested in writing by IDB, Lender shall provide an annual statement of such interest and any principal reductions as provided in Section 2.6 hereof showing such calculations.

Section 2.6 Principal Payments. Principal on the TIF Note shall be payable annually on each Interest Payment Date beginning on June 30, 2026, and on each Interest Payment Date thereafter through the Maturity Date. All remaining outstanding principal shall be due and payable on the Maturity Date or such earlier date on which the TIF Note shall become due and payable.

Section 2.7 Prepayments. IDB shall have the right to prepay the TIF Note as provided therein and may also prepay the TIF Note without premium or penalty at any time.

Section 2.8 Delivery of the TIF Note. In connection with the delivery of the TIF Note, there shall be delivered to or deposited with Lender:

(a) the amount of any out-of-pocket costs and reasonable attorneys' fees incurred by Lender;

(b) a loan fee in an amount equal to \$_____;

(c) copies, certified by the Secretary of IDB, of the Charter and Bylaws of IDB and the resolutions authorizing the issuance of the TIF Note and the execution, delivery and performance of this Loan Agreement and the Collateral Documents;

(d) a Tennessee certificate of existence for IDB indicating that it is in good standing;

(e) originally executed complete counterparts of this Loan Agreement and, the Collateral Documents; and

(f) the TIF Note, duly executed and issued by IDB in the aggregate principal amount of up to \$4,000,000, together with a duly executed Borrowing Certificate with respect thereto.

Section 2.9 Execution, Limited Obligations. The TIF Note shall be executed on behalf of IDB. The TIF Note, and the obligations of IDB under this Loan Agreement and the other documents described herein that evidence or secure the TIF Note, shall not constitute an indebtedness of City within the meaning of the Constitution and statutes of the State or the charter or ordinances of City. In the event that a Default occurs under this Loan Agreement, no judgment for any deficiency for the obligations of IDB under the TIF Note, this Loan Agreement or any of the Collateral Documents shall be sought or obtained against IDB, except for any Tax Increment Revenues or other revenues or funds expressly pledged by IDB for the payment of such obligations. Nothing contained in this Section 2.9 shall (x) be deemed to be a release or impairment of the indebtedness evidenced by the TIF Note or the lien of this Loan Agreement or any of the Collateral Documents, or (y) preclude Lender from (1) realizing on the collateral described in the Collateral Documents in the event of a Default, or (2) enforcing any other rights of Lender against third parties other than IDB, including, without limitation, any remedies Lender may have under this Loan Agreement, or the Collateral Documents. The Tax Increment Revenues received by IDB prior to the Maturity Date, and other amounts specifically pledged by IDB under this Loan Agreement shall be used for no purpose other than to pay the principal of, interest on and any other amounts due under the TIF Note until it is paid in full, except as may be otherwise expressly authorized in this Loan Agreement.

Section 2.10 Form of TIF Note. The TIF Note is to be in substantially the form set forth in Exhibit F attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Loan Agreement, with such changes being conclusively approved by execution of the TIF Note by IDB and acceptance of the TIF Note by Lender.

ARTICLE III COLLATERAL SECURING THE TIF NOTE

Section 3.1 Assignment of Tax Increment Revenues. As a source of and security for the payment of the TIF Note and all amounts due hereunder, IDB has assigned and pledged to Lender, pursuant to the Assignment, all Tax Increment Revenues.

Section 3.2 Reserved

Section 3.3 Pledge of IDB Funds. To the extent of any interest of IDB therein, all moneys in The Project Fund and The Tax Increment Revenue Fund, including, without limitation, any earnings thereon and proceeds thereof, are hereby pledged to the payment of the principal of and interest on the TIF Note, and IDB hereby grants to Lender a security interest therein. The Project Fund (as defined in Section 6.1) and The Tax Increment Revenue Fund (as

defined in Section 7.1) (to the extent maintained in an account with Lender) shall at all times be subject to the unrestricted right of set-off by Lender in the event of any Default hereunder or any other failure to pay any amount due on the TIF Note. IDB hereby waives any defense or objection to Lender's exercise of its right of set-off as provided herein.

Section 3.4 Right of Lender to Receive Collateral and Proceeds. Lender is hereby authorized to receive and hold all the collateral described in this Article III as security for the TIF Note and all amounts due hereunder.

Section 3.5 Waiver of Other Rights. Other than as provided in this Loan Agreement or as subsequently provided in a separate written instrument, Lender shall not have any right of set-off against any funds of IDB maintained in an account with Lender and, other than with respect to rights of set-off expressly granted herein or therein, Lender expressly waives all such rights.

ARTICLE IV PREPAYMENT OR PURCHASE OF THE TIF NOTE BEFORE MATURITY

Section 4.1 Extraordinary Prepayment. The TIF Note is subject to prepayment by IDB, upon the demand of Lender, in whole, at a redemption price equal to 100% of the principal amount outstanding thereunder thereof plus accrued interest to the redemption date, in the event that:

- (a) Tax Increment Revenues cease to be available for principal or interest payments on the TIF Note; or
- (b) The Loan Agreement or any of the Collateral Documents becomes void, unenforceable or impossible of performance as a result of any changes in law or administrative, legislative or judicial action.

Section 4.2 Payment Due. The payment due to Lender as a result of any prepayment of the TIF Note pursuant to this Article IV shall be paid in full within ten (10) days after receipt of written notice from Lender of the occurrence of the event pursuant to which the TIF Note must be prepaid hereunder.

ARTICLE V REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 Representations and Warranties of IDB. IDB represents and warrants that:

- (a) IDB is a duly established, organized and existing public corporation under the laws of the State of Tennessee.
- (b) IDB has all requisite power, authority and legal right to execute and deliver this Loan Agreement, the TIF Note, and the Collateral Documents and all other instruments and documents to be executed and delivered by IDB pursuant hereto or thereto, to perform and observe the provisions hereof and thereof and to carry out the

transactions contemplated hereby and thereby. All corporate action on the part of IDB which is required for the execution, delivery, performance and observance by IDB of this Loan Agreement, the TIF Note, and the Collateral Documents has been duly authorized and effectively taken, and such execution, delivery, performance and observation by IDB do not contravene applicable law or any contractual restriction binding on or affecting IDB.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by IDB of, and performance by IDB of its obligations under, this Loan Agreement, the TIF Note or any of the Collateral Documents.

(d) This Loan Agreement is, and the TIF Note, and the Collateral Documents when delivered will be, legal, valid and binding special obligations of IDB enforceable against IDB in accordance with their respective terms.

(e) There is no default of IDB in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of this Loan Agreement, the TIF Note, or any of the Collateral Documents or the ability of IDB to perform its obligations hereunder or thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or, to the knowledge of the undersigned officers of IDB, threatened, action or proceeding before any court, governmental agency or arbitrator (i) to restrain or enjoin the issuance or delivery of the TIF Note or the collection of any revenues pledged under this Loan Agreement, or any of the Collateral Documents, (ii) in any way contesting or affecting the validity, authorization or enforceability of this Loan Agreement, the TIF Note, or any of the Collateral Documents, the availability of Tax Increment Revenues to pay and secure this Loan Agreement, the TIF Note, or any of the Collateral Documents, or (iii) in any way contesting the existence or powers of IDB which could have an adverse effect on the validity, authorization or enforceability of this Loan Agreement, the TIF Note, or any of the Collateral Documents with respect to IDB or on the ability of IDB to carry out its obligations hereunder or thereunder.

(g) In connection with the authorization, issuance and sale of the TIF Note, IDB has complied with all provisions of the Constitution and laws of the State, including the Act and [Sections 8-44-104, et seq.], of Tennessee Code Annotated.

(h) IDB has not assigned or pledged and will not assign or pledge its interest in the Tax Increment Revenues with respect to the period prior to payment in full of the indebtedness evidenced by the TIF Note for any purpose other than to secure the TIF Note under this Loan Agreement. The TIF Note constitutes the only bond or note or obligation of IDB in any manner payable from the revenues to be derived from the

Property, including, without limitation, the Tax Increment Revenues. IDB has not and shall not assign the Tax Increment Revenues to secure any indebtedness of IDB or any other person or entity prior to the payment in full of the indebtedness evidenced by this Loan Agreement, the TIF Note, and the Collateral Documents.

(i) Other than the TIF Note, no bonds or notes or other obligations have been or will be issued payable, in whole or in part, from any revenues designated for the payment of the TIF Note hereunder, including, without limitation, the Tax Increment Revenues until the indebtedness evidenced by the TIF Note has been paid in full; provided, that nothing contained herein shall prevent IDB from issuing bonds, notes or other obligations secured by a pledge or assignment of the Tax Increment Revenues if such pledge is fully subordinate to the Assignment and the Collateral Documents such that the recipient of such pledge or assignment shall not be entitled to receive any portion of the Tax Increment Revenues received by IDB prior to the Maturity Date unless and until the indebtedness evidenced by the TIF Note has been paid in full.

(j) Other than as expressly provided in this Loan Agreement, neither The Project Fund nor The Tax Increment Revenue Fund is subject to any lien, security interest or right of set-off in favor of any lender, creditor or claimant of IDB.

(k) IDB is not in default under any provision of its Charter or Bylaws and is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in Section 5.1(b) hereof.

Section 5.2 Covenants of IDB. IDB covenants with Lender as follows:

(a) IDB will not allow The Project Fund or The Tax Increment Revenue Fund to become subject to any lien, security interest or right of set-off in favor of any lender, creditor or claimant of IDB, other than Lender pursuant to this Loan Agreement and the Collateral Documents.

(b) IDB will not enter into any agreement or instrument which might in any way prevent or materially impair its ability to perform its obligations hereunder or under the TIF Note or any of the Collateral Documents.

(c) So long as the TIF Note shall remain outstanding, IDB will, upon the reasonable request of Lender:

(i) take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under this Loan Agreement, the TIF Note and the Collateral Documents; and

(ii) execute, acknowledge where appropriate, and deliver from time to time, promptly at the request of Lender, all such instruments and documents as in

the reasonable opinion of Lender are necessary or desirable to carry out the intent and purpose of this Loan Agreement, the TIF Note and the Collateral Documents.

(e) So long as the TIF Note shall remain outstanding, IDB will not, without the prior written consent of Lender:

(i) take any action that, directly or indirectly, adversely affects its existence or status as a public corporation under the laws of the State;

(ii) take any action that would adversely affect the availability of Tax Increment Revenues for the payment of the TIF Note;

(iii) take any action that would cause or permit City not to collect and pay to IDB (or deposit into The Tax Increment Revenue Fund) the Tax Increment Revenues attributable to the period prior to the Maturity Date; or

ARTICLE VI DISBURSEMENTS OF PROCEEDS

Section 6.1 Disbursements of Proceeds. All proceeds of the Loan shall be deposited into a fund established by the Lender for disbursement to Borrower in accordance with Sections 6.2 and 6.3 below (the "Project Fund"). The proceeds of the Loan may not be repaid and reborrowed.

Section 6.2 Disbursement Procedure. All disbursements of Loan proceeds shall be paid in accordance with the provisions of this Section. Disbursements shall be made by the Lender's wire transfer to an account specified by IDB upon satisfaction of the conditions for disbursement set forth in Section 6.3. Before any such payment shall be made, IDB shall submit to Lender a fully executed Borrowing Certificate with a copy to IDB. Upon receipt of each such Borrowing Certificate and satisfaction of all conditions to disbursement set forth in Section 6.3 below (including IDB written approval evidenced by IDB's execution of the Borrowing Certificate or a separate written authorization), Lender shall disburse to IDB the amount of the payment requested in the Borrowing Certificate by wire transfer as described above.

Section 6.3 Conditions Precedent to Disbursement. Disbursement by Lender of the Loan proceeds shall be subject to the prior satisfaction of each of the following conditions:

(a) No Default (which is continuing beyond any applicable notice and cure periods) shall then be existing; and

(b) IDB shall submit to Lender a Borrowing Certificate executed by IDB.

ARTICLE VII
THE TAX INCREMENT REVENUE FUND

Section 7.1 Establishment of The Tax Increment Revenue Fund. There is hereby established by IDB a special fund called the “The Tax Increment Revenue Fund”, into which shall be deposited all Tax Increment Revenues received by IDB. The Tax Increment Revenue Fund shall be a non-interest-bearing account maintained on IDB’s accounting records. Notwithstanding anything contained in this Agreement or any of the other documents that evidence or secure the Loan, IDB will not be required set up a separate bank account for The Tax Increment Revenue Fund. IDB agrees that it will deposit each payment received from the City Treasurer and the Hamilton County Trustee, into one of IDB’s bank accounts while keeping a separate accounting record of all Tax Increment Revenue Funds received by IDB.

Section 7.2 Disbursements from Tax Increment Revenue Fund. Tax Increment Revenues on deposit in The Tax Increment Revenue Fund shall be applied to the payment of the interest and principal due under the TIF Note as provided in Sections 2.5 and 2.6 hereof and in the TIF Note.

ARTICLE VIII
DEFAULTS AND REMEDIES

Section 8.1 Defaults. Each of the following events shall constitute a “Default” hereunder:

- (a) default in the due and punctual payment of interest on the TIF Note on the due date thereof (without regard to the sufficiency of Tax Increment Revenues available therefor) after ten (10) days’ written notice thereof to IDB;
- (b) default in the due and punctual payment of the principal of the TIF Note on the due date thereof (without regard to the sufficiency of Tax Increment Revenues available therefor) after ten (10) days’ written notice thereof to IDB;
- (c) the occurrence of a breach under or failure to comply with terms of the Collateral Documents and the passage of the period of time, if any, allowed thereunder for the remedying or curing of such breach or failure of compliance; and
- (d) the occurrence of a breach under or failure to comply with terms of any other of the covenants, agreements or conditions on the part of IDB contained in this Loan Agreement or the TIF Note (except as described in Sections 8.1(a) and (b) hereof) and the failure to remedy the same within thirty (30) days after written notice thereof to IDB; provided, however, that if any such breach or failure to comply (i) is such that it cannot be cured or remedied within such thirty (30) day period, (ii) does not involve the payment of any monetary sum, (iii) is not willful or intentional, and (iv) does not place any rights or interest in collateral of Lender in immediate jeopardy, and Lender is given additional security reasonably satisfactory to it to protect it from loss under the TIF Note,

all as determined by Lender in its reasonable discretion, then such breach or failure to comply shall not constitute a Default if corrective action is instituted by IDB to the reasonable satisfaction to Lender within such thirty (30) day period and diligently pursued until such breach or failure to comply is corrected; provided, further, however, that in no event shall any such cure period exceed ninety (90) days without the express written consent of Lender, which may be withheld for any reason or no reason. If IDB shall fail to correct or cure such breach or failure to comply within such ninety (90) day period, a Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required.

Section 8.2 Acceleration. Upon the occurrence of any Default hereunder, Lender may declare the principal of the TIF Note and all accrued and unpaid interest thereunder to be immediately due and payable. Upon any acceleration hereunder, Lender shall immediately be entitled to set-off or disburse to itself all amounts in The Project Fund and The Tax Increment Revenue Fund (to the extent maintained in a separate account with Lender) and to receive thereafter all Tax Increment Revenues until the earlier of (i) the date the TIF Note is paid in full, or (ii) the Maturity Date.

Section 8.3 Other Remedies.

(a) Upon the occurrence of a Default, and subject to the provisions of Section 2.9 hereof, Lender may pursue any available remedy at law or in equity (excluding pursuit of any special, punitive or consequential damages) to enforce the payment of the principal of and interest on the outstanding TIF Note and to enforce the Collateral Documents and all rights derived therefrom.

(b) No remedy conferred upon or reserved to Lender by the terms of this Loan Agreement, or the Collateral Documents is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to Lender hereunder or now or hereafter existing at law or in equity.

(c) No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver of any such Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

(d) No waiver of any Default hereunder, whether by Lender or by any holder of the TIF Note, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

Section 8.4 Waiver. Upon the occurrence of a Default, to the extent that such rights may then lawfully be waived, neither IDB nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay or extension laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the collection of the TIF Note or the enforcement of this Loan Agreement, any of the Collateral Documents, or any of the Loan Documents, and IDB, for itself

and all who may claim through or under it, hereby waives to the extent that it lawfully may do so, the benefit of all such laws.

By written notice to IDB provided in accordance with Section 9.2 hereof, Lender shall have the right to waive any breach of any promise made in the TIF Note, or any Default under Section 8.1 hereof, or any default under any of the Collateral Documents or other documents relating to, securing or otherwise executed in connection with the TIF Note, and its consequences and to rescind any declaration of the acceleration of the payment of the principal and interest thereunder. In case of any such waiver or rescission, then and in every such case IDB and Lender shall be restored to their former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other breach, Default or default or impair any right consequent thereon.

Section 8.5 Application of Moneys. All moneys received by Lender pursuant to any right given or action taken under the provisions of this Article VIII shall, after payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and of the reasonable fees of, and expenses, liabilities and advances incurred or made by, Lender, be allocated to and applied first to interest and then to principal due on the TIF Note.

MISCELLANEOUS

Section 9.1 Term of Loan Agreement. This Loan Agreement shall remain in full force and effect from the date hereof to and including such time as all of the TIF Note and the fees and expenses of Lender relating to this Loan Agreement, the TIF Note, and the Collateral Documents shall have been fully paid.

Section 9.2 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, or delivered by courier (such as Federal Express), all charges prepaid, addressed as follows:

If to IDB: Industrial Development Board of the City of Chattanooga
100 E. 11th Street, Suite 200
Chattanooga, Tennessee 37402

with a copy to:

Robert R. Campbell, Jr.
Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219

If to Lender:

City of Chattanooga
101 E. 11th Street
Chattanooga, TN 37402
Attn: Daisy Madison, Chief Finance Officer

with a copy to:

Phillip A. Noblett, City Attorney
100 E. 11th Street, Suite 200
Chattanooga, TN 37402

IDB and Lender may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 9.3 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon IDB and Lender and their respective successors and assigns.

Section 9.4 Severability. In any event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or thereof.

Section 9.5 Amendments, Changes and Modifications. This Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender and IDB.

Section 9.6 Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.7 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, and the venue of any litigation with respect hereto shall be exclusively in federal or state court in Hamilton County, Tennessee.

Section 9.8 Captions. The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

Section 9.9 Payment or Performance on Business Days. If the date for any payment hereunder, or the last date for performance of any act or the exercising of any right as provided

in this Loan Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day.

Section 9.10 No Liability of Officers. No recourse under or upon any obligation, covenant or agreement herein or in the TIF Note, or under any judgment obtained against IDB, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, employee, director or officer, as such, past, present, or future, of IDB, either directly or through IDB, or otherwise, for the payment for or to IDB or any receiver thereof, or for or to the holder of the TIF Note, of any sum that may be due and unpaid by IDB upon the TIF Note. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, employee, director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to IDB or any receiver thereof, or for or to the holder of the TIF Note, of any sum that may remain due and unpaid upon the TIF Note, is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of the TIF Note.

Section 9.11 No Liability of City. In no event shall City be liable for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by IDB, and neither the TIF Note nor any of the agreements or obligations of IDB contained in this Loan Agreement or otherwise shall be construed to constitute an indebtedness of either City within the meaning of any constitutional or statutory provision whatsoever, provided, however, that the terms of this Section 9.11 shall in no way limit or affect the obligation of City to remit the Tax Increment Revenues for the benefit of City and IDB.

Section 9.12 Interest and Charges. Notwithstanding any provision herein to the contrary, it is the intent of Lender and IDB that neither Lender nor any subsequent holder of the indebtedness evidenced by this Loan Agreement or the TIF Note shall be entitled to receive, collect, reserve or apply, as interest or other charges, any amounts in excess of the maximum amounts legally permitted to be charged under applicable law or regulations. In the event this Loan Agreement or the TIF Note requires a payment of interest or other charges that exceeds the maximum amounts legally permitted to be charged under applicable law or regulations, such interest or other charges, as the case may be, shall not be received, collected, charged or reserved until such time as such interest or other charges, as the case may be, together with all other interest and other charges then payable, fall within the maximum amounts legally permitted to be charged under applicable law and regulations. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the amount provided by application of the maximum lawful rate of interest, IDB and Lender, to the greatest extent permitted under applicable law, (a) shall exclude voluntary prepayments and the effects thereof, and (b) shall amortize, pro-rate, allocate and spread, in equal parts, the total amount of interest throughout the entire term hereof; provided, however, that if the principal indebtedness evidenced hereby is paid in full prior to the end of the full contemplated term hereof, and if the interest received for the actual period of existence hereof exceeds the amount provided by application of the maximum lawful rate of interest, Lender shall refund to IDB the amount of such excess or credit the amount of such excess against the principal portion of the principal indebtedness hereunder as of the date

it was received, and, in such event, Lender shall not be subject to any penalties provided by any laws for contracting for, charging, reserving, collecting or receiving interest in excess of the amount provided by application of the maximum lawful rate of interest. The term “maximum lawful rate of interest” as used herein shall mean a rate of interest equal to the maximum lawful rate of interest permitted to be charged under the applicable laws and regulations of the State of Tennessee.

(Signatures appear on following page.)

Executed as of the ____ day of _____ 2020.

LENDER:

City of Chattanooga

By: _____

Name: _____

Title: _____

Executed as of the ____ day of _____ 2020.

INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

By: _____

Name: _____

Title: _____

EXHIBIT A

DESCRIPTION OF LENDER'S PROPERTY

Lot 2, Harriet Tubman Subdivision as recorded in Plat Book 117, Page 129, Register's Office of Hamilton County, Tennessee.

SOUTHERN PROPERTIES:

Lots Seventy-One (71) through Eighty-Five (85), and Lots One-Hundred-Two (102) through One-Hundred-Nine (109), Peyers Addition Amended, Plat Book 4, Page 24, 4, Page 24, ROHC, Deed Book 5760, Page 297, Tax Map Numbers 136K-A-006, 136K-A-007, 136K-A-008, 136K-A-009, 136K-A-010, 136K-A-011, 136K-A-012, 136K-A-013, 136K-A-014, 136K-A-015, 136K-A-016, 136K-A-017, 136K-A-018, and 136K-019 for Lots 71 through 85; and Tax Map Numbers 136K-C-001, 136K-C-004, 136K-C-005, 136K-C-006, 136K-C-007, 136K-C-008, and 136K-C-009 for Lots 102 through 109.

EXHIBIT B

BORROWER'S CERTIFICATE

Request No: 1
Date: _____, 2020

To: City of Chattanooga
101 E. 11th Street
Chattanooga, TN 37402

Re: Loan evidenced by IDB Tax Increment Revenue Note in the principal amount of \$4,000.000 dated _____, 2020 (the "Loan")

You are hereby requested as Lender under the Loan Agreement dated as of _____, 2020 (the "Loan Agreement"), between the IDB and you, as Lender, to pay, pursuant to Sections 6.2 and 6.3 of the Loan Agreement, to the IDB the following amounts in payment or reimbursement for the following Costs:

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of the Project</u>
_____ (see attached for wire instructions)	\$ _____	See attached list

All Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Loan Agreement. All representations and statements made herein are for the benefit of the IDB and the other parties related to the Loan and may not be relied upon by third parties.

The undersigned hereby states and certifies to the Lender and the IDB that:

1. Each item listed above is a valid cost authorized under the Act (as defined in the Loan Agreement) and is a proper eligible improvement cost.
2. These Eligible Improvement Costs have been incurred and are presently due and payable or have been paid and are reasonable costs that are payable or reimbursable under the Loan Agreement.
3. Each item listed above has not previously been paid or reimbursed and no part thereof has been included in any other Borrowing Certificate previously submitted to Lender under the provisions of the Loan Agreement.

4. There has not been filed with or served upon the IDB any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request.

5. No event of default under the Loan Agreement or event which after notice or lapse of time or both would constitute an event of default under the Loan Agreement has occurred and not been waived or cured.

6. An invoice or other appropriate evidence of the obligation described in the requisition above is attached.

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: _____

Title:

EXHIBIT C

BUDGET

The infrastructure project budget is limited to the Tax Increment Financing Revenues generated in accordance with the Economic Impact Plan for the Nippon Paint Automotive Americas project adjacent to the Lender's Property. Infrastructure project construction plans, timelines, and budgets will be submitted to the IDB for approval prior to commencement of project.

EXHIBIT D

ELIGIBLE IMPROVEMENT COSTS

The proceeds of the Loan will be used to pay eligible costs related to the development of both Present Public Infrastructure Improvements and Future Public Infrastructure Improvements for The Nippon Paint Automotive Americas Project.

As listed in the Tax Increment Financing Application included with the Hamilton County Board of Commissioners 12-19-2019 Resolution Approval, investments that will help to spur additional private sector growth will be prioritized. These improvements include but are not limited to improving the street grid, sidewalks, and landscaping encompassing the following items.

- Site Work / Grading
- Storm Sewers
- Stormwater Facilities
- Flood Control
- Retaining Walls/Tunnels
- Sanitary Sewer Lines
- Electrical Services
- Utility Infrastructure
- Utility Under-grounding
- Telecom Services
- Utility Relocation
- Pipes
- Structures
- Water Lines
- Paving / Driveways
- Street, Curbs, Gutters
- Ramps/Roads/Bridges
- Off-Street Parking
- Structures
- Sidewalks
- Landscaping / Fencing
- Artificial Lighting
- Greenways/Walking Trails
- Mass /Public Transit Facilities
- Traffic Signals
- Signage

EXHIBIT E

DESCRIPTION OF PROPERTY

LOT ONE, HARRIET TUBMAN SUBDIVISION

Land located in the City of Chattanooga, Hamilton County, Tennessee. Being LOT ONE, Harriet Tubman Subdivision, of record in Plat Book 116, Page 121, Register's Office, Hamilton County Tennessee, (ROHC), and being a portion of the property of the City of Chattanooga, Tennessee, is described by Deed Book 10196, Page 426, ROHC, and City of Chattanooga Ordinance 13419, and being more particularly describe as follows:

BEGINNING at an iron rod at the northwest corner of aforesaid property of the City of Chattanooga, said point located at Tennessee State Plane Coordinates: N: 266,677.42, E: 2,188,885.93;

Thence South 65 degrees 48 minutes 56 seconds East, along the northern line of aforesaid property, a distance of 774.95 feet to an iron rod;

Thence South 24 degrees 11 minutes 04 seconds West, along the eastern line of aforesaid LOT ONE, a distance of 1,318.00 feet an iron rod in the northern Right-of-Way line of Southern Street;

Thence North 65 degrees 48 minutes 56 seconds West, along said Right-of-Way line, a distance of 1,137.69 feet to an iron rod at the southwest corner of aforesaid property of the City;

Thence North 39 degrees 34 minutes 21 seconds East, along the western line of aforesaid property, a distance of 1,367.01 feet to the POINT OF BEGINNING.

LOT ONE, as described herein contains 28.94 Acres, more or less.

PART LOT TWO, HARRIET TUBMAN SUBDIVISION PART TAX PARCEL 136E A 005.02

Land located in the City of Chattanooga, Hamilton County, Tennessee. Being the Northwest 20 feet of Lot Two, Harriet Tubman Subdivision, of public record in Plat Book 116, Page 121, Register's Office, Hamilton County Tennessee, (ROHC), and being a portion of the Property of the City of Chattanooga, Tennessee, is described by Deed Book 10196, Page 426, ROHC, and City of Chattanooga Ordinance 13419, and being more particularly describe as follows:

BEGINNING at an Iron Rod (set) at the Northwest Corner of aforesaid LOT TWO as shown on aforesaid Plat Book 116, Page 121, ROHC, said corner located at Tennessee State Plane Coordinates: N: 266,359.94, E: 2,189,592.86;

Thence South 65 degrees 48 minutes 56 seconds East, along the Northeast Line of said LOT TWO, a distance of 20.00 feet;

Thence leaving said Northeast Line, and along a new Boundary Line, South 24 degrees 11 minutes 04 seconds West, a distance of 1,318.00 feet, to a point on the Northeast Right-of-Way Line of Southern Street;

Thence along said Northeast Right-of-Way Line, North 65 degrees 48 minutes 56 seconds West, a distance of 20.00 feet to an Iron Rod Set at the Southwest Corner of aforesaid LOT TWO as shown on aforesaid Plat Book 116, Page 121, ROHC;

Thence along the Northwest Line of aforesaid LOT TWO, North 24 degrees 11 minutes 04 seconds East, a distance of 1,318.00 feet to the POINT OF BEGINNING.

Portion of Lot 2 as described herein, contains 0.61 Acres, more or less.

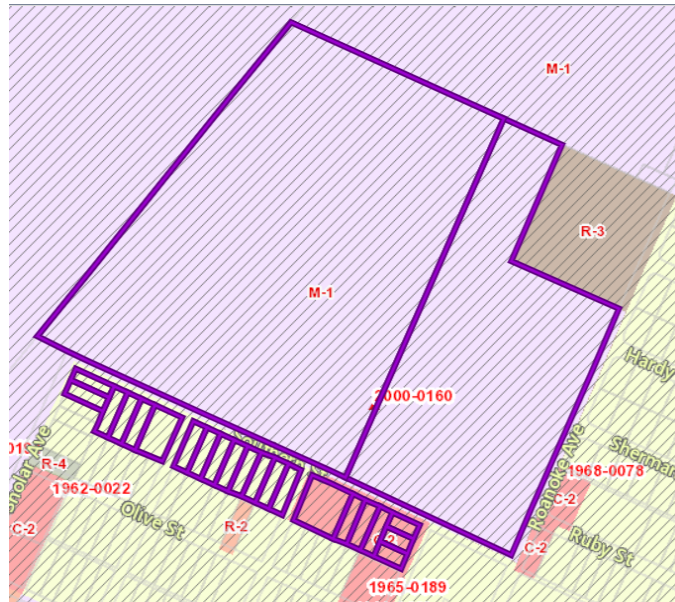


EXHIBIT F

FORM OF TIF NOTE

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA,
TENNESSEE
TAX INCREMENT REVENUE NOTE**

\$4,000,000

_____, 2020

FOR VALUE RECEIVED, the **INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE** (“IDB”), a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (“Borrower”), promises and agrees to pay to the order of **The City of Chattanooga, a Tennessee municipal corporation** with offices at 101 E. 11th Street, Chattanooga, TN 37402 (“Lender”), or at such other place as may be designated in writing by the holder, in lawful money of the United States of America, the principal sum of up to **FOUR MILLION AND NO/100 DOLLARS (\$4,000,000.00)**, or so much thereof as may be outstanding pursuant to the terms of that certain Loan Agreement of even date herewith (as it may be amended, modified, extended, or removed from time to time, the “Loan Agreement”), by and between Lender and Borrower, together with interest from the date hereof on the unpaid principal balance outstanding from time to time through and including December 31, 2040 (the “Maturity Date”), at the rate set forth below.

This Note is issued pursuant to that certain Loan Agreement of even date herewith (as it may be amended, modified, extended, or removed from time to time, the “Loan Agreement”), by and between Lender and Borrower, and the proceeds hereof are being utilized to finance tax increment eligible redevelopment costs. Any Capitalized term used in this Note that is not otherwise defined herein shall have the meaning given to it in the Loan Agreement. This Note is non-revolving.

Borrower may prepay all or any portion of the outstanding balance under this Note at any time without premium in accordance with the terms of the Loan Agreement.

This Note will accrue interest at the rate of three and one-half percent (3-1/2%) per annum and shall be due and payable annually, as set forth in Section 2.5 of the Loan Agreement.

This Note shall mature on December 31, 2040 (the “Maturity Date”), unless earlier called pursuant to the terms of the Loan Agreement, including, without limitation, the right of Lender to require prepayment pursuant to Section 4.1 of the Loan Agreement.

Commencing on June 30, 2022, and continuing on the same day of each year thereafter until the earlier of (i) the Maturity Date, or (ii) the date on which this Note has been repaid in full, Borrower shall pay to Lender an amount equal to the Tax Increment Revenues then available for the payment of this Note in accordance with the Loan Agreement; Lender reserves

the right to adjust the date of the annual payment based upon the due date for property taxes in Hamilton County, Tennessee. Notwithstanding the foregoing, Borrower shall not be deemed to have breached its obligation to make a payment of principal and/or interest hereunder until the passage of ten (10) days after written notice thereof from Lender to Borrower pursuant to Section 8.1 of the Loan Agreement.

All payments will be applied first to accrued interest and any remaining funds will be applied as a principal reduction on the indebtedness evidenced by this Note. All remaining outstanding principal and all accrued and unpaid interest shall be due and payable on the Maturity Date or the date as of which prepayment of this Note is demanded or this Note is accelerated as provided by the Loan Agreement. Notwithstanding anything contained herein or in the Loan Agreement to the contrary, no interest shall accrue on any unpaid interest, it being the intent of the parties that Lender shall not be entitled to receive interest on interest.

Notwithstanding any provision herein to the contrary, it is the intent of Lender, Borrower and all parties liable on this Note that neither Lender nor any subsequent holder shall be entitled to receive, collect, reserve or apply, as interest or other charges, any amounts in excess of the maximum amounts legally permitted to be charged under applicable law or regulations (the "Maximum Rate"). In the event this Note requires a payment of interest or other charges that exceeds the maximum amounts legally permitted to be charged under applicable law or regulations, such interest or other charges, as the case may be, shall not be received, collected, charged or reserved until such time as such interest or other charges, as the case may be, together with all other interest and other charges then payable, fall within the maximum amounts legally permitted to be charged under applicable law and regulations. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the amount provided by application of the Maximum Rate, Borrower and Lender, to the greatest extent permitted under applicable law, (a) shall exclude voluntary prepayments and the effects thereof, and (b) shall amortize, pro-rate, allocate and spread, in equal parts, the total amount of interest throughout the entire term hereof; provided, however, that if the principal indebtedness evidenced hereby is paid in full prior to the end of the full contemplated term of this Note, and if the interest received for the actual period of existence hereof exceeds the amount provided by application of the Maximum Rate, the holder shall refund to Borrower the amount of such excess or credit the amount of such excess against the principal portion of the principal indebtedness hereunder as of the date it was received, and, in such event, Lender shall not be subject to any penalties provided by any laws for contracting for, charging, reserving, collecting or receiving interest in excess of the amount provided by application of the Maximum Rate.

Lender or any subsequent holder may, at its option, require Borrower to prepay this Note, as provided in Section 4.1 of the Loan Agreement, in which case the remaining principal amount and all accrued interest thereon shall become due and payable in full.

Principal and unpaid interest shall bear interest following any default in payment of principal or interest on this Note and the expiration of the cure period provided in the Loan Agreement at the Maximum Rate until paid. In case of suit, or if this obligation is placed in an attorney's hands for collection, or to protect the security for its payment, Borrower will pay all costs of collection and litigation, including reasonable attorneys' fees.

In the event that there occurs any default under the Loan Agreement, or if any default occurs under any of the Collateral Documents (and such default is not cured or remedied within any period permitted thereunder, if any, for the curing or remedying of such default); then, in any of such events, at the option of the holder, the entire indebtedness hereby evidenced shall become due, payable and collectible then or thereafter, without notice, as the holder may elect regardless of the Maturity Date. The holder may waive any such Default or default before or after the same has been declared and restore this Note to full force and effect without impairing any rights hereunder, such right of waiver being a continuing one. Specifically, by written notice to Borrower provided in accordance with the Loan Agreement, Lender shall have the right to waive any breach of any promise made in this Note, or any default under the Loan Agreement, or any default under any of the Collateral Documents and its consequences and to rescind any declaration of the acceleration of the payments of the principal and interest hereunder. In case of any such waiver or rescission, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other breach, Default or default or impair any right consequent thereon.

This Note and all obligations relating hereto or hereunder shall not be general obligations of Borrower and shall in any event be payable only from any Tax Increment Revenues, or other revenues or funds specifically pledged in writing by Borrower for the payment of this Note. In the event that a Default occurs under this Loan Agreement, no judgment for any deficiency for the obligations of Borrower under the TIF Note, this Loan Agreement or any of the Collateral Documents shall be sought or obtained against Borrower, except for any Tax Increment Revenues or other revenues or funds expressly pledged in writing by Borrower for the payment of such obligations. Nothing contained in this paragraph shall (x) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the lien of the Loan Agreement or any Collateral Documents, or (y) preclude Lender from (1) realizing on the collateral described in the Collateral Documents, or (2) enforcing any other rights of Lender against third parties other than Borrower, including any remedies Lender may have under the Loan Agreement, the Collateral Documents or the Guaranties.

The makers, endorsers, guarantors and all parties to this Note and all who may become liable for the same, jointly and severally waive presentment for payment, protest, notice of protest, notice of nonpayment of this Note, demand and all legal diligence in enforcing collection, and hereby expressly agree that the lawful owner or holder of this Note may defer or postpone collection of the whole or any part hereof, either principal and/or interest, or may extend or renew the whole or any part hereof, either principal and/or interest, or may accept additional collateral or security for the payment of this Note, or may release the whole or any part of any collateral security and/or liens given to secure the payment of this Note, or may release from liability on account of this Note any one or more of the makers, endorsers, Guarantors or other guarantors hereof and/or other parties hereto, all without notice to them or any of them; and such deferment, postponement, renewal, extension, acceptance of additional collateral or security and/or release shall not in any way affect or change the obligation of any such maker, endorser, Guarantors or guarantor or other party to this Note, or of any who may become liable for the payment hereof.

This Note is secured by an Assignment of Tax Increment Revenues as provided in the Loan Agreement. It is the intent of the parties that all Tax Increment Revenues applicable to the Redevelopment Project financed with proceeds of this Note shall be made available for and applied to debt service on this Note, and to no other purpose or use until the indebtedness evidenced by this Note has been paid in full.

The validity, interpretation, enforcement and effect of this Note shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

This Note may not be changed or terminated without the prior written approval of the holder hereof, Borrower. No waiver of any term or provision hereof shall be valid unless in writing signed by the holder.

(Remainder of page intentionally left blank)

Executed as of the ____ day of _____, 2020.

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY
OF CHATTANOOGA, TENNESSEE

By: _____

Title: _____