

AGENDA

MONTHLY MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

Monday, March 6, 2023 @ 11:00 AM

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Minutes Summary – January 18, 2023, Meeting (awaiting transcript) for approval.
4. Recognition of any person wishing to address the Board.
5. Volkswagen Finance Report from Eleanor Liu.
6. **Summary** – YMCA Bond Amendment - substitute LIBOR rates with SOFR rates.

Resolution - A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE AUTHORIZING AMENDMENT TO ITS VARIABLE RATE DEMAND BONDS (YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN CHATTANOOGA PROJECT) SERIES 2010 AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR).

7. **Summary** – Release portion of Debt Service Reserve account monies held for lease rental revenue refunding bonds Series 2018A (tax exempt) and Series 2018C (taxable).

Resolution - A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PROVIDING FOR THE RELEASE OF A PORTION OF DEBT SERVICE RESERVE ACCOUNT MONIES OF THE BOARD HELD FOR THE CHATTANOOGA LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2018A (TAX-EXEMPT) AND CHATTANOOGA LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2018C (TAXABLE) AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

8. **PUBLIC HEARING** – TAX INCREMENT FINANCING POLICIES AND PROCEDURES.

9. **DISCUSSION ITEMS-OTHER BUSINESS**

- (a) Bylaws
- (b) Website
- (c) HomeServe
- (d) PILOT policies and procedures

10. Adjournment.



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES SUMMARY**

**John P. Franklin Sr. City Council Building
Chattanooga, Tennessee
for
January 18, 2023
11:00 AM**

SUMMARY

Present were Jimmy F. Rodgers, Jr. (Chair), Althea Jones (Vice-Chair), Patrick Sharpley (Secretary), Gordon Parker (Assistant Secretary), Ray Adkins, and Jim Floyd. Absent was Kerry Hayes. Also Present were: Attorney for the Board, Phillip A. Noblett; Helen Burns Sharp (ATM); Jason Payne (City Engineering); Janice Gooden, Joseph Paden, and Michael Gilliard (CALEB); Gail Hart (Real Property); Paul Boylan; Mike Pare (Times Free Press); Mark Mamantov (Bass Berry & Sims); and Jermaine Freeman (Economic Development).

Chairman Rodgers called the meeting to order, established that the meeting was duly advertised, and a quorum was present with six board members to conduct business.

MINUTES SUMMARY AND TRANSCRIPT – December 5, 2022, meeting – **Adkins/Parker- Unanimously Approved.**

PUBLIC HEARING AND COMMENTS

- **Jermaine Freeman and Mark Mamantov** gave a summary of TIF policies and procedures changes.
- **Helen Burns Sharp (ATM)** gave her comments regarding not adopting the resolution on the agenda today and coming back at another meeting. Topics included were school taxes, stormwater fee policy, Application Review Committee, Third Party Review, Maximum Percentage of Project Cost, and City-Initiated TIF.
- **Janice Gooden (CALEB)** spoke regarding a Community Benefits Agreement.
- **Michael Gilliard (CALEB)** would be happy to work on a proposal for the Community Benefits Agreement.
- **Joseph Paden (CALEB)** spoke about Third Party Review, transparency, economic justice, and equity issues.

RESOLUTION

A RESOLUTION ADOPTING TAX INCREMENT FINANCING POLICIES AND PROCEDURES, A COPY OF WHICH IS SUBSTANTIALLY ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE – Request to postpone discussion to March meeting and request to come back with redline and changes. Topics of changes discussed were Third Party Review, Application Review Committee, and value of incentive and guardrails.

OTHER BUSINESS AND DISCUSSION ITEMS FOR THE MARCH AGENDA

- Bylaws
- Website
- HomeServe e-mail
- PILOT policies and procedures

After further discussion, the meeting adjourned at 12:40 PM.

PATRICK SHARPLEY, *Secretary*

APPROVED:

JIMMY F. RODGERS, JR., *Chair*

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
ECD - VOLKSWAGEN INCENTIVE PROJECT
VW FUNDING PROGRESS SUMMARY
As of Feb 22, 2023

FIRST MOU	Final Grant Budget Amount	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	% Spent, Encumbered & Contingencies	Grant Status
6.1 Site Preparation - State	92,919,998	92,919,998	-	100.00%	Ended 6/30/2015
6.2 Infrastructure - State	72,795,525	72,795,525	-	100.00%	Ended 6/30/2015
7.4 Training Facility - State	39,995,942	39,995,942	-	100.00%	Ended 6/30/2015
9.10 Marketing & Public Relations - State	1,965,905	1,965,905	-	100.00%	Ended 4/30/2017
TOTAL STATE FUNDING	207,677,370	207,677,370	-	100.00%	

6.2 Infrastructure - Local (Hamilton County & City of Chattanooga)	40,000,000	39,946,743	-	99.87%	Ongoing
9.5 Welcome Center - Local (VW decided not to build it)	-	-	-	N/A	
TOTAL LOCAL FUNDING	40,000,000	39,946,743	-	99.87%	

TOTAL FUNDING	247,677,370	247,624,113	-	99.98%	
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SECOND MOU	Final Grant Budget Amount	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	% Spent, Encumbered & Contingencies	Grant Status
3.1 Facility Development - State	168,877,867	168,877,867	-	100.00%	Ended 3/6/2020
TOTAL STATE FUNDING	168,877,867	168,877,867	-	100.00%	

VW SUV - Local (Hamilton County & City of Chattanooga)	52,500,000	52,048,430	57,000	99.25%	Ongoing
TOTAL LOCAL FUNDING	52,500,000	52,048,430	57,000	99.25%	

TOTAL FUNDING	221,377,867	220,926,297	57,000	99.82%	
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THIRD MOU & LETTER OF INTENT (LOI)	Final Grant Budget Amount	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	% Spent, Encumbered & Contingencies	Grant Status
Electric Vehicle Expansion - State	50,000,000	-	-	0.0%	Ongoing
TOTAL STATE FUNDING	50,000,000	-	-	0.0%	

Electric Vehicle Expansion (Hamilton County & City of Chattanooga)	5,000,000	-	-	0.00%	Ongoing
TOTAL LOCAL FUNDING	5,000,000	-	-	0.00%	

TOTAL FUNDING	55,000,000	-	-	0.00%	
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FIRST MOU, SECOND MOU, THIRD MOU & LOI	Final Grant Budget Amount	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	% Spent, Encumbered & Contingencies	Grant Status
TOTAL FUNDING	524,055,237	468,550,410	57,000	89.42%	

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
ECD - VOLKSWAGEN INCENTIVE PROJECT
VW FUNDING PROGRESS SUMMARY
As of Feb 22, 2023

FIRST MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
6.1 Site Preparation - State *	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	100.00%	-	-	100.00%
6.2 Infrastructure - State *	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	100.00%	-	-	100.00%
7.4 Training Facility - State *	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	100.00%	-	-	100.00%
9.10 Marketing & Public Relations - State *	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	100.00%	-	-	100.00%
TOTAL STATE FUNDING	191,581,064	19,200,250	210,781,314	(3,103,945)	207,677,370	207,677,370	-	207,677,370	-	-	100.00%	-	-	100.00%
6.2 Infrastructure - Local **	40,000,000	-	40,000,000	N/A	40,000,000	39,946,743	-	39,946,743	-	53,256	99.87%	-	53,256	99.87%
9.5 Welcome Center - Local	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	-	-	N/A
TOTAL LOCAL FUNDING	46,000,000	(6,000,000)	40,000,000	-	40,000,000	39,946,743	-	39,946,743	-	53,257	99.87%	-	53,256	99.87%
TOTAL IDB FUNDING FOR FIRST MOU	237,581,064	13,200,250	250,781,314	(3,103,945)	247,677,370	247,624,113	-	247,624,113	-	53,257	99.98%	-	53,256	99.98%

* State grant 6.1, 6.2, and 7.4 ended on 6/30/2015; State grant 9.10 ended on 4/30/2017. Total of these four State grants per grant contract is \$210,781,314. \$3,103,945 was not used.

** Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

SECOND MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
3.1 Facility Development - State	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	-	-	100.00%
TOTAL STATE FUNDING	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	-	-	100.00%
VW SUV - Local	52,500,000	-	52,500,000	N/A	52,500,000	52,048,430	-	52,048,430	57,000	394,570	99.25%	-	394,570	99.25%
TOTAL LOCAL FUNDING	52,500,000	-	52,500,000	N/A	52,500,000	52,048,430	-	52,048,430	57,000	394,570	99.25%	-	394,570	99.25%
TOTAL IDB FUNDING FOR SECOND MOU	218,278,000	3,099,867	221,377,867	N/A	221,377,867	220,926,297	-	220,926,297	57,000	394,570	99.82%	-	394,570	99.82%

* State grant 3.1 ended on 3/6/2020

THIRD MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Electric Vehicle Expansion	50,000,000	-	50,000,000	N/A	50,000,000	-	-	-	-	50,000,000	0.0%	-	50,000,000	0.0%
TOTAL STATE FUNDING	50,000,000	-	50,000,000	N/A	50,000,000	-	-	-	-	50,000,000	0.0%	-	50,000,000	0.0%
Electric Vehicle Expansion	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	-	0.00%	-	5,000,000	0.00%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	-	0.00%	-	5,000,000	0.00%
TOTAL IDB FUNDING FOR THIRD MOU	55,000,000	-	55,000,000	N/A	55,000,000	-	-	-	-	50,000,000	0.00%	-	55,000,000	0.00%

FIRST & SECOND & THIRD MOU & LOI	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
TOTAL IDB FUNDING FOR FIRST & SECOND & THIRD MOU	510,859,064	16,300,117	527,159,181	(3,103,945)	524,055,237	468,550,410	-	468,550,410	57,000	50,447,827	89.42%	-	55,447,826	89.42%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
GRANT ENDED 6/30/2015																
6.1 SITE PREPARATION																
Clearing, Grubbing & Mass Grading	1,664,957	-	1,664,957	-	1,664,957	1,664,957	-	1,664,957	-	-	-	-	100%	-	-	100%
Grubbing & Erosion Control	2,704,391	-	2,704,391	(110,911)	2,593,480	2,593,480	-	2,593,480	-	-	-	-	100%	-	-	100%
Fine Grading (Site Pad)	50,428,531	8,949,529	59,378,060	(312,448)	59,065,612	59,065,612	-	59,065,612	-	-	-	-	100%	-	-	100%
Stone Pad	7,483,865	-	7,483,865	-	7,483,865	7,483,865	-	7,483,865	-	-	-	-	100%	-	-	100%
Stream Relocation	5,436,511	-	5,436,511	83,275	5,519,786	5,519,786	-	5,519,786	-	-	-	-	100%	-	-	100%
Detention Pond	997,907	3,604,471	4,602,378	(1,424,905)	3,177,473	3,177,473	-	3,177,473	-	-	-	-	100%	-	-	100%
North Area	-	2,358,855	2,358,855	(1,613,304)	745,551	745,551	-	745,551	-	-	-	-	100%	-	-	100%
Construction Access Roads	718,565	-	718,565	-	718,565	718,565	-	718,565	-	-	-	-	100%	-	-	100%
Rammed Aggregate Piers	1,874,615	-	1,874,615	-	1,874,615	1,874,615	-	1,874,615	-	-	-	-	100%	-	-	100%
Design, RPR, Survey, Testing, Project Support	8,305,522	1,492,145	9,797,667	278,426	10,076,093	10,076,093	-	10,076,093	-	-	-	-	100%	-	-	100%
TOTAL 6.1 SITE PREPARATION *	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	-	-	100%	-	-	100%
6.2 INFRASTRUCTURE																
GRANT ENDED 6/30/2015																
VW Test Track	1,915,000	-	1,915,000	(9,482)	1,905,518	1,905,518	-	1,905,518	-	-	-	-	100%	-	-	100%
VW Electric Transformer Station	10,945,000	-	10,945,000	(9,690)	10,935,310	10,935,310	-	10,935,310	-	-	-	-	100%	-	-	100%
VW Mixing Yard	10,025,000	-	10,025,000	1,819,244	11,844,244	11,844,244	-	11,844,244	-	-	-	-	100%	-	-	100%
VW Parking Lots for Employees	12,700,000	2,091,000	14,791,000	(1,613,586)	13,177,414	13,177,414	-	13,177,414	-	-	-	-	100%	-	-	100%
VW Tank Farm (Fluids Storage) & Utilities	30,445,000	-	30,445,000	(17,473)	30,427,527	30,427,527	-	30,427,527	-	-	-	-	100%	-	-	100%
VW Planning, Engineering, Etc	3,970,000	245,855	4,215,855	(38,079)	4,177,776	4,177,776	-	4,177,776	-	-	-	-	100%	-	-	100%
North Area Grading	-	368,145	368,145	(130,935)	237,210	237,210	-	237,210	-	-	-	-	100%	-	-	100%
North Area Non-reimbursable	-	90,525	90,525	-	90,525	90,525	-	90,525	-	-	-	-	100%	-	-	100%
TOTAL 6.2 INFRASTRUCTURE	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	-	-	100%	-	-	100%
Subtotal State (6.1 & 6.2)	149,614,864	19,200,525	168,815,389	(3,099,867)	165,715,523	165,715,522	-	165,715,522	-	-	-	-	100%	-	-	100%

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
7.4 TRAINING FACILITY ----- GRANT ENDED 6/30/2015 -----																
Training Center	22,900,000	148,110	23,048,110	-	23,048,110	23,048,110	-	23,048,110	-	-	-	-	100%	-	-	100%
Equipment for Training Center	13,500,000	(327,889)	13,172,111	(4,058)	13,168,053	13,168,053	-	13,168,053	-	-	-	-	100%	-	-	100%
Related Planning Cost	3,600,000	179,779	3,779,779	-	3,779,779	3,779,779	-	3,779,779	-	-	-	-	100%	-	-	100%
Total 7.4 ST. TRAINING FACILITY	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	-	-	100%	-	-	100%
9.10 MARKETING & PUBLIC RELATIONS ----- GRANT ENDED 4/30/2017 -----																
9.10 Visitor's Center **	200,000	(275)	199,725	-	199,725	199,725	-	199,725	-	-	-	-	100%	-	-	100%
9.10 Capital Purchase (Roof Sign)	239,580	(30,460)	209,120	-	209,120	209,120	-	209,120	-	-	-	-	100%	-	-	100%
9.10 Capital Purchase & Professional Fees (Admin & Planning)	26,620	(15,204)	11,416	(20)	11,397	11,397	-	11,397	-	-	-	-	100%	-	-	100%
9.10 Professional Fees, Grant & Award (Education partnership)	1,500,000	(500,000)	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-	-	100%	-	-	100%
9.10 Salaries, Benefits & Taxes (Plant Tours)	-	27,117	27,117	-	27,117	27,117	-	27,117	-	-	-	-	100%	-	-	100%
9.10 Professional Fees, Grants & Award (Marketing Expenses)	-	518,547	518,547	-	518,547	518,547	-	518,547	-	-	-	-	100%	-	-	100%
Total 9.10 MARKETING & PUBLIC RELATIONS	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	-	-	100%	-	-	100%
TOTAL ALL STATE FUNDS	191,581,064	19,200,250	210,781,314	(3,103,945)	207,677,370	207,677,370	-	207,677,370	-	-	-	-	100%	-	-	100%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - FIRST MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
VW Streets, Lanes, etc., including Helpad	8,345,835	-	8,345,835	8,345,835	-	8,345,835	-	-	-	-	100.00%	-	-	100.00%
VW Railroads, Loading Dept	10,080,801	-	10,080,801	10,080,801	-	10,080,801	-	-	-	-	100.00%	-	-	100.00%
VW Fire Dept Building, garage and equipment	3,070,609	-	3,070,609	3,070,609	-	3,070,609	-	-	-	-	100.00%	-	-	100.00%
VW Construction Lanes	1,640,533	-	1,640,533	1,640,533	-	1,640,533	-	-	-	-	100.00%	-	-	100.00%
VW Guard House and Fence	1,310,219	-	1,310,219	1,310,219	-	1,310,219	-	-	-	-	100.00%	-	-	100.00%
Drive Around Property	553,714	-	553,714	553,714	-	553,714	-	-	-	-	100.00%	-	-	100.00%
Scrap Yard	118,933	-	118,933	118,933	-	118,933	-	-	-	-	100.00%	-	-	100.00%
VW Water, Waste & Stormwater	6,093,236	-	6,093,236	6,093,236	-	6,093,236	-	-	-	-	100.00%	-	-	100.00%
VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	-	1,120,472	1,120,472	-	1,120,472	-	-	-	-	100.00%	-	-	100.00%
VW Planning, Engineering, Etc	7,665,648	-	7,665,648	7,612,392	-	7,612,392	-	-	-	53,256	99.31%	-	53,256	99.31%
TOTAL 6.2 INFRASTRUCTURE - LOCAL FUNDING	40,000,000	-	40,000,000	39,946,743	-	39,946,743	-	-	-	53,256	99.87%	-	53,256	99.87%
Welcome Center	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	-	-	N/A
TOTAL 9.5 OTHER LOCAL FUNDING	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	-	-	N/A
TOTAL LOCAL FUNDINGS (Managed by IDB) *	46,000,000	(6,000,000)	40,000,000	39,946,743	-	39,946,743	-	-	-	53,257	99.87%	-	53,256	99.87%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

* Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

Changes Since Prior Report - FIRST MOU										
As of Feb 22, 2023										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z10101	Clearing, Grubbing & Mass Grading	1,664,957	1,664,957	-	-	-	-			
Z10102	Grubbing & Erosion Control	2,593,480	2,593,480	-	-	-	-			
Z10103	Fine Grading (Site Pad)	59,065,612	59,065,612	-	-	-	-			
Z10104	Stone Pad	7,483,865	7,483,865	-	-	-	-			
Z10105	Stream Relocation	5,519,786	5,519,786	-	-	-	-			
Z10106	Detention Pond	3,177,473	3,177,473	-	-	-	-			
Z10107	North Area	745,551	745,551	-	-	-	-			
Z10109	Construction Access Roads	718,565	718,565	-	-	-	-			
Z10110	Rammed Aggregate Piers	1,874,615	1,874,615	-	-	-	-			
Z10111	Design, RPR, Survey, Testing & Project Support	10,076,093	10,076,093	-	-	-	-			
TOTAL 6.1 SITE PREPARATION		92,919,998	92,919,998	-	-	-	-	-	-	Grant ended 6/30/2015
Z10301	VW Test Track	1,905,518	1,905,518	-	-	-	-			
Z10306	VW Electric Transformer Station	10,935,310	10,935,310	-	-	-	-			
Z10307	VW Mixing Yard	11,844,244	11,844,244	-	-	-	-			
Z10308	VW Parking Lots for Employees	13,177,414	13,177,414	-	-	-	-			
Z10312	VW Tank Farm (Fluids Storage) & Utilities	30,427,527	30,427,527	-	-	-	-			
Z10315	VW Planning, Engineering, Etc	4,177,776	4,177,776	-	-	-	-			
Z10316	North Area Grading	237,210	237,210	-	-	-	-			
Z10317	North Area Non-reimbursable	90,525	90,525	-	-	-	-			
TOTAL 6.2 INFRASTRUCTURE		72,795,525	72,795,525	-	-	-	-	-	-	Grant ended 6/30/2015
Z10601	Training Center	23,048,110	23,048,110	-	-	-	-			
Z10602	Equipment for Training Ctr	13,168,053	13,168,053	-	-	-	-			
Z10603	Related Planning Cost	3,779,779	3,779,779	-	-	-	-			
TOTAL 7.4 ST. TRAINING FACILITY		39,995,942	39,995,942	-	-	-	-	-	-	Grant ended 6/30/2015
Z00701	Visitor's Center	199,725	199,725	-	-	-	-			
Z00702										
Z00703	Capital Purchase (Roof Sign)	209,120	209,120	-	-	-	-			
Z00704	Capital Purchase & Professional Fees (Admin & Planning)	11,397	11,397	-	-	-	-			
Z00705	Professional Fees, Grant & Award (Education partnership)	1,000,000	1,000,000	-	-	-	-			
Z00706	Salaries, Benefits & Taxes (Plant Tours)	27,117	27,117	-	-	-	-			
Z00707	Professional Fees, Grants & Award (Marketing Expenses)	518,547	518,547	-	-	-	-			
TOTAL 9.10 MARKETING & PUBLIC RELATIONS		1,965,905	1,965,905	-	-	-	-	-	-	Grant ended 4/30/2017

Changes Since Prior Report - FIRST MOU										
As of Feb 22, 2023										
		Expenditures		Encumbrances		Change		Actual	Encumbrance	Comments
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances			
Z10401	VW Streets, Lanes, etc., including Helipad	8,345,835	8,345,835	-	-	-	-			
Z10402	VW Railroads, Loading Dept	10,080,801	10,080,801	-	-	-	-			
Z10403	VW Fire Dept Building, garage and equipment	3,070,609	3,070,609	-	-	-	-			
Z10404	VW Construction Lanes	1,640,533	1,640,533	-	-	-	-			
Z10405	VW Guard House and Fence	1,310,219	1,310,219	-	-	-	-			
Z10409	VW Drive Around Property	553,714	553,714	-	-	-	-			
Z10411	VW Scrap Yard	118,933	118,933	-	-	-	-			
Z10412	VW Water, Waste & Stormwater	6,093,236	6,093,236	-	-	-	-			
Z10413	VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	1,120,472	-	-	-	-			
Z10415	VW Planning, Engineering, Etc	7,612,392	7,612,392	-	-	-	-			
TOTAL 6.2 INFRASTRUCT LOCAL FUNDING		39,946,743	39,946,743	-	-	-	-	-	-	
Z00801	Welcome Center	-	-	-	-	-	-			
TOTAL 9.5 WELCOME CTR LOCAL FUNDING		-	-	-	-	-	-	-	-	
TOTAL		247,624,113	247,624,113	-	-	-	-	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - SECOND MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Infrastructure I	22,271,000	6,649,804	28,920,804	24,714,941	-	24,714,941	-	-	-	4,205,863	85.46%	-	4,205,863	85.46%
Manufacturing Equipment	140,635,000	(677,937)	139,957,063	144,162,926	-	144,162,926	-	-	-	(4,205,863)	103.01%	-	(4,205,863)	103.01%
TOTAL 3.1 FACILITY DEVELOPMENT	165,778,000	3,099,867	168,877,867	168,877,867	-	168,877,867	-	-	-	-	100.00%	-	-	100.00%
TOTAL STATE FUNDS	165,778,000	3,099,867	168,877,867	168,877,867	-	168,877,867	-	-	-	-	100.00%	-	-	100.00%

----- GRANT ENDED 3/6/2020 -----

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - SECOND MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Major Underground Additions	723,725	(267,894)	455,831	455,831	-	455,831	-	-	-	-	100.00%	-	-	100.00%
Paint Shop Capacity Increase	1,344,385	241,357	1,585,742	1,585,742	-	1,585,742	-	-	-	-	100.00%	-	-	100.00%
Production and Logistics Building Addition	22,802,333	207,197	23,009,530	23,009,530	-	23,009,530	-	-	-	-	100.00%	-	-	100.00%
Assembly Finish Building Extension & Infra.	8,590,958	295,658	8,886,616	8,886,616	-	8,886,616	-	-	-	-	100.00%	-	-	100.00%
Technical Center Pilot Program Extension	4,968,082	(253,229)	4,714,853	4,714,853	-	4,714,853	-	-	-	-	100.00%	-	-	100.00%
Body Shop Robots Fixtures Integration	2,460,223	2,979,843	5,440,066	5,420,707	-	5,420,707	-	-	-	19,359	99.64%	-	19,359	99.64%
VW SUV B Planning Costs	7,425,329	578,553	8,003,882	7,863,634	-	7,863,634	21,029	(21,029)	-	140,248.00	98.25%	-	140,248	98.25%
VW SUV B Contingency	1,085,098	(1,085,098)	-	-	-	-	-	-	-	-	0.00%	-	-	0.00%
VW SUV B Site Preparation	3,099,867	(2,696,387)	403,480	111,517	-	111,517	-	57,000	57,000	234,963	41.77%	-	234,963	41.77%
TOTAL 6.1 VW SUV - LOCAL FUNDING	52,500,000	-	52,500,000	52,048,430	-	52,048,430	21,029	35,971	57,000	394,570	99.25%	-	394,570	99.25%
TOTAL LOCAL FUNDINGS (Managed by IDB)	52,500,000	-	52,500,000	52,048,430	-	52,048,430	21,029	35,971	57,000	394,570	99.25%	-	394,570	99.25%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - SECOND MOU										
As of Feb 22, 2023										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z01001	Infrastructure I	24,714,941.48	24,714,941.48	-	-	-	-			
Z01003	Manufacturing Equipment	144,162,925.72	144,162,925.72	-	-	-	-			
TOTAL 3.1 FACILITY DEVELOPMENT - STATE		168,877,867	168,877,867	-	-	-	-	-	-	Grant ended 3/6/2020
Z00902	Major Underground Additions	455,831.00	455,831.00	-	-	-	-			
Z00904	Paint Shop Capacity Increase	1,585,741.95	1,585,741.95	-	-	-	-			
Z00905	Production and Logistics Building Addition	23,009,530.27	23,009,530.27	-	-	-	-			
Z00906	Assembly Finish Building Extension & Infra.	8,886,616.12	8,886,616.12	-	-	-	-			
Z00907	Technical Center Pilot Program Extension	4,714,852.72	4,714,852.72	-	-	-	-			
Z00913	Body Shop Robots Fixtures Integration	5,420,706.50	5,420,706.50	-	-	-	-			
Z00918	VW SUV B Planning Costs	7,863,634.37	7,863,634.00	-	21,028.96	0.37	(21,028.96)			
Z00919	VW SUV B Contingency	-	-	-	-	-	-			
Z00920	VW SUV B Site Preparation	111,517.33	111,517.33	57,000.00	-	-	57,000.00	-	-	
TOTAL 1.1 VW SUV - LOCAL FUNDING		52,048,430	52,048,430	57,000	21,029	0	35,971	-	-	
Contingency										
		This Report	Last Report	Change	Comments					
Z00919	VW SUV B Contingency	-	-	-						
TOTAL		220,926,297	220,926,297	57,000	21,029	0	35,971	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - THIRD MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
State 3rd MOU Electric Vehicle Expansion	50,000,000	-	50,000,000	-	-	-	-	-	-	50,000,000	0.00%	-	50,000,000	0.00%
TOTAL STATE FUNDING	50,000,000	-	50,000,000	-	-	-	-	-	-	50,000,000	0.00%	-	50,000,000	0.00%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - THIRD MOU
 As of Feb 22, 2023

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Jan 17, 2023	Current Expenditures	PJTD Expenditures As of Feb 22, 2023	Encumbrances As of Jan 17, 2023	Change in Encumbrances	Encumbrances As of Feb 22, 2023	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Local 3rd MOU Electric Vehicle Expansion	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.0%	-	5,000,000	0.0%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - THIRD MOU										
As of Feb 22, 2023										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z11302	State 3rd MOU Electric Vehicle	-	-	-	-	-	-			
TOTAL STATE FUNDING		-	-	-	-	-	-	-	-	
Z11301	Local 3rd MOU Electric Vehicle Expansion	-	-	-	-	-	-			
TOTAL LOCAL FUNDING		-	-	-	-	-	-	-	-	

IDB - ECD PROGRAMS SUMMARY

PJTD EBS & CLOUD (Since inception)

As of 2/22/2023

Acct	Activity	Description	NR11	NR13	NR14	NR14	NR14	NR15	NR16	NR17	NR18	TOTAL
			GROWING SMALL BUS. Z00303	TECH WORKFORCE Z00304	IDB-PILOTS Z00306	IDB-ADMIN * Z300310	IDB LOANS Z00315	MITIGATION Z00307	BUSINESS DEV. Z00308	RENEWING CHATT Z00312	INNOVATION Z00313	
101101		Interfund Cash	169,574.02	335,000.00	-----	1,340,528.57	-----	11,000.00	25,000.00	20,000.00	170,000.00	2,071,102.59
124212'		NR COVID-19 Loans	-	-	-	-	327,144.00	-	-	-	-	327,144.00
124901		Allowance for Notes Receivable	-	-	-	-	(49,072.00)	-	-	-	-	(49,072.00)
172102		Restricted Cash with Agent	-	-	-	-	173,506.59	-	-	-	-	173,506.59
201103		AP Miscellaneous	-	-	-	-	(530.08)	-	-	-	-	(530.08)
513140	102601	IDB EDLP - VV	-	-	1,125,000.00	-	-	-	-	-	-	1,125,000.00
513140	102602	IDB EDLP - Southern Champion Tray	-	-	157,375.58	-	-	-	-	-	-	157,375.58
513140	102603	IDB EDLP - Gastamp	-	-	832,434.98	-	-	-	-	-	-	832,434.98
513140	102604	IDB EDLP - YanFeng	-	-	51,632.29	-	-	-	-	-	-	51,632.29
513140	102605	IDB EDLP - Plastic Omnium Auto	-	-	240,908.70	-	-	-	-	-	-	240,908.70
513140	102606	IDB EDLP - Homeserve	-	-	9,002.15	-	-	-	-	-	-	9,002.15
513140	102607	IDB EDLP - M & M Industries	-	-	59,901.06	-	-	-	-	-	-	59,901.06
513140	102608	IDB EDLP - Van De Wiele	-	-	27,065.25	-	-	-	-	-	-	27,065.25
513140	102609	IDB EDLP - Coca-Cola	-	-	95,128.01	-	-	-	-	-	-	95,128.01
513140	102610	IDB EDLP - Puregraphite	-	-	16,889.09	-	-	-	-	-	-	16,889.09
524107		City of Chattanooga Appropriation	200,000.00	450,000.00	-	-	-	44,000.00	-	-	-	694,000.00
576101		Miscellaneous Revenue	-	-	5.00	6,686.47	103.84	-	-	-	-	6,795.31
801604		Transfer from Non Reported (NR) Funds	200,000.00	-	-	-	-	-	50,000.00	50,000.00	200,000.00	500,000.00
538101		Bridge Loan related expenses - managed by SETDD Bad Debt Expense	-	-	-	-	(49,055.33)	-	-	-	-	(49,055.33)
701105		Engineering Non-construction Consulting	-	-	-	-	-	-	(2,500.00)	-	-	(2,500.00)
704602		Training Costs	-	25,000.00	-	-	-	-	-	-	-	25,000.00
761101		CIP Expense	-	-	-	-	-	-	2,500.00	-	-	2,500.00
784101		Appropriations	-	50,000.00	-	-	-	-	25,000.00	-	-	75,000.00
782201		Awards	-	-	56,000.00	-	-	-	-	-	-	56,000.00
782202		Donations	-	40,000.00	-	-	-	-	-	-	-	40,000.00
782207		Grant Award	230,425.98	-	51,000.00	-	-	33,000.00	-	30,000.00	30,000.00	374,425.98
811604		Transfer to Non Reported (NR) Funds	-	-	674,500.01	-	-	-	-	-	-	674,500.01
		Operating income (loss)	169,574.02	335,000.00	1,833,842.10	6,686.47	(48,951.49)	11,000.00	25,000.00	20,000.00	170,000.00	2,522,151.10
			-	-		-		-	-	-	-	-

IDB - TAX INCREMENT FINANCING (TIF) SUMMARY

PJTD EBS & CLOUD (Since inception)

As of 2/22/2023

Acct	Description	NR09	NR09	NR23	NR24		NR25	TOTAL
		Black Creek Tax Payments Z00302	MLK Tax Payments Z00311	East Chatt Rising Tax Payments Z00316	N. River Com. Ctr. Tax Payments Z00319	Developer Z00320	Sports Authority Tax Payments Z00321	
101101	Interfund Cash		56,069.67	1,377.64	1,500.00			58,947.31
141301	AR County		-	-	-			-
172601	Restricted Cash TIF - IDB TIF Developer Projects		-	-	-			-
201101	Accounts Payable		-	-	-			-
212103	AP Interest - TIF Loan		-	(189,029.98)	-			(189,029.98)
513143	TIF Application Fee	-	1,500.00	-	1,500.00	-		3,000.00
523109	* Ham Co TIF Payment	921,434.73	459,417.40	11,792.64	-	-		1,392,644.77
524106	* City TIF Payment	2,092,236.15	1,091,392.60	27,552.87	-	-		3,211,181.62
536122	** TIF Admin Fee (City)	-	54,569.64	1,377.64	-	-		55,947.28
536123	IDB TIF Developer Project Revenue	-	-	-	-	2,343,310.85		2,343,310.85
782211	Interest expense	-	-	207,666.67	-	-		207,666.67
782215	IDB TIF Developer Project Expense	-	-	-	-	2,343,310.85		2,343,310.85
782601	TIF Agency	2,405,035.33	1,306,815.18	14,768.04	-	-		3,726,618.55
782602	TIF Administrative Fee to Chattanooga	104,611.81	54,569.64	1,377.64	-	-		160,559.09
782604	TIF Debt Service Allocation to Chattanooga	301,856.08	157,265.97	(1,406.54)	-	-		457,715.51
782605	TIF Refuse Pickup to Chattanooga	137,667.18	-	5,144.19	-	-		142,811.37
782603	TIF Administrative Fee to Hamilton Co	46,071.73	22,970.88	589.64	-	-		69,632.25
782606	TIF Trustee Fee to Hamilton Co	18,428.70	9,188.35	235.85	-	-		27,852.90
	Operating income (loss)	0.05	56,069.62	(187,652.34)	1,500.00	-		(130,082.67)
			-	-	-			
	Hamilton County Payments	856,934.30	427,258.17	10,967.15	-	-		1,295,159.62
	City Payment	1,548,101.08	879,556.99	22,437.58	-	-		2,450,095.65
	Total Payments to developer	2,405,035.38	1,306,815.16	33,404.73	-	-		3,745,255.27

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE AUTHORIZING AMENDMENT TO ITS VARIABLE RATE DEMAND BONDS (YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN CHATTANOOGA PROJECT) SERIES 2010 AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR)

WHEREAS, The Industrial Development Board of the City of Chattanooga, Tennessee (the "Issuer") has heretofore issued its Variable Rate Demand Bonds (Young Men's Christian Association of Metropolitan Chattanooga Project) Series 2010 (the "Bonds") that bear interest based on the London Inter-Bank Offered Rate ("LIBOR"); and

WHEREAS, the Bonds were issued pursuant to an Indenture of Trust dated December 1, 2010 between the Issuer and the U.S. Bank National Association (the "Trustee"), as amended by a First Supplement to Indenture of Trust dated April 14, 2016 and a Second Supplement to Indenture of Trust dated January 14, 2020 (as amended, the "Indenture"), and the proceeds thereof were loaned to Young Men's Christian Association of Metropolitan Chattanooga (the "Borrower") pursuant to that certain Loan Agreement dated December 1, 2010 (the "Loan Agreement"), and the Bonds were purchased by SunTrust Bank (now Truist) (the "Lender") pursuant to a Guaranty and Credit Agreement dated December 1, 2010, (as amended, the "Guaranty Agreement"; together with the Bonds, the Indenture, the Loan Agreement, and other financing documents related to such Bonds, the "Bond Documents"); and

WHEREAS, it is expected that LIBOR will be discontinued or will cease to be a functioning index as of June 30, 2023; and

WHEREAS, to prevent disruption in the interest rate calculations for the Bonds, the Issuer wishes to authorize amendment to the Bond Documents to provide for the substitution of LIBOR with the Secured Overnight Financing Rate ("SOFR") pursuant to a Consolidated Amendment to Bond Documents, the form of which is attached hereto as Exhibit A (the "Amendment").

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Board of the City of Chattanooga, Tennessee, as follows:

Section 1. Approval of Alternate Interest Rate Indexes. The Issuer hereby approves the substitution of LIBOR with SOFR. Additionally, in connection with such substitution of LIBOR with SOFR, the Issuer hereby authorizes such revisions to the index tax-exempt factor and the credit margin for the applicable Bonds as are determined to be necessary or desirable by the Lender and the Borrower to maintain the same approximate interest rate value for the Bonds following such substitution.

Section 2. Execution of Amendments. The Chairman or Vice-Chairman and the Secretary or Assistant Secretary (if requested to attest to the signature of the Chairman or Vice-Chairman) are hereby authorized, empowered and directed to execute and deliver such amendments to the Bond Documents, including without limitation the Amendment in the name and on behalf of the Issuer as are determined necessary and advisable to provide for the substitution of LIBOR, their execution thereof to constitute conclusive evidence of their approval of such documents.

Section 3. Additional Authorizations. From and after the execution and delivery of the Amendment, the officers of the Issuer are hereby authorized, empowered and directed to do all such acts and to carry out and comply with all the provisions of the Documents and the Amendments as executed.

Section 4. Limited Obligations.

(a) The Bonds, and the interest payable thereon, are limited obligations of the Issuer, and shall not be deemed to constitute a general debt or liability of the Issuer, but shall be payable solely from such special sources and funds provided therefor in accordance with the provisions thereof and the provisions of the Bond Documents.

(b) Neither the State of Tennessee nor any political subdivision thereof, shall be liable for the payment of the principal of, or the interest on, the Bonds, or for the performance of any pledge, mortgage, obligation, agreement, or certification, of any kind whatsoever of the Issuer, and neither the Bonds nor any of the pledges, mortgages, agreements, obligations, or certifications of the Issuer shall be construed to constitute an indebtedness of the State of Tennessee or any political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

(c) No recourse under, or upon, any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents or in any other document or certification whatsoever, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for, or to, the Issuer, or any receiver thereof, or from, or to, the owner of the Bonds, for any sum that may be due and unpaid by the upon the Bonds or the interest payable thereon; 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, director, or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Issuer or any receiver thereof, or for, or to, the owner of the Bonds, of the principal of, or the premium, if any, or interest on, the Bonds, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents and the issuance of the Bonds.

The foregoing Resolution was approved and adopted by the Board of Directors of The Industrial Development Board of the City of Chattanooga, Tennessee on March 6, 2023.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA, TENNESSEE

By: _____
Name: Jimmy F. Rodgers, Jr.
Title: Chair

ATTEST:

Patrick Sharpley, Secretary

Cessation of LIBOR

The Industrial Development Board of the City of Chattanooga, Tennessee (the “Board”) has outstanding the following variable rate bonds: Variable Rate Demand Revenue Refunding Bonds (Young Men’s Christian Association of Metropolitan Chattanooga Project) Series 2010, which uses the London Interbank Offered Rate (LIBOR) as the market index to reset interest rates.

On November 30, 2020, the ICE Benchmark Association, the entity that oversees the setting of LIBOR, announced its intention to cease publication of LIBOR as of June 30, 2023. The cessation of LIBOR will have a significant impact across not just the tax-exempt market but in the broader financial markets as well as borrowers and financial institutions must amend their bond and loan documents to provide for a new interest rate index to ensure the continued functioning of these transactions. In an effort to minimize the disruption to the financial markets, the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York convened a committee known as the Alternative Reference Rates Committee (ARRC) to assist to provide recommendations on the transition away from LIBOR. ARRC has suggested the Secured Overnight Financing Rate (SOFR) as a suitable replacement for LIBOR.

To facilitate a smooth transition away from LIBOR for the Board’s variable rate bonds, the proposed resolution authorizes the substitution of LIBOR with SOFR provided that the substitution maintains the same approximate interest rate value for the applicable bonds. The proposed resolution additionally authorizes the appropriate Board officers to execute of such amendments as are necessary to substitute LIBOR in the Board’s existing variable rate bonds with such alternative index.

EXHIBIT A
(Form of Amendment)

34891970.1

The Industrial Development Board of the City of Chattanooga, Tennessee
Variable Rate Demand Revenue Refunding Bonds
(Young Men’s Christian Association of Metropolitan Chattanooga Project) Series 2010

CONSOLIDATED AMENDMENT TO BOND DOCUMENTS

Issuer: THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

Borrower: YOUNG MEN’S CHRISTIAN ASSOCIATION OF METROPOLITAN CHATTANOOGA

Lender: TRUIST BANK, successor to SunTrust Bank

Bond Caption: THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE VARIABLE RATE DEMAND REVENUE REFUNDING BONDS (YOUNG MEN’S CHRISTIAN ASSOCIATION OF METROPOLITAN CHATTANOOGA PROJECT) SERIES 2010

Date of Bond: December 1, 2010

Original Principal Amount: \$6,900,000

Date of Amendment: [_____, 2023]

BACKGROUND

A. The Issuer issued the bond described above (such bond being referred to herein as the “Bond”) pursuant to an Indenture of Trust dated December 1, 2010 between the Issuer and the U.S. Bank National Association (the “Trustee”), as amended by a First Supplement to Indenture of Trust dated April 14, 2016 and a Second Supplement to Indenture of Trust dated January 14, 2020 (as amended, the “Indenture”).

B. The Lender purchased the Bond and advanced the proceeds of the sale of the Bond (on behalf of the Issuer) to the Borrower pursuant to that certain Loan Agreement dated December 1, 2010 (the “Loan Agreement”).

C. The Borrower and the Lender executed that certain Guaranty and Credit Agreement dated December 1, 2010, pursuant to which the Borrower made certain additional agreements with respect to the Bond (the “Guaranty Agreement”).

D. While in the Bank Rate Period under the Indenture, the Bond bears interest at the Bank Rate, which is based upon the LIBOR Rate.

E. In contemplation of the cessation of the LIBOR Rate on June 30, 2023, the Borrower, the Issuer, the Trustee and the Lender desire to amend the Indenture, the Bond, the Loan Agreement and the Guaranty Agreement (collectively, the “Bond Documents”) and each of the other Operative Documents (as defined in the Guaranty Agreement) to provide for the replacement of the LIBOR Rate in the manner and at the time described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereto are entering into this

Consolidated Amendment to Bond Documents (this “Amendment”), and hereby covenant and agree as follows:

1. Defined Terms. Any capitalized terms used in this Amendment or the Background provisions hereof which are not so defined, but which are defined in a Bond Document, shall have the meanings ascribed to those terms in such Bond Document, as applicable.

2. Interest Rate. Notwithstanding anything to the contrary in the Bond Documents, the Issuer, the Borrower, the Trustee and the Lender acknowledge and agree that, while the Bond is in the Bank Rate Period, the Bank Rate shall equal the Adjusted Interest Rate as defined in Exhibit A hereof. The Adjusted Interest Rate shall be subject to the adjustments provided for in Exhibit A hereof.

3. LIBOR Fallback Provisions.

(a) Notwithstanding anything to the contrary set forth in the Bond Documents or any other Operative Document, the Borrower, the Lender, the Trustee and the Issuer agree that the Bond Documents and the other Operative Documents are hereby amended to include the provisions attached hereto as Exhibit A, and such provisions shall govern as to all matters related to the replacement of the LIBOR Rate.

(b) The Borrower, the Lender, the Trustee and the Issuer intend that any current fallback provision addressing the replacement of the LIBOR Rate, including but not limited to the events or conditions under which the LIBOR Rate will be replaced and/or the manner, methodology, or mechanism for the replacement of the LIBOR Rate with a new index or benchmark upon the unavailability of the LIBOR Rate (whether on a temporary or a permanent basis), shall be deemed replaced with the provisions attached hereto as Exhibit A.

(c) The parties hereto intend for this Amendment to constitute a covered modification within the meaning of Treasury and IRS Revenue Procedure 2020-44 dated October 9, 2020, as amplified in the final regulations with respect thereto published January 4, 2022.

4. Continuing Effect. Except as expressly modified hereby, all of the terms, covenants, and conditions of the Bond Documents and the other Operative Documents shall remain in full force and effect. This Amendment is given as a modification of the current fallback provision addressing the replacement of the LIBOR Rate, and is not given in substitution therefor or extinguishment thereof and is not intended to be a novation.

5. Attachment to Bond Documents. This Amendment shall be and remain attached to the Bond Documents and shall be an integral part thereof.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the domestic internal laws (but not the law of conflict of laws) of the State of Tennessee.

7. Miscellaneous. Wherever possible, the provisions of this Amendment shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of any such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. The headings in this Amendment are included for convenience only and shall neither affect the construction or interpretation of any provision in this Amendment nor affect any of the

rights or obligations of the parties to this Amendment. The Borrower agrees to pay all reasonable costs and expenses of the Lender and the Issuer in connection with the preparation, execution and delivery of the documents executed in connection with this Amendment, including without limitation, the reasonable fees and out-of-pocket expenses of Lender's counsel, bond counsel and Issuer's counsel.

BORROWER ACKNOWLEDGES AND AGREES THAT: (I) BORROWER MAY REQUEST AND APPLY FOR A REPLACEMENT INDEX FOR USD LIBOR NOW OR AT ANY TIME HEREAFTER; (II) THE INTEREST RATE FOLLOWING THE REPLACEMENT OF USD LIBOR THROUGH ANY REQUESTED AMENDMENT MAY BE LOWER OR HIGHER THAN THE INTEREST RATE FOLLOWING REPLACEMENT OF USD LIBOR AT CESSATION AS CONTEMPLATED BY THIS AMENDMENT; AND (III) BORROWER HAS KNOWINGLY AND VOLUNTARILY ENTERED INTO THIS AMENDMENT.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK].

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the Date of Amendment referenced above.

ISSUER:

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY
OF CHATTANOOGA, TENNESSEE

By _____
Name: Jimmy F. Rodgers, Jr.
Title: Chair

BORROWER:

YOUNG MEN'S CHRISTIAN ASSOCIATION OF
METROPOLITAN CHATTANOOGA

By _____
Name: _____
Title: _____

LENDER:

TRUIST BANK, successor to SunTrust Bank

By: _____
Name: _____
Title: _____

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Exhibit A
INTEREST RATE PROVISIONS

The following provisions are hereby made a part of the Bond Documents.

1. BENCHMARK REPLACEMENT SETTING.

1.1 **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Bond Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then, (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, in connection with a Benchmark Transition Event, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Bond or any other Bond Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, or in connection with an Early Opt-in Election, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of any Benchmark setting at or after 5:00 p.m. (Charlotte, North Carolina) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to Borrower without any amendment to the Bond or any other Bond Document, or further action or consent of Borrower. For avoidance of doubt, upon the replacement of the LIBOR Rate, or any subsequent Benchmark, with a Benchmark Replacement, the interest rate on the Bond shall be equal to the Applicable Factor multiplied by the sum of (x) the then-current Benchmark and (y) the Margin, and fixed minimum rates, if any, shall continue to apply.

1.2 **Benchmark Replacement Conforming Changes.** In connection with the implementation of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Bond Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

1.3 **Notices; Standards for Decisions and Determinations.** Lender will promptly notify Borrower of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 1.4 below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Lender pursuant to Section 1, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Borrower.

1.4 **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Bond Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or the LIBOR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer

representative, then Lender may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then Lender may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

1.5 **Benchmark Unavailability Period.** Upon Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of Lender to make any advance based upon the LIBOR Rate shall cease, and Borrower may revoke any request for such an advance to be made during any Benchmark Unavailability Period, the reference to the “LIBOR Rate” in the calculation of the Adjusted Interest Rate shall be deemed and interpreted to mean the “Standard Rate”, and the Applicable Factor, the Margin and fixed minimum rates, if any, shall continue to apply. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Standard Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Standard Rate.

1.6 **Definitions.** In addition to the terms defined in the Bond Documents, the following definitions shall apply:

“**Adjusted Interest Rate**” means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a determination by the Lender that the Bond is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision) then from and after the date on which the Bond is not a “qualified tax-exempt obligation” the interest rate shall be established at a rate equal to the Benchmark plus the Margin.

“**Applicable Factor**” means [81]%, which is the tax-exempt factor component of the interest rate that is applicable to the Bond on the date hereof.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to the Bond Documents as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 1.4.

“**Benchmark**” means, initially, the LIBOR Rate; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 1.1.

“**Benchmark Replacement**” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by Lender for the applicable Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by Lender as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by Lender in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the Bond and the other Bond Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by Lender:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Lender for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by Lender in its reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Standard Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of the Bond and the other Bond Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to Borrower.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 1 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 1.

“**Business Day**” means a day other than a Saturday, Sunday, legal holiday or any other day when Truist is authorized or required by applicable law to be closed.

“**Corresponding Tenor**” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if Lender decides that any such convention is not administratively feasible for Lender, then Lender may establish another convention in its reasonable discretion.

“**Early Opt-in Election**” means, if the then-current Benchmark is the LIBOR Rate, the occurrence of:

(1) a determination by Lender that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and

(2) the election by Lender to trigger a fallback from the LIBOR Rate and the provision by Lender of written notice of such election to Borrower.

“Federal Funds Rate” shall mean, 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, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (a) if such day is not a Business Day, 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, the Federal Funds Rate for such day shall be the average rate charged to Truist.

“Floor” means the Benchmark rate floor, if any, provided in the Bond initially (as of the issuance of the Bond, the modification or amendment of the Bond or otherwise) with respect to the LIBOR Rate.

“Interest Period” means the one-month period commencing on the first day of each month and ending on the last day of such month; provided that the first Interest Period shall commence on the date hereof and end on the last day of the month hereof.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“LIBOR Rate” means USD LIBOR for a period of one month determined as of the Reference Time as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender.

“Margin” means [0.90]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

“Prime Rate” means the interest rate announced by Truist from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by Truist.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBOR Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBOR Rate, the time determined by Lender in its reasonable discretion.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**Standard Rate**” means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

“**Term SOFR**” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“**Truist**” means Truist Bank, and its successors and assigns.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**USD LIBOR**” means the London interbank offered rate for U.S. dollars

1.7 **Notices and Disclosures.** Lender hereby discloses and Borrower understands and agrees to the following with respect to USD LIBOR:

(a) On March 5, 2021 the Financial Conduct Authority (“**FCA**”), the regulatory supervisor of USD LIBOR’s administrator (“**IBA**”), announced in a public statement the future cessation of 1-month, 3-month, 6-month and 12-month USD LIBOR tenor settings on June 30, 2023. This announcement constituted a Benchmark Transition Event.

(b) Term SOFR has been endorsed by the Alternative Reference Rate Committee (the “**ARRC**”), the Relevant Governmental Body established by the Federal Reserve Board.

(c) The ARRC has also endorsed the spread adjustments for the replacement of USD LIBOR as follows:

USD LIBOR tenor being replaced	spread adjustment
1-Month USD LIBOR	.11448%
3-Month USD LIBOR	.26161%
6-Month USD LIBOR	.42826%
1-year USD LIBOR	.71513%

2. BENCHMARK REPLACEMENT SETTING IF BOND HAS AN INTEREST RATE SWAP WITH TRUIST. If the Bond is subject to an interest rate swap agreement with Truist, the following provisions shall apply in lieu of Section 1:

2.1 **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Bond Document, if a Benchmark Replacement Date has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark on any date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Bond or any other Bond Document.

2.2 **Benchmark Replacement Conforming Changes.** In connection with the implementation of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Bond Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

2.3 **Notices; Standards for Decisions and Determinations.** Lender will promptly notify Borrower of (i) any occurrence of a Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination or decision that may be made by Lender pursuant to Section 2, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non- occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from Borrower.

2.4 **Benchmark Unavailability Period.** Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of Lender to make any advance based upon the LIBOR Rate shall cease, and Borrower may revoke any request for such an advance to be made during any Benchmark Unavailability Period, the reference to the LIBOR Rate in the calculation of the Adjusted Interest Rate shall be deemed and interpreted to mean the "Standard Rate", and the Applicable Factor, the Margin and fixed minimum rates, if any, shall continue to apply.

2.5 **Certain Defined Terms.** In addition to the terms defined in the Bond Documents, the following definitions shall apply for purposes of this Section 2:

"Adjusted Interest Rate" means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a determination by the Lender that the Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision) then from and after the date on which the Bond is not a "qualified tax-exempt obligation" the interest rate shall be established at a rate equal to the Benchmark plus the Margin.

"Applicable Factor" means [81]%, which is the tax-exempt factor component of the interest rate that is applicable to the Bond on the date hereof.

"Benchmark" means, initially, the LIBOR Rate; provided that if a Benchmark Replacement Date has occurred with respect to the LIBOR Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.1.

"Benchmark Replacement" means, for any Interest Period, the sum of the successor rate and any applicable spread adjustment that would apply for derivatives transactions referencing the ISDA Definitions upon the occurrence of an index cessation effective date with respect to the then-current Benchmark for the applicable tenor; provided that if the Benchmark Replacement would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the Bond and the other Bond Documents. In the event of the payment of any principal prior to the last day of an Interest Period for any reason, any reference to the Benchmark Replacement shall mean the most recent Benchmark Replacement rate available as determined by Lender in its reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Standard Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Lender in a manner Lender decides is reasonably necessary in connection with the administration of the Bond and the other Bond Documents.

“Benchmark Replacement Date” means the occurrence of an index cessation effective date with respect to an index cessation event for the then-current Benchmark, upon which the then-current Benchmark would be replaced in derivatives transactions referencing the ISDA Definitions.

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 2 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 2.

“Business Day” means a day other than a Saturday, Sunday, legal holiday or any other day when Truist is authorized or required by applicable law to be closed.

“Floor” means the Benchmark rate floor, if any, provided in the Bond initially (as of the execution of the Bond, the modification or amendment of the Bond or otherwise) with respect to the LIBOR Rate.

“Interest Period” means the one-month period commencing on the first day of each month and ending on the last day of such month; provided that the first Interest Period shall commence on the date hereof and end on the last day of the month hereof.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“LIBOR Rate” means USD LIBOR for a period of one month determined as of the Reference Time as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender.

“Margin” means [0.90]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

“Prime Rate” means the interest rate announced by Truist from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by Truist.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBOR Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBOR Rate, the time determined by Lender in its reasonable discretion.

“**Standard Rate**” means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

“**Truist**” means Truist Bank, and its successors and assigns.

“**USD LIBOR**” means the London interbank offered rate for U.S. dollars.

2.6 **Notices and Disclosures.** Lender hereby discloses and Borrower acknowledges and agrees: The ISDA Definitions contain trigger and fallback provisions in respect of USD LIBOR in the event USD LIBOR is permanently discontinued or is deemed to be non-representative. In the event of a permanent cessation or pre-cessation event of USD LIBOR, the floating rate of the derivatives transaction that is based on USD LIBOR will first fall back to a term adjusted risk-free rate for the relevant currency plus a spread (the “Spread Adjustment”) published by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) (“BISL”). Under the ISDA Definitions, the applicable fallback rate for USD LIBOR is “Fallback Rate (SOFR)” which means the term adjusted SOFR plus the Spread Adjustment relating to USD LIBOR, in each case, for a period of the designated maturity provided by BISL on the Fallback Rate (SOFR) Screen. BISL will determine the term adjusted SOFR based on a formula in which SOFR is compounded over an accrual period corresponding to the tenor of USD LIBOR. On March 5, 2021 the Financial Conduct Authority (“FCA”), the regulatory supervisor of USD LIBOR’s administrator (“IBA”), announced in a public statement the future cessation of 1-month, 3-month, 6-month and 12-month USD LIBOR tenor settings on June 30, 2023, which constituted the “Spread Adjustment Fixing Date” under the applicable guidance. As a result the “all-in” fallback rate under the ISDA Definitions for USD LIBOR as published by BISL is anticipated to be the sum of: (i) term adjusted SOFR, as calculated by BISL, and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month’s duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months’ duration, 0.42826% (42.826 basis points) for an Available Tenor of six-months’ duration, and 0.71513% (71.513 basis points) for an Available Tenor of twelve-months’ duration.

34879886.1

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PROVIDING FOR THE RELEASE OF A PORTION OF DEBT SERVICE RESERVE ACCOUNT MONIES OF THE BOARD HELD FOR THE CHATTANOOGA LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2018A (TAX-EXEMPT) AND CHATTANOOGA LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2018C (TAXABLE) AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO

WHEREAS, the Industrial Development Board of the City of Chattanooga (the “Board”) is duly incorporated pursuant to Sections 7-53-101 *et seq.*, Tennessee Code Annotated (the “Act”); and

WHEREAS, the Board has previously issued its Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018A (Tax-Exempt) (the “Series 2018A Bonds”), Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018B (Taxable) (the “Series 2018B Bonds”), Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018C (Taxable) (the “Series 2018C Bonds”) and Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018D (Taxable) (the “Series 2018D Bonds” and, together with the Series 2018A Bonds, the Series 2018B Bonds and the Series 2018C Bonds, the “Series 2018 Bonds”); and

WHEREAS, in connection with the issuance of its Series 2018 Bonds, the Board entered into, among other documents, that (i) certain Third Supplement to the Indenture of Trust (the “Third Supplemental Indenture”), dated as of October 1, 2018, by and between the Board and The Bank of New York Mellon Trust Company N.A., as trustee (including predecessors thereto, the “Trustee”), supplementing and amending that certain Indenture of Trust, dated as of October 1, 2000, by and between the Board and the Trustee (the “Original Indenture”), as supplemented and amended by that certain First Supplement to the Indenture of Trust, dated as of April 17, 2007, by and between the Board and the Trustee (the “First Supplemental Indenture”), and that certain Second Supplement to the Indenture of Trust, dated as of September 30, 2010, by and between the Board and the Trustee (the “Second Supplemental Indenture” and, together with the Original Indenture, the First Supplemental Indenture and the Third Supplemental Indenture, the “Indenture”) and (ii) certain Second Amendment to Debt Service Reserve Forward Delivery Agreement (the “Second Amendment to the Forward Delivery Agreement”), dated as of November 6, 2018, by and among the Board, the Trustee and Wells Fargo Bank, National Association, as provider (including predecessors thereto, the “Provider”), amending that certain Debt Service Reserve Forward Delivery Agreement, dated as of October 24, 2000, by and among the Board, the Trustee and the Provider (the “Original Forward Delivery Agreement”), as amended by that certain First Amendment to Debt Service Reserve Forward Delivery Agreement, dated as of January 24, 2011, by and among the Board, the Trustee and the Provider (the “First Amendment to the Forward Delivery Agreement” and, together with the Original Forward Delivery Agreement and Second Amendment to the Forward Delivery Agreement, the “Forward Delivery Agreement”); and

WHEREAS, the Indenture and Forward Delivery Agreement require that the Debt Service Reserve Account (as defined in the Indenture) for the Series 2018 Bonds be funded at a certain amount; and

WHEREAS, the Series 2018B Bonds and the Series 2018D Bonds have been redeemed and now only the Series 2018A Bonds and the Series 2018C Bonds (collectively, the “Outstanding Series 2018 Bonds”) remain outstanding under the Indenture; and

WHEREAS, now that the Series 2018B Bonds and the Series 2018D Bonds have been redeemed, the Debt Service Reserve Requirement for the Series 2018 Bonds may be decreased accordingly; and

WHEREAS, the Board, the Trustee, the Provider, and Raymond James Capital Funding, Inc., as holder of the Outstanding Series 2018 Bonds (the “Lender”), agree that the Indenture, the Forward Delivery Agreement and all other relevant documents related to the Series 2018 Bonds be supplemented and amended, as applicable, to decrease the Debt Service Reserve Requirement for the Outstanding Series 2018 Bonds to that amount provided in the Amending Documents (as defined below), to provide that such corresponding lesser amount be held in the Debt Service Reserve Account for the Outstanding Series 2018 Bonds and to provide that any monies held in the Debt Service Reserve Account for the Outstanding Series 2018 Bonds that exceed the Debt Service Reserve Requirement, as decreased, be released to the Board for use in a manner consistent with the Amending Documents and applicable law; and

WHEREAS, for the purposes provided above, the Board determines it is in its best interest to (i) execute and deliver (a) that certain Fourth Supplement to the Indenture of Trust, by and between the Board and the Trustee and to be consented to by the Lender (the “Fourth Supplemental Indenture”), a substantial form of which is attached hereto as Exhibit A, (b) that certain Third Amendment to the Debt Service Reserve Forward Delivery Agreement, by and among the Board, the Trustee and the Provider (the “Third Amendment to the Forward Delivery Agreement”), a substantial form of which is attached hereto as Exhibit B, and (c) such other documents and agreements, as necessary or advisable, to carry out and comply with the provisions of the foregoing and to remain in compliance with applicable laws and regulations, including but not limited to federal tax rules and regulations applicable to the Debt Service Reserve Account (collectively, the “Amending Documents”) and (ii) take such actions as contemplated by the foregoing; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Board of the City of Chattanooga:

RESOLVED, that the Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and the Secretary of the Board is authorized to attest, the Amending Documents; and further

RESOLVED, that the Fourth Supplemental Indenture and the Third Amendment to the Forward Delivery Agreement shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions, and changes as may be approved by the officer executing it, his or her execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions, and changes; *provided, however*, that any other documents and agreements necessary or advisable to carry out and comply with the provisions of the foregoing and intent of this Resolution and to remain in compliance with applicable laws and regulations, including but not limited to applicable federal tax rules and regulations, are hereby approved in the form and substance approved by the Chairman or Vice Chairman; and further

RESOLVED, that the officers of the Board are hereby authorized, empowered and directed to take all appropriate actions necessary to carry out the terms of the Amending Documents and are further hereby authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amending Documents as so executed; and further

RESOLVED, that all acts and doings of the Chairman, Vice Chairman and/or Secretary and any other officer of the Board which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Amending Documents and the transactions contemplated in such Amending Documents, shall be and the same hereby are in all respects, authorized, approved and confirmed; and further

RESOLVED, that the Board hereby requests that the City of Chattanooga and the Chattanooga Downtown Redevelopment Corporation (formerly known as the Southside Redevelopment Corporation) consent to the execution and delivery of the Fourth Supplemental Indenture and, to the extent applicable, other Amending Documents for the purposes hereinabove stated.

[signature page follows]

I hereby certify that attached hereto is a resolution of the Industrial Development Board of the City of Chattanooga, duly and lawfully adopted by its Board of Directors on March 6, 2023, at a meeting at which a quorum was acting throughout and I furthermore certify that such resolution has not been amended or modified in any respect.

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

By: _____
Name: Jimmy F. Rodgers, Jr.
Title: Chair

ATTEST:

Patrick Sharpley, Secretary

EXHIBIT A

FORM OF
FOURTH SUPPLEMENTAL INDENTURE

FOURTH SUPPLEMENT TO THE INDENTURE OF TRUST

THIS FOURTH SUPPLEMENT TO THE INDENTURE OF TRUST is dated as of March __, 2023, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (“Issuer”), an industrial development corporation and a public instrumentality of the City of Chattanooga, Tennessee (the “City”) duly organized and existing under the laws of the State of Tennessee (the “State”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (as successor trustee to First Tennessee Bank National Association), a national banking association organized and existing under and by virtue of the laws of the United States, as trustee (“Trustee”).

W I T N E S S E T H :

WHEREAS, pursuant to and in accordance with the provisions of the Constitution and laws of the State, including particularly, but without limitation, the provisions of Title 7, Chapter 53 of the Tennessee Code Annotated entitled “Industrial Development Corporations,” as amended (the “Act”), by appropriate action duly taken by its Board of Directors, the Issuer financed the cost of designing, acquiring, constructing and equipping a public conference center, convention center expansion, a development resource center, a public parking garage, and related infrastructure improvements and projects located within the boundaries of the City (which facilities together with the land on which they are located, are hereinafter referred to as the “Project”), which was owned by Chattanooga Downtown Redevelopment Corporation, formerly known as Southside Redevelopment Corporation, a Tennessee nonprofit corporation (“Corporation”); and

WHEREAS, for the purpose of financing the Project, the Issuer heretofore issued its \$129,200,000 Chattanooga Lease Rental Revenue Bonds, Series 2000 (the “Series 2000 Bonds”), pursuant to that certain Indenture of Trust, dated as of October 1, 2000, by and between the Issuer and the Trustee (the “Original Indenture”); and

WHEREAS, for the purpose of refunding the Series 2000 Bonds, the Issuer issued its (i) \$56,110,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2007 (the “Series 2007 Bonds”), pursuant to the Original Indenture, as supplemented and amended by that certain First Supplement to the Indenture of Trust, dated as of April 17, 2007 (the “First Supplemental Indenture”), and (ii) \$66,955,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2010 (the “Series 2010 Bonds”), pursuant to the Original Indenture, as supplemented and amended by the First Supplemental Indenture and that certain Second Supplement to the Indenture of Trust, dated as of September 30, 2010 (the “Second Supplemental Indenture”); and

WHEREAS, for the purpose of refunding the Series 2007 Bonds and Series 2010 Bonds, the Issuer issued its \$32,235,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018A (Tax-Exempt) (the “Series 2018A Bonds”), \$16,655,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018B (Taxable) (the “Series 2018B Bonds”), \$28,200,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018C (Taxable) (the “Series 2018C Bonds”); and \$10,660,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018D (Taxable) (the “Series 2018D Bonds” and, together with the Series 2018A Bonds, the Series 2018B

Bonds and the Series 2018C Bonds, the “Series 2018 Bonds”), pursuant to the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and that certain Third Supplement to the Indenture of Trust, dated as of October 1, 2018 (the “Third Supplemental Indenture”); and

WHEREAS, a portion of the Project (not consisting of infrastructure improvements) has been sold, the Series 2018B Bonds and the Series 2018D Bonds have heretofore been redeemed in connection such sale, and the Series 2018A Bonds and Series 2018C Bonds are now the only Bonds Outstanding pursuant to the Indenture; and

WHEREAS, now that the Series 2018B Bonds and the Series 2018D Bonds have been redeemed, the Debt Service Reserve Requirement provided in the Original Indenture may be decreased accordingly; and

WHEREAS, the Issuer and the Trustee wish to enter into, and the Lender consents to, this Fourth Supplement to the Indenture of Trust (the “Fourth Supplemental Indenture”, together with the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “Indenture”) for the purpose of decreasing the amount of the Debt Service Reserve Requirement, providing that such lesser Debt Service Reserve Requirement be held in the Debt Service Reserve Account for the Outstanding Bonds, providing that any monies held in the Debt Service Reserve Account that exceed the Debt Service Reserve Requirement, as decreased, be released to the Issuer for use in a manner consistent with the provisions herein and clarifying certain other terms of the Indenture related thereto; and

WHEREAS, all things necessary to constitute this Fourth Supplemental Indenture valid and enforceable against the parties thereto, have been done and performed, and the creation, execution and delivery of this Fourth Supplemental Indenture, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, BE IT SET FORTH IN THIS FOURTH SUPPLEMENTAL INDENTURE:

The Issuer has agreed and covenanted and does hereby agree and covenant with the Trustee and with the Owners of the Bonds as follows:

Article I

DEFINITIONS

Unless the context shall clearly indicate some other meaning, all words and terms used in this Fourth Supplemental Indenture which are defined elsewhere in the Indenture shall for all purposes of this Fourth Supplemental Indenture have the respective meanings given to them in the Indenture.

The following words and phrases shall have the following meanings herein:

“Amending Documents” means this Fourth Supplemental Indenture, the Third Amendment to the Forward Delivery Agreement and such other documents and agreements deemed necessary or advisable by the Issuer to carry out and comply with the provisions of the foregoing and to remain in compliance with applicable laws and regulations, including but not limited to federal tax rules and regulations applicable to the Debt Service Reserve Account; and

“Fourth Supplemental Indenture” has that meaning ascribed in the preamble hereto; and

“Lender” means the Purchaser, as such term is defined in the Third Supplemental Indenture; and

“Reserve Fund Release” has that meaning ascribed in Section 3.01 of this Fourth Supplemental Indenture; and

“Third Amendment to the Forward Delivery Agreement” means that certain Third Amendment to Debt Service Reserve Forward Delivery Agreement, by and among the Issuer, the Trustee and Wells Fargo Bank, National Association, dated on or about the date hereof.

Article II

AMENDMENTS

Section 2.01 Amendment to Article I of the Original Indenture. The definition of “Debt Service Reserve Requirement” in Article I of the Original Indenture is hereby deleted and replaced with the following definition:

“Debt Service Reserve Requirement” means \$3,800,000. The Debt Service Reserve Requirement may be funded with cash or Investment Securities or one or more Debt Service Reserve Account Surety Bonds or a combination thereof.

Section 2.02 Amendment to Section 5.03(C) of the Original Indenture. The first paragraph in Section 5.03(C), consisting of the language preceding Section 5.03(C)(a), is hereby deleted and replaced with the following:

There shall be deposited into the Debt Service Reserve Account an amount equal to the Debt Service Reserve Requirement.

Section 2.03 Amendment to Section 5.03(C)(a) of the Original Indenture. The phrase “Series 2000 Bonds” in Section 5.03(C)(a) of the Original Indenture is hereby deleted and replaced with “Bonds.”

Section 2.04 Amendment to Section 5.03(C)(b) of the Original Indenture. The phrase “Series 2000 Bonds” in Section 5.03(C)(b) of the Original Indenture is hereby deleted and replaced with “Bonds Outstanding.”

Section 2.05 Amendment to Section 5.03(C)(c) of the Original Indenture. The term “Debt Service Reserve Account Requirement” in Section 5.03(C)(c) of the Original Indenture, as amended by the Third Supplemental Indenture, is hereby deleted in each instance where it appears and is in each instance replaced with “Debt Service Reserve Requirement.”

Section 2.06 Amendment to Section 3.01(2) of the Third Supplemental Indenture. [As of April 1, 2023], the Principal amount for the October 1, 2028 maturity set forth in the sinking fund redemption schedule for the Series 2018A Bonds in Section 3.01(2) of the Third Supplemental Indenture is hereby deleted and replaced with “\$[4,065,000].”

Section 2.07 Amendment to Section 3.03(2) of the Third Supplemental Indenture. [As of April 1, 2023], the Principal amount for the October 1, 2023 maturity set forth in the sinking fund redemption schedule for the Series 2018C Bonds in Section 3.03(2) of the Third Supplemental Indenture is hereby deleted and replaced with “\$[1,865,000].”

Article III

RESERVE FUND RELEASE

Section 3.01 Application of Monies Released from the Debt Service Reserve Account. Notwithstanding anything elsewhere in the Indenture to the contrary, the amount of [\$6,100,000], which is the amount of monies in the Debt Service Reserve Account that exceeds the Debt Service Reserve Requirement (as such definition is amended herein), is hereby authorized and directed to be released from the Debt Service Reserve Account on the date hereof (the “Reserve Fund Release”) and applied as follows:

- (i) [\$3,100,000] of the Reserve Fund Release shall be applied to the partial redemption on [April 1, 2023] of the October 1, 2023 Principal amount due on the Series 2018C Bonds; and
- (ii) [\$3,000,000] of the Reserve Fund Release shall be applied to the partial redemption on [April 1, 2023] of the October 1, 2028 Principal amount due on the Series 2018A Bonds.

Section 3.02 Debt Service Schedule. As a result of the Reserve Fund Release and the application of monies provided in Section 3.01 above, the Principal amounts due and owing on the Series 2018A Bonds and Series 2018C Bonds shall be those amounts provided in Section 3.01(2) and Section 3.03(2), respectively, of the Third Supplemental Indenture, as amended by Section 2.06 and Section 2.07, respectively, of this Fourth Supplemental Indenture. Interest payable on the Series 2018A Bonds and Series 2018C Bonds on and after April 1, 2023 shall be calculated based on their respective Principal amounts as amended by this Fourth Supplemental Indenture.

Section 3.03 Amending Documents. The parties hereto are hereby authorized and directed to execute the Amending Documents.

Section 3.04 Lender Consent. The parties hereto acknowledge receipt on or before the date hereof of the Lender's written consent to the Reserve Fund Release and the execution and delivery of the Amending Documents.

Article IV

MISCELLANEOUS

Section 4.01 Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Fourth Supplemental Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Insurer and the holders of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Fourth Supplemental Indenture or any covenants, conditions and provisions herein contained; this Fourth Supplemental Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Insurer and the holders of the Bonds as herein provided.

Section 4.02 Severability. If any provision of this Fourth Supplemental Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.03 Counterparts. This Fourth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4.04 Applicable Provisions of Law. This Fourth Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

Section 4.05 Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Fourth Supplemental Indenture and not solely to the particular portion in which any such word is used.

Section 4.06 Captions. The captions and headings in this Fourth Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Fourth Supplemental Indenture.

Section 4.07 No Personal Liability. Notwithstanding anything to the contrary contained in the Indenture, the Agreement, the Lease, the Assignment, any of the Bonds, or any other instrument or document executed by or on behalf of the Issuer, the Corporation or the City in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future Incorporator, member, commissioner, officer, director, employee, or agent of the Issuer, the

Corporation or the City or of any Incorporator, member, commissioner, officer, director, employee, or agent of any successor to the Issuer, the Corporation or the City in any such person's individual capacity, and no such person, in his or her individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the Principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the Issuer, the Corporation or the City or any successor to any of them, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his or her individual capacity, is hereby expressly waived and released.

[signature page follows]

IN WITNESS WHEREOF, the Issuer has caused these presents to be executed in its corporate name and attested by its duly authorized officials; and the Trustee has caused these presents to be executed in its corporate name and attested by its duly authorized officers, as of the date first above written.

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

ATTEST:

By: _____
Patrick Sharpley
Secretary

By: _____
Jimmy F. Rodgers, Jr.
Chair

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

ATTEST:

By: _____

Secretary

By: _____

Chairman

STATE OF _____)
) SS.
COUNTY OF _____)

The undersigned, a Notary Public, does hereby certify that _____ and _____, whose names as duly authorized officers of The Bank of New York Mellon Trust Company, N.A. are signed to the foregoing Fourth Supplemental Indenture, and who are each known to me and known to be such officers, acknowledged before me on this day under oath that, being informed of the contents of the Fourth Supplemental Indenture, they, in their capacities as authorized officers of The Bank of New York Mellon Trust Company, N.A. and with full authority, executed and delivered the same voluntarily for and as the act of The Bank of New York Mellon Trust Company, N.A. on the day the same bears date.

Given under my hand and seal of office, this ____ day of _____ 2023.

Notary Public

My Commission expires:

EXHIBIT B

FORM OF
THIRD AMENDMENT TO THE FORWARD DELIVERY AGREEMENT

35188961.1

**THIRD AMENDMENT TO DEBT SERVICE RESERVE
FORWARD DELIVERY AGREEMENT**

THIS THIRD AMENDMENT TO DEBT SERVICE RESERVE FORWARD DELIVERY AGREEMENT (the “Third Amendment”) effective as of March __, 2023 (the “Effective Date”) is entered into by and among **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the “Trustee”), **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE** (the “Issuer”) and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as provider (the “Provider”).

WITNESSETH:

WHEREAS, the Issuer, the Trustee and the Provider have previously entered into the Debt Service Reserve Forward Delivery Agreement dated as of October 24, 2000 (the “Forward Delivery Agreement”) respecting the Issuer’s \$129,200,000 Chattanooga Lease Rental Revenue Bonds Series 2000 (the “Series 2000 Bonds”);

WHEREAS, the Series 2000 Bonds were refunded with the Issuer’s \$56,110,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2007 (the “Series 2007 Bonds”) and the Issuer’s \$66,955,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2010 (the “Series 2010 Bonds”);

WHEREAS, the Issuer, the Trustee and the Provider have previously entered into that First Amendment to Debt Service Reserve Forward Delivery Agreement dated as of January 24, 2011 (the “First Amendment”) for the purpose of having the Forward Delivery Agreement (i) terminate with respect to the Series 2000 Bonds, and (ii) transfer to the Series 2007 Bonds and the Series 2010 Bonds;

WHEREAS, the Series 2007 Bonds and the Series 2010 Bonds are being refunded with the Issuer’s \$32,915,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018A (Tax-Exempt), \$15,285,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018B (Taxable), \$26,840,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018C (Taxable) and \$9,130,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018D (Taxable) (collectively, the “Bonds”);

WHEREAS, the Issuer, the Trustee and the Provider have previously entered into that Second Amendment to Debt Service Reserve Forward Delivery Agreement dated as of November 6, 2018 (the “Second Amendment” and, together with the Forward Delivery Agreement, the First Amendment and the Second Amendment, the “Original Agreement”) for the purpose of having the Forward Delivery Agreement, as amended by the First Amendment, (i) terminate with respect to the Series 2007 Bonds and the Series 2010 Bonds, and (ii) transfer to

the Series 2018A Bonds, the Series 2018B Bonds, the Series 2018C Bonds and the Series 2018D Bonds;

WHEREAS, the Issuer, the Trustee and the Provider now wish to amend the provisions of the Original Agreement as herein provided for the purpose of having the Original Agreement (i) terminate with respect to the Series 2018B Bonds and the Series 2018D Bonds, and (ii) continue with respect to the Series 2018A Bonds and the Series 2018C Bonds.

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTENTION OF PARTIES, AGREEMENT PROVISIONS

The Issuer, the Provider and the Trustee have entered into this Third Amendment pursuant to Section 9.05 of the Original Agreement to amend their rights and obligations set forth in the Original Agreement. The terms of the Original Agreement, as amended by this Third Amendment (as so amended, the “Agreement”), shall govern the rights and obligations of the Issuer, the Provider and the Trustee in connection with the transactions contemplated by the Agreement. Capitalized terms used but not defined in this Third Amendment shall have the respective meanings assigned thereto in the Original Agreement.

ARTICLE II

AMENDMENTS

Section 2.01. Amendments to Definitions. The Original Agreement shall be amended as follows:

(a) The Original Agreement shall be amended by deleting the definition of Bonds in its entirety and in place thereof inserting the following:

“*Bonds*” means, collectively, the Series 2018A Bonds and the Series 2018C Bonds.

(b) The Original Agreement shall be amended by deleting the following definitions from Article I:

“*Series 2018B Bonds*” means the Issuer’s \$15,285,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018B (Taxable).

“*Series 2018D Bonds*” means the Issuer’s \$9,130,000 Chattanooga Lease Rental Revenue Refunding Bonds, Series 2018D (Taxable).

Section 2.02. Amendment to Section 9.01. Section 9.01 to the Original Agreement is hereby amended by deleting such section in its entirety and replacing it with the following:

Section 9.01. Notices and Delivery Instructions. All notices, demands or other communications hereunder shall be given or made in writing and shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service or facsimile to the party to whom they are directed at the following addresses, or facsimile numbers or at such other addresses or facsimile numbers as may be designated by notice from such party to all other parties:

To the Provider: Wells Fargo Bank, N.A.
MAC D1053-070
301 South College Street, 7th Floor
Charlotte, NC 28202-6000
Attention: Mr. Austin Fenn
Telephone: (704) 410-3674

Wells Fargo Bank, N.A.
MAC J0161-245
150 East 42nd Street, 24th Floor
New York, NY 10017
Attention: Jennifer S. Van Denbergh, Director
Counterparty Documentation
Telephone: (212) 214-6861

Delivery: BK of NYC/FUNBBT
ABA #: 021000018

Payments to Provider: Wells Fargo Bank, NA
ABA#: 121000248
Acct: 01014894464228
Ref: IDB of City of Chattanooga, TN, Series 2018A, C

Provider Settlements: Municipal Support
Telephone: (704) 383-9408 or (704) 374-2146

US Government and Agency Issues:
Fed Book Entry
ABA 021000018
Bk of NYC/FUNBBT

Mortgage Backed Securities:
Bk of NYC/FUNBTMBS
ABA 021000018

DTC Book Entry
Participant: 2072
Agent Bank: 52196
Institutional ID: 52196

Physical:
The Bank of New York
1 Wall Street
3rd Floor-Window B
ASP# 117629

Global Instructions: CEDEL No. 86013

To the Trustee: The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, FL 32256
Attention: Ms. Lori-Ann Soriano
Telephone: 904-998-4793
Facsimile: 904-886-1125
E-mail: lori.t.soriano@bnymellon.com

[FOR DELIVERY OF BOOK ENTRY GOVERNMENT
OBLIGATIONS]

BK of NYC / CUST
ABA #: 021000018
TAS#: 122940
Account Name: Chattanooga Conf & Trn Ctr-DSRA/C
Attention: Lori-Ann Soriano, 904-998-4793

[FOR DELIVERY OF DTC-ELIGIBLE SECURITIES]

DTC Participant: 901
Agent Bank: 26500
Institutional ID: 46572
TAS#: 122940
Account Name: Chattanooga Conf & Trn Ctr – DSRA/C

To the Issuer: Chattanooga Industrial Development Board of the
City of Chattanooga, Tennessee
101 East 11th Street, Suite 101
Chattanooga, TN 37402
Attention: Vickie Haley, Interim Administrator/City Finance Officer
Telephone: (423) 643-7370
E-mail: vhaley@chattanooga.gov

And

Suite 200
2nd Floor City Hall Annex
100 E. 11th Street
Chattanooga, TN 37402
Attention: Phillip A. Noblett, Interim City Attorney
Telephone: (423) 643-8250
E-mail: pnoblett@chattanooga.gov

Issuer's Tax Payer I.D. #: 62-6000259

Any notice, demand or other communication given in a manner prescribed in this Section shall be deemed to have been delivered on receipt.

Section 2.03. Amendment to Exhibit F. Exhibit F to the Original Agreement is hereby deleted in its entirety and replaced by Exhibit F attached hereto, and all references in the Original Agreement to Exhibit F shall be references to Exhibit F as hereby amended.

ARTICLE III

FULL FORCE AND EFFECT

The Original Agreement is hereby amended to the extent provided in this Third Amendment and, except as specifically provided herein, the Original Agreement shall remain in full force and effect in accordance with its terms.

ARTICLE IV

GOVERNING LAW

THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS THIRD AMENDMENT SHALL BE GOVERNED AS PROVIDED IN SECTION 9.11 OF THE ORIGINAL AGREEMENT.

ARTICLE V

HEADINGS

Section headings in this Third Amendment are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Third Amendment.

ARTICLE VI

COUNTERPARTS

This Third Amendment may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

ARTICLE VII

REPRESENTATIONS

Each party hereto hereby represents and warrants to the other that this Third Amendment has been duly authorized and validly executed by it and that the Agreement as hereby amended constitutes its valid obligation enforceable in accordance with its terms. The representations and warranties contained in the Original Agreement are hereby remade by each party hereto as of the Effective Date. For the avoidance of doubt, all references in such representations and warranties to defined terms shall be deemed to refer to such terms as defined in the Original Agreement, as amended by this Third Amendment.

ARTICLE VIII

CLOSING CONDITIONS

The parties hereto agree that this Third Amendment shall become effective only upon the occurrence of each of the following conditions:

- (a) delivery to the Provider of a resolution or resolutions of the Issuer pursuant to which the Issuer is authorized to enter into this Third Amendment;
- (b) delivery to the Provider of a duly executed certificate of the secretary or assistant secretary of the Issuer certifying the name, true signature and authority of the person authorized to execute this Third Amendment.

ARTICLE IX

FEES

The Provider hereby agrees to pay to the Issuer a fee of \$_____ on _____, 2023 in consideration for this Third Amendment. \$_____ of the fee shall be paid to the following account of the Issuer:

[Please provide]

ARTICLE X

ELECTRONIC SIGNATURES

The parties agree that the electronic signature of a party to this Third Amendment shall be as valid as an original signature of such party and shall be effective to bind such party to this Third Amendment. The parties agree that any electronically signed document (including this Third Amendment) shall be deemed (i) to be “written” or “in writing”, (ii) to have been signed, and (iii) 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.

ARTICLE XI

QFC STAY PROTOCOL

(a) Prior to the date of this Third Amendment, the Issuer and the Provider have executed an Agreement to Amend Certain Qualified Financial Contracts or a bilateral agreement which amends one or more QFCs between them in a manner consistent with the QFC Stay Rules (such applicable agreement, the “Bilateral Agreement”), the terms of which Bilateral Agreement shall be incorporated into and form a part of the Original Agreement as amended by this Third Amendment. For purposes of incorporating the Bilateral Agreement, each of the Issuer and the Provider shall be deemed to have the status of “Covered Entity” or “Counterparty Entity” (as such terms are defined therein) applicable to it under the Bilateral Agreement and the Original Agreement as amended by this Third Amendment shall be deemed to be a “Covered Agreement” (as defined therein). For purposes hereof, the following terms have the following meanings:

“*QFC*” has the meaning assigned to the term “qualified financial contract” as defined in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“*QFC Stay Rules*” means the regulations codified at 12 C.F.R. 252.2, 252.81-8 (the “Federal Reserve Rule”), 12 C.F.R. 382.1-7 (the “FDIC Rule”) and 12 C.F.R. 47.1-8 (the “OCC Rule”). All references herein to the specific provisions of the Federal Reserve Rule, the FDIC Rule and the OCC Rule shall be construed, with respect to the Provider, to the particular QFC Stay Rule(s) applicable to it. If after the date of this First Amendment, the Borrower and the

Provider shall have become adhering parties to the ISDA 2018 U.S. Resolution Stay Protocol, as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the “ISDA U.S. QFC Protocol”), the terms of the ISDA U.S.QFC Protocol will supersede and replace this Article XI.

(b) The Trustee hereby acknowledges and consents to this Article XI.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered as of the date and year first written above.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Provider

By _____
Name _____
Title _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By _____
Name _____
Title _____

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA,
TENNESSEE

By _____
Name Jimmy F. Rodgers, Jr.
Title Chair

EXHIBIT F
DELIVERY DATES

Delivery Date*	Bond Payment Date*	Scheduled Reserve Amount

* If any Delivery Date or Bond Payment Date specified above is not a Business Day, such date will be the immediately succeeding Business Day; provided, however, that with respect to any date specified as a Bond Payment Date, the determination of whether such date is a Business Day shall be made without giving effect to clauses (c), (d), (e), (f) and (g) of the definition of Business Day.

POLICIES AND PROCEDURES RELATING TO
TAX INCREMENT INCENTIVES

APPROVED BY

THE CITY OF CHATTANOOGA, TENNESSEE

AND

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

Effective _____, 2023

POLICIES AND PROCEDURES RELATING TO TAX INCREMENT INCENTIVES

Introduction

The Industrial Development Board of the City of Chattanooga, Tennessee (the “Board” or “IDB”) and the City of Chattanooga, Tennessee (the “City”) have adopted these Policies and Procedures (these “Policies”) relating to the use of tax increment incentives pursuant to Section 7-53-312 of the Tennessee Code Annotated (a “Tax Increment Incentive”) and are adopted pursuant to Section 9-23-107 of the Tennessee Code Annotated. These Policies set forth the procedures of the Board and the City associated with Tax Increment Incentives and are intended to facilitate the consideration of requests for Tax Increment Incentives by the applicable legislative bodies of the City and Hamilton County, Tennessee (the “County”). These Policies also provide for the administration of the Tax Increment Incentives. The adoption of these Policies does not create or vest any rights in any person or entity, and both the City and the Board retain the right to approve any Tax Increment Incentive in the sole discretion of the City and the Board.

These policies and procedures only apply to any Tax Increment Incentives with respect to a specific project being initiated by a private developer and supported by incremental property tax revenues. If the City initiates a project supported by tax increment revenues on its own behalf or on behalf of or through the Chattanooga Housing Authority to finance public improvements in a redevelopment area, the City shall follow such procedures as the City deems appropriate under the circumstances.

Tax Increment Incentives generally take one of two forms – (i) reimbursements from Tax Increment Revenues to a private party of eligible costs incurred by that party relating to a Project as Tax Increment Revenues are received by the Board or (ii) non-recourse financing by the Board of eligible costs relating to a Project, which financing is payable from Tax Increment Revenues. The latter type of incentive is often called tax increment financing or a “TIF.” These Policies apply to both types of Tax Increment Incentives.

Capitalized terms used in these Policies and not otherwise defined shall have the meanings given to such terms in Section 10 of these Policies.

Section 1. General Policy

A Tax Increment Incentive is an economic development tool used by municipalities to allocate a portion of the new, additional taxes generated by a particular geographic area over a limited period of time to pay for eligible costs to the extent authorized by applicable law. For purposes of these Policies, the taxes that can be allocated are limited to property taxes. The tax increment is the difference in the property tax revenues generated by the property in the Plan Area after a Project has been completed compared with the tax revenues generated by such property before the applicable plan was adopted (less certain deductions as required or permitted by applicable law). This increment can be used, as described above, to reimburse eligible costs or to pay debt service on tax increment financing incurred to finance such eligible costs. Notwithstanding anything herein to the contrary, no portion of City or County property taxes, if any, that

is dedicated to, earmarked, or designated for public school operations shall not be allocated to the IDB in connection with any Tax Increment Incentive, and in connection with any Tax Increment Incentive, no stormwater fees shall be deducted from any such property taxes so dedicated, earmarked or designated.

The benefits of Tax Increment Incentive transactions include the following:

- (i) A TIF can be effective as “off balance sheet” financing of components of public infrastructure such as utilities and road and traffic improvements. A TIF is generally not included as a liability on the City’s balance sheet (although it may be noted). The structure of these transactions allows the City to utilize new incremental revenue streams to accelerate funding of public improvements. A TIF therefore can enable the City to complete public infrastructure that it otherwise could not afford at the time.
- (ii) Tax Increment Incentives provide support for Projects that are not otherwise economically feasible. For instance, a Tax Increment Incentive transaction may assist in the redevelopment of blighted and under-utilized property in the City.
- (iii) Because of the accelerated development of public infrastructure improvements, the ad valorem property tax base from associated and adjacent properties often increases, which produces even greater benefits for the City and County.
- (iv) Tax Increment Incentives are paid from increases in tax revenues from a Plan Area and not from tax subsidies from other areas of the City. Therefore, that portion of the cost of Projects supported by Tax Increment Incentives generally are paid by the development itself.
- (v) Projects supported by a Tax Increment Incentive may attract significant new jobs, businesses, and investment to the community, or may retain jobs and businesses that otherwise would be missed or lost without the investment made possible through a Tax Increment Incentive.

Tax Increment Incentives will generally be used for economic development Projects that provide improvements in blighted and under-utilized areas in the City and in other properties approved by the City and, if applicable, the County. Members of the City Council of the City and the County Commission of the County (collectively, the “Governmental Authorities”), as the community’s elected representatives, are not only vested with the final authority to approve plans authorizing Tax Increment Incentives, but also are in the best position to determine the relative priorities of the proposed infrastructure improvements and the related community benefits from a public policy standpoint. The Board, with the support of the City’s staff, will administer and implement these Policies consistent with the policy directives of the City and, to the extent applicable, the County.

Section 2. Statutory Background

The IDB is a nonprofit public corporation that was established in 1966 pursuant to the Tennessee Industrial Development Corporation Act (the “IDB Act”), Tenn. Code Ann. §§7-53-101 et seq. The Board’s

statutory purpose includes financing, owning, and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and the City, in particular.

On May 14, 2004, the Tennessee General Assembly amended the IDB Act to vest industrial development corporations like the Board with the authority to initiate and administer Tax Increment Incentives in areas that are approved by the Governmental Authorities. The Board's responsibilities under the amendment include the following:

- (i) Preparation and submission of an Economic Impact Plan for an area that includes an eligible Project, which plan must comply with certain statutory criteria;
- (ii) Holding a public hearing relating to the Economic Impact Plan after proper, published notice; and
- (iii) Administering the incremental tax payments allocated to the Board under the Economic Impact Plan.

The purpose of these Policies is to specify the procedures for applying for a Tax Increment Incentive, specify the information that will be required of an Applicant, confirm that the Governmental Authorities retain the legal authority to approve any plan that would affect their respective property taxes, and prescribe the role the Board will play in the process. These Policies presume that each Economic Impact Plan will be submitted for approval by both Governmental Authorities, but the IDB, with the approval by the City Council, may approve an Economic Impact Plan that only applies to the City's taxes, in which case all references to the County in these Policies will not be applicable as to such Economic Impact Plan.

The amendment, which is codified as Tenn. Code Ann. §7-53-312, provides that City Council is entitled to approve any Economic Impact Plan affecting property taxes due to the City and the County Commission must approve any Economic Impact Plan affecting property taxes owed to the County. Neither has the authority to approve an Economic Impact Plan affecting the property taxes of the other. A Tax Increment Incentive may be approved that allocates to the Board incremental property tax revenues from both real and personal property taxes in the specified area. However, because of the complexity of administering the calculation of the increment relating to personal property taxes, a Tax Increment Incentive that includes personal property taxes will only be approved if the allocation of incremental personal property taxes is essential, in the judgment of the Board and the Governmental Authorities, to the development of the Plan Area.

In 2012, the Tennessee General Assembly enacted the Uniformity in Tax Increment Financing Act of 2012 (the "TIF Uniformity Act") to provide a more comprehensive statutory framework for utilizing Tax Increment Incentives. The TIF Uniformity Act was codified as Chapter 23 of Title 9 of the Tennessee Code Annotated. Pursuant to Section 9-23-107 of the TIF Uniformity Act, the City and the Board were specifically authorized to adopt policies and procedures relating to Tax Increment Incentives, and these Policies are adopted pursuant to such statutory authorization.

The Tennessee General Assembly has also enacted Section 7-53-316 of the IDB Act, which authorizes the use of certain incremental sales tax revenues to supplement Tax Increment Revenues in connection with the development of certain brownfield sites. These Policies shall apply to the consideration of an Economic Impact Plan to be adopted pursuant to Section 7-53-316 of the IDB Act, as well as Section 7-53-312 of the IDB Act, and any Applicant requesting consideration of an Economic Impact Plan under Section 7-53-316 of the IDB Act shall request such consideration in the Applicant's Application.

Section 3. Process

3.1. Application. The process for requesting a Tax Increment Incentive will commence with an Applicant filing a completed Application in the form attached to these Policies as Exhibit A and incorporated herein by reference together with all exhibits, supplements, schedules, and financial information required in the Application. The Applicant shall tender an application fee to the Board in an amount set forth in Section 6 of these Policies. No action will be taken with respect to the Application until the Board (or its Administrative Agent) determines that it has received all information which may be relevant or necessary in determining the qualifications of the Applicant and the Project. **Acceptance of the Application does not imply, evidence, or confirm the IDB's support for, or recommendation of, the Project identified in the Application or the Tax Increment Incentive request.**

3.2. Board Considerations. The Board has always viewed its core mission as the promotion of economic development and growth in the City, and in particular, commercial and industrial Projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in the City. An Application detailing a Project that fits within this core mission will encounter greater flexibility and receptivity by the Board, as well as the City and the County, as opposed to Projects that do not involve these factors. Additionally, the Board will evaluate the Project's community impact in connection with evaluating an Application for a Tax Increment Incentive. The Board recognizes that new commercial and industrial Projects have direct and indirect impacts on the existing businesses and people who work, live, dine, shop, and commute in and around the location of the Project, and an Applicant should consider any concerns of the community to be impacted by the Project and, to the extent practicable, be responsive to such concerns.

3.3 Submission to Governmental Authorities. Upon receipt of the Application, the Board shall work with City staff to review the Application. The review shall include, but not be limited to, the following considerations: the purpose of the request; experience of the Applicant; description of the Project to be located in the area that would be the subject of the Economic Impact Plan (the "Plan Area"); proposed sources of funds to pay the Project; evidence of the financial capability of the Applicant to undertake the Project; and community impact of the Project. Once the Board determines that it has received a properly completed Application and any other information that it considers relevant or necessary for City Council to evaluate the Application and the Project, the Board will submit its acceptance of the Application with a proposed Resolution of Intent to the City Council.

Upon receipt of the Application from the Board, the City Council may take one of three actions: (i) reject the Application and return it to the Board, (ii) return the Application to the Board to request more information from the Applicant as specified by City Council, or (iii) approve the Resolution of Intent to

consider an Economic Impact Plan relating to the Application. If adopted, the Resolution of Intent will instruct the Board to prepare and submit to City Council an Economic Impact Plan as requested by the Application.

If the Tax Increment Incentive request will affect County property taxes, the Board will also submit the Application and a proposed Resolution of Intent to the County Mayor and County Commission. County Commission may then take one of three actions described above in the same manner as City Council. If County Commission disapproves the Application or does not consider the Application in a timely manner, the City Council may reconsider the Application and adopt another Resolution of Intent instructing the Board to prepare and submit an Economic Impact Plan that only affects City taxes.

3.3. Economic Impact Plan. If the Board receives a Resolution of Intent from the City Council and, if applicable, County Commission, the Board may prepare, with input from the Applicant, a proposed Economic Impact Plan for the Board's consideration. The Board may also instruct the Applicant to prepare the proposed Economic Impact Plan for the Board's consideration. The proposed Economic Impact Plan shall contain the information required by Section 7-53-312(b) of the IDB Act and, to the extent not already required by the IDB Act, shall also include the following information:

- (i) a list of tax parcels composing the Plan Area, including owners and parcel numbers, from which the Tax Increment Revenues will be generated, and the Base Taxes for each such tax parcel;
- (ii) a map clearly identifying the boundaries of the Plan Area;
- (iii) a clear description of the Project or Projects that will be located in the Plan Area and that will be developed by the Applicant;
- (iv) confirmation of the current zoning of the parcels in the Plan Area subject to the Economic Impact Plan;
- (v) the proposed period of time for which taxes will be allocated from the Plan Area in accordance with the Economic Impact Plan as to each tax parcel, and if the allocation period as to each tax parcel shall not commence in the same tax year, the maximum period of time during which such allocation periods can commence;
- (vi) a description of any proposed borrowing related to the Tax Increment Incentive;
- (vii) the number of jobs which the Applicant estimates will be created by the Project identified in the Plan Area and a summary of the projected compensation that will be paid to those holding the jobs;
- (viii) the estimated development and construction costs of the Project; and
- (ix) the projected total cost of the Tax Increment Incentive, including interest paid during the

term of the Tax Increment Incentive.

If the Applicant is requested to prepare a proposed Economic Impact Plan, the Applicant shall submit the proposed Economic Impact Plan to the Board no later than ninety (90) days after such request is made of the Applicant. If the Applicant does not submit the proposed Economic Impact Plan within that period, the Board has the authority to take no further action with respect to the Application and the Project. If the Board chooses to take no further action, the Board will consider any further requests of the Applicant as a new request requiring a new Application, the re-commencement of the procedures described above, and the payment of another application fee. If the Board elects to cause the preparation of the Economic Impact Plan, the Board will cause such preparation to occur promptly after approval of the applicable Resolution of Intent. In either case, the Applicant shall fully cooperate in connection with preparation of the proposed Economic Impact Plan and shall provide such economic impact information, including a report relating thereto from an independent consultant if requested by the Board.

3.4. Application Review Committee. There shall be an Application Review Committee consisting of not less than five (5) members. Two (2) members shall be appointed by the City Mayor; two (2) members shall be appointed by City Council; and one (1) member shall be a representative of the Chamber of Commerce. The Application Review Committee will review each Application, each proposed Economic Impact Plan, the application process to date, and the Resolution(s) of Intent. The Committee will advise the Board whether the Application and the proposed Economic Impact Plan comply with the IDB Act and these Policies, and is, therefore, qualified to be considered for submission to City Council and/or County Commission for approval. The Committee, in consultation with the Board's chairman, will then establish a proposed date for the Board to hold a public hearing and determine whether to submit the Economic Impact Plan to the City Council and, if applicable, County Commission for approval. The meetings of the Application Review Committee shall be subject to the Tennessee Open Meetings Act.

3.5. Public Hearing by the IDB. After the Application Review Committee and the Board's designated staff and counsel determine the Economic Impact Plan to be complete, the Board will hold a public hearing relating to the proposed Economic Impact Plan at a regular or special meeting of the Board. Notice of the public hearing shall be published in a newspaper of general circulation in Hamilton County at least two weeks prior to the date of the public hearing, as required by Section 7-53-312(g) of the IDB Act. If approved by the Board, the Board will submit the Economic Impact Plan to Chattanooga City Council and, if applicable, County Commission for consideration and approval. The submission shall include a summary of any comments from the public hearing on the proposed Economic Impact Plan and other information deemed pertinent by the Board.

3.6. Approval of Economic Impact Plan. The City Council and, if applicable, County Commission shall then consider whether to approve the proposed Economic Impact Plan. Such approval, if provided, shall be undertaken by resolution of the applicable governing body in accordance with the IDB Act and TIF Uniformity Act. After such approval, City Council and, if applicable, County Commission shall provide a certified copy of the resolution providing such approval to the Board.

3.7. Closing of Tax Increment Incentive. If an Economic Impact Plan requested by an Applicant

is approved by City Council and, if applicable, County Commission, the Applicant and the Board will commence negotiation of the appropriate documents implementing the Tax Increment Incentive authorized by the Economic Impact Plan. Such documentation shall include, without limitation, a Development Agreement with the Applicant that will incorporate the specific terms of the Tax Increment Incentive and will require the Applicant to undertake the Project identified in the Economic Impact Plan consistent with the Applicant's Application. If the Tax Increment Incentive includes tax increment financing, the documents required to implement such tax increment financing shall also be negotiated between the parties. Such documents, once negotiated, will be presented to the Board in substantially final form for consideration for approval.

The Board may instruct its counsel to prepare the documentation required to implement any Tax Increment Incentive or may instruct the Applicant to prepare such documents for the Board's review. In any event, all contractual commitments of the Board under such documents, including any tax increment financing, shall be non-recourse as to the Board other than with respect to allocated Tax Increment Revenues. All such documents shall be subject to the review and approval of the Board's counsel.

The Applicant will close the Tax Increment Incentive transaction within a reasonable period of time after the City Council and, if applicable, County Commission, approve the applicable Economic Impact Plan. If the closing of the Tax Increment Incentive does not occur within a 120-day period after such approval, the Board may consider the Application withdrawn and, unless such time period is extended by the Board, all approvals by the Board shall be deemed to have lapsed and be of no further force or effect.

Section 4. Board Policies for Tax Increment Incentives

The following policies shall apply with respect to Tax Increment Incentives within each Plan Area:

4.1. Maximum Allocation Period. Unless City Council and, if applicable, County Commission, approve otherwise in an Economic Impact Plan, the maximum allocation period for any Tax Increment Revenues as to any parcel in a Plan Area shall be 20 years, but the Board may provide for a shorter allocation period in any Economic Impact Plan if the Board determines that such shorter allocation period will result in a Tax Increment Incentive sufficient to make the Project financially feasible. A longer allocation period will only be permitted in extraordinary circumstances and only with the required statutory approvals under the TIF Uniformity Act.

4.2. Limit on Allocation of Gross Incremental Tax Revenues. Unless City Council approves otherwise in an Economic Impact Plan, the maximum amount of Gross Tax Increment Revenues of the City allocable to support a Tax Increment Incentive shall be 75% of the Gross Tax Increment Revenues of the City if the allocation period for the Tax Increment Incentive is 10 years or less and 60% of the Gross Tax Increment Revenues of the City if the allocation period for the Tax Increment Incentive is more than 10 years. The maximum amount of Gross Tax Increment Revenues of the County allocable to support a Tax Increment Incentive shall be as is approved by the County Commission if the Economic Impact Plan is submitted to the County for approval.

4.3. Plan Area. The Plan Area, from which the Tax Increment Revenues will be generated, will

consist of no more than (i) the parcels on which the applicable Project will be located, and (ii) those parcels, determined by the Board, to be directly affected and substantially benefited by the Project, whose owners have received the notice referred to in Section 4.5. The Board may rely upon the opinions of City staff and such independent consultants as the Board deems advisable in determining whether a parcel would be directly affected and substantially benefited by the Project in the Plan Area.

4.4. Eligible Costs. Unless City Council and, if applicable, County Commission approve otherwise in an Economic Impact Plan, a Tax Increment Incentive may only be used to pay or reimburse the cost of Public Infrastructure in a Plan Area that relates to a Project or Projects in such Plan Area. The cost of Public Infrastructure may include the following costs:

- (i) The cost of the land on which the Public Infrastructure will be located;
- (ii) Costs relating to the design and construction of the Public Infrastructure, including clearing, grading and excavating, site work, and other hard construction expenses;
- (iii) costs of obtaining permits for the Project from Governmental Authorities;
- (iv) capitalized interest relating to financing of the Public Infrastructure;
- (v) premiums for payment and performance bonds issued in favor of Governmental Authorities or professional fees for architectural and engineering services and legal expenses capitalized as Project costs under generally accepted accounting principles;
- (vi) acquisition costs for equipment included in the Public Infrastructure; and
- (vii) fees and expenses of the Board and other fees and expenses related to the Tax Increment Incentive.

For purposes of these Policies, “Public Infrastructure” shall have the meaning given to that term in Section 9-23-102 of the TIF Uniformity Act.

If an Applicant desires the Board to pay any cost not described above, the Applicant should make such a request in its Application and shall demonstrate the extraordinary circumstances requiring the payment of such additional costs. If City Council and, if applicable, County Commission approve such additional costs as part of a Resolution of Intent, the Board may include such additional costs as being permitted in the applicable Economic Impact Plan.

4.5. Notice to Property Owners. The Board through its designated administrative staff will notify any owners of parcels included in the proposed Plan Area (other than the Applicant) that the Board will consider the Application for Tax Increment Incentive on a certain date and at a prescribed time and place. The Applicant will provide a list of all parcels contained in the Plan Area, the names of the record owners and the address of each owner. The Board’s notice will invite public comment and will be mailed to such property owners at least 14 days prior to the public hearing of the Board relating to the Economic Impact

Plan described in Section 3.5 above. In addition, the form of notice will advise property owners how they may comment on the Economic Impact Plan such as by email or by letter, as well as by attending the hearing. This notice is in addition to the notice required by Tenn. Code Ann. 7-53-312(g).

4.6. Maximum Percentage of Project Cost and Minimum Project Size. The amount of a Tax Increment Incentive for a specific Project (either through the reimbursement of costs or based upon the principal amount of any tax increment financing) shall not exceed fifteen percent (15%) of the Total Projected Project Cost of any Applicant. The Applicant must also reasonably anticipate a Total Projected Project Cost of at least \$5,000,000 with respect to a proposed Project in order to apply for a Tax Increment Incentive.

4.7. Eligible Projects. As is described above, each Economic Impact Plan must include an eligible Project. The list of eligible Projects is included in Section 7-53-101(15) of the IDB Act. Such list of eligible Projects includes many types of commercial, industrial, and warehousing facilities as may be determined by the Board. However, in the absence of unusual or extenuating circumstances acceptable to the Board and the City, Projects that are substantially residential or are multifamily housing facilities under Section 7-53-101(15)(x) of the IDB Act will not qualify as an eligible Project for purposes of an Economic Impact Plan. A request for an incentive for a residential project, including a multifamily housing facility, should be submitted to the appropriate governmental authority or entity to the extent incentives may be available for such projects.

4.8. Guaranties of Completion. The Board may require guaranties of completion of all or any portion of the Public Infrastructure from principals of the Applicant, payment and performance bonds from sureties acceptable to the Board, or letters of credit from financial institutions acceptable to the Board that assure the timely completion of the Public Infrastructure.

4.9. Transfer of Tax Increment Incentive. No rights to a Tax Increment Incentive may be sold, assigned, or leased, including by transfer of ownership interests in the Applicant, unless approved by the Board or otherwise specified in the Development Agreement, provided however that the Board will consent to the collateral assignment of Tax Increment Revenues to secure tax increment financing.

4.10. Additional Requirements; Amendments. These Policies are in addition to the normal rules and procedures of the Board. From time to time and without notice, these Policies may be amended or waived, in whole or part, by the Board and the City, and new policies may also be adopted by the Board and the City. The Board may consider any special circumstances or conditions in determining whether to submit an Application for consideration by the City Council and, if applicable, County Commission, and whether to prepare and submit an Economic Impact Plan for approval.

4.11. Applicant Affidavit and Third-Party Review. The Applicant must submit a signed affidavit certifying that the Project cannot proceed without the availability of a Tax Increment Incentive and must provide supporting documentation justifying the need for and the amount of the Tax Increment Incentive, in accordance with the Application form. The form of such affidavit is attached to these Policies as Exhibit B. In addition to requiring such affidavit, the Board, as a condition to the approval of any Economic Impact Plan, shall retain an independent consulting firm, at the expense of the Applicant, to

evaluate the Applicant's financial projections for the Applicant's Project to assist in evaluating whether the amount and allocation period of Tax Increment Incentive requested by the Applicant is required for Applicant to receive a commercially reasonable return on investment with respect to the Applicant's Project. By submitting an Application, the Applicant agrees to pay the cost of such independent consulting firm.

4.12. Tax Increment Payment Dates. The Tax Increment Revenues to be allocated to the Board for any Tax Increment Incentive shall be paid by the City and, if applicable, the County no later than sixty (60) days from the last day of each February, which is the last day that such tax revenues are not overdue. Delinquent taxes to be allocated to the Board shall be paid by the County and the City no later than sixty (60) days after each date such delinquent taxes are collected, together with interest thereon to the extent required by the Tax Increment Act.

4.13. State Approval Process. If any Tax Increment Incentive will be used to pay any cost that does not relate to Public Infrastructure or if any allocation period with respect to any parcel is to extend beyond 20 years, and only to the extent permitted by these Policies, the State Commissioner of Community and Economic Development and the State Comptroller of the Treasury shall be required to make a determination, as provided in the TIF Uniformity Act, that it is in the best interests of the State to permit such use of the Tax Increment Incentive or such extended allocation period.

4.14. Stormwater Fees. All applications for Tax Increment Incentives shall require verification that all stormwater fees for any properties owned by the Applicant shall have been paid in full. No Tax Increment Incentive payments shall be made by the Board or the City to an Applicant or its permitted assigns unless all stormwater fees have been paid in full and continue to be paid in full during the term of any Tax Incremental Incentive by the Applicant and its permitted assigns. Additionally, no stormwater fees within a Plan Area shall be waived at any time during the term of the Tax Increment Incentive pursuant to Tennessee law.

Section 5. Post-Closing Evaluation

The Board intends to produce substantial and measurable changes and improvements to and for the economic and commercial environment of the City through the use of Tax Increment Incentives. Accordingly, the Applicant will be obligated to develop the Project substantially in accordance with the Economic Impact Plan and the Applicant's Application, and the Development Agreement will document that obligation. Material departures from the development specified in the Development Agreement will require the consent of the Board and may result in reductions or even elimination of the Tax Increment Incentive, depending on the effect of the proposed changes.

In addition, the Board requires the Applicant to annually certify compliance with the Development and Financing Agreement in a writing signed by the Applicant's chief executive officer or other executive acceptable to the Board. The Board will annually (or at such other times as it deems appropriate) evaluate each Project receiving a TIF to ensure compliance with the Development and Financing Agreement.

Section 6. Fees

6.1. Application Fee. The Applicant will submit the Application with an Application Fee of \$1,500.00, provided that for any Application submitted on or after January 1, 2023, the Application Fee shall be increased to \$8,000.00.

6.2. Annual Administrative Fee. For all Economic Impact Plans approved prior to January 1, 2023, the Applicant will pay to the Board an annual administrative fee equal to 25 basis points (0.25%) of the Tax Increment Revenues allocated to the Board each year with respect to the applicable Plan Area. For all Economic Impact Plans approved on or after January 1, 2023, the Applicant will pay to the Board an annual administrative fee equal to 250 basis points (2.50%) of the Tax Increment Revenues allocated to the Board each year with respect to the applicable Plan Area. The annual administrative fees provided for in this paragraph shall be payable from the Tax Increment Revenues allocable to the Board and not from Gross Tax Increment Revenues retained by the City.

In addition, the Board will charge reasonable fees for any amendments to the Tax Increment Incentive, including any amendment to the Development Agreement, that will be based upon the facts and circumstances requiring the amendment, the actions required by the Board to effect the amendment, and the involvement of any Governmental Authorities. The Board may require that these fees be paid in advance of Board action and at the time the Applicant requests the amendment.

The fees described above are intended to offset the expenses of the Board and the City staff for evaluating and administering Tax Increment Incentives. In addition to the fees described above, the Applicant is responsible for payment of the Board's counsel fees and other expenses incurred by the Board with respect to the Application, the Economic Impact Plan, the Development Agreement and all other aspects of the Tax Increment Incentive, as applied to the Applicant, including, without limitation, the cost of any economic impact study and/or financial review deemed advisable by the Board.

Section 7. Environmental Report and Title Insurance

The Board may require the Applicant to provide at its expense a Phase I Environmental Site Assessment Report for the Project and/or Plan Areas that (i) shall be prepared by a recognized Person in the health, safety and environmental field that is acceptable to the Board; (ii) shall bear a date acceptable to the Board; and (iii) shall disclose no unacceptable conditions to the Board. All environmental reports requested by the Board must grant to the Board the right to rely on such reports.

The Board may also require that the Applicant obtain at its expense, and deliver to the Board, a title insurance commitment for the Project and/or Plan Areas described in the Economic Impact Plan.

Section 8. Conflicts of Interest

Each Board member shall be responsible for disclosing any material interest which he or she may have in or with an Applicant or any financing source for the applicable Project. Any Board member having any material interest in a Project or a financial or family relationship with an Applicant or financing source for the applicable Project shall submit to general counsel for the Board a representation of that interest, and such counsel shall advise both the Board and Board member whether the member needs to recuse himself

or herself from consideration of the Application. Such recommendation of the Board's counsel shall be conclusive. If recusal is recommended, the Board will then consider the Application without participation from the member or members who recuse themselves.

If any counsel has a professional legal relationship with the Applicant or source of the financing for the Project other than incidental representations in connection with financings of other projects, the Board will retain special counsel to represent the Board in connection with the particular Application and Project being considered.

Section 9. Disclosures

The Application will require the Applicant to disclose, in addition to all other information required by the Application, the following:

- (i) If the Applicant or any principal in the Applicant are currently engaged in any civil or criminal proceeding;
- (ii) If the Applicant or any principal in the Applicant have ever been charged or convicted of any felony or currently is under indictment; or
- (iii) If the Applicant or any principal in the Applicant has ever filed for bankruptcy.

Section 10. Definitions

For purposes of these Policies, the following terms shall have the following meanings:

“Administrative Agent” means the Person providing administrative services to the Board from time to time. The Board's current administrative agent is Office of Economic Development of the City.

“Application” means the Application for Tax Increment Incentive submitted hereunder in the form designated by the Board and as amended from time to time. The current form of the Application is attached hereto as Exhibit A.

“Base Taxes” has the meaning given to such term in Section 9-23-102 of the TIF Uniformity Act.

“Dedicated Taxes” has the meaning given to such term in Section 9-23-102 of the TIF Uniformity Act.

“Development Agreement” means the Development Agreement between the Board and the Applicant (and any guarantor thereof) or similar agreement or contract providing for the terms and implementation of the Project and the Tax Increment Incentive.

“Economic Impact Plan” means an economic impact plan within the meaning of Section 7-53-312 of the IDB Act.

“Governmental Authority” means the City of Chattanooga, Tennessee, and Hamilton County, Tennessee.

“Gross Tax Increment Revenues” means the property tax revenues generated from the Plan Area less the Base Taxes, without reduction for Dedicated Taxes and any amount the County, the City, or the Board withhold as administrative expenses or as may be reserved pursuant to applicable law.

“IDB Act” means Chapter 53 of Title 7 of the Tennessee Code Annotated, as amended.

“Person” means any individual, sole proprietorship, corporation, limited liability company, association, partnership (general, limited, or limited liability partnership), organization, business, trust, individual and Governmental Authority.

“Plan Area” means the parcels of real property identified as the plan area in the applicable Economic Impact Plan.

“Project” means a project under Section 7-53-101(11) of the IDB Act and includes the infrastructure, utilities, road and traffic improvements, traffic signage and signals, buildings, structures, machinery, equipment, and land defined in the Application as part of the Project.

“Public Infrastructure” has the meaning assigned to it in Section 4.3.

“Reserved Taxes” means the Base Taxes and the Dedicated Taxes.

“Tax Increment Revenues” means the property tax revenues generated from the Plan Area after the Reserved Taxes less any amount that the County, the City or the Board withhold as administrative expenses or as may be reserved pursuant to applicable law.

“TIF Uniformity Act” means the Uniformity in Tax Increment Financing Act of 2012, as amended.

“Total Projected Project Cost” means all costs that are expected to be incurred in connection with the development of a Project and that would be capitalized in accordance with generally acceptable accounting principles other than interest, property taxes and insurance during the construction of the Project as set forth in the Applicant’s Application.

POLICIES AND PROCEDURES RELATING TO
TAX INCREMENT INCENTIVES

APPROVED BY

THE CITY OF CHATTANOOGA, TENNESSEE

AND

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

Effective _____, 202~~2~~3

**POLICIES AND PROCEDURES RELATING TO
TAX INCREMENT INCENTIVES**

Introduction

The Industrial Development Board of the City of Chattanooga, Tennessee (the “Board” or “IDB”) and the City of Chattanooga, Tennessee (the “City”) have adopted these Policies and Procedures (these “Policies”) relating to the use of tax increment incentives pursuant to Section 7-53-312 of the Tennessee Code Annotated (a “Tax Increment Incentive”) and are adopted pursuant to Section 9-23-107 of the Tennessee Code Annotated. These Policies set forth the procedures of the Board and the City

associated with Tax Increment Incentives and are intended to facilitate the consideration of requests for Tax Increment Incentives by the applicable legislative bodies of the City and Hamilton County, Tennessee (the “County”). These Policies also provide for the administration of the Tax Increment Incentives. The adoption of these Policies does not create or vest any rights in any person or entity, and both the City and the Board retain the right to approve any Tax Increment Incentive in the sole discretion of the City and the Board.

These policies and procedures only apply to any Tax Increment Incentives with respect to a specific project being initiated by a private developer and supported by incremental property tax revenues. If the City initiates a project supported by tax increment revenues on its own behalf or on behalf of or through the Chattanooga Housing Authority to finance public improvements in a redevelopment area, the City shall follow such procedures as the City deems appropriate under the circumstances.

Tax Increment Incentives generally take one of two forms – (i) reimbursements from Tax Increment Revenues to a private party of eligible costs incurred by that party relating to a Project as Tax Increment Revenues are received by the Board or (ii) non-recourse financing by the Board of eligible costs relating to a Project, which financing is payable from Tax Increment Revenues. The latter type of incentive is often called tax increment financing or a “TIF.” These Policies apply to both types of Tax Increment Incentives.

Capitalized terms used in these Policies and not otherwise defined shall have the meanings given to such terms in Section 10 of these Policies.

Section 1. General Policy

A Tax Increment Incentive is an economic development tool used by municipalities to allocate a portion of the new, additional taxes generated by a particular geographic area over a limited period of time to pay for eligible costs to the extent authorized by applicable law. For purposes of these Policies, the taxes that can be allocated are limited to property taxes. The tax increment is the difference in the property tax revenues generated by the property in the Plan Area after a pProject has been completed compared with the tax revenues generated by such property before the applicable plan was adopted (less certain deductions as required or permitted by applicable law). This increment can be used, as described above, to reimburse eligible costs or to pay debt service on tax increment financing incurred to finance such eligible costs. Notwithstanding anything herein to the contrary, no portion of City or County property taxes, if any, that is dedicated to, earmarked, or designated for public school operations shall not be allocated to the IDB in connection with any Tax Increment Incentive, and in connection with any Tax Increment Incentive, no stormwater fees shall be deducted from any such property taxes so dedicated, earmarked or designated.

The benefits of Tax Increment Incentive transactions include the following:

- (i) A TIF can be effective as “off balance sheet” financing of components of public infrastructure such as utilities and road and traffic improvements. A TIF is generally not

included as a liability on the City's balance sheet (although it may be noted). The structure of these transactions allows the City to utilize new incremental revenue streams to accelerate funding of public improvements. A TIF therefore can enable the City to complete public infrastructure that it otherwise could not afford at the time.

(ii) Tax Increment Incentives provide support for pProjects that are not otherwise economically feasible. For instance, a Tax Increment Incentive transaction may assist in the redevelopment of blighted and under-utilized property in the City.

(iii) Because of the accelerated development of public infrastructure improvements, the ad valorem property tax base from associated and adjacent properties often increases, which produces even greater benefits for the City and County.

(iv) Tax Increment Incentives are paid from increases in tax revenues from a Plan Area and not from tax subsidies from other areas of the City. Therefore, that portion of the cost of pProjects supported by Tax Increment Incentives generally are paid by the development itself.

(v) Projects supported by a Tax Increment Incentive may attract significant new jobs, businesses, and investment to the community, or may retain jobs and businesses that otherwise would be missed or lost without the investment made possible through a Tax Increment Incentive.

Tax Increment Incentives will generally be used for economic development pProjects that provide improvements in blighted and under-utilized areas in the City and in other properties approved by the City and, if applicable, the County. Members of the City Council of the City and the County Commission of the County (collectively, the "Governmental Authorities"), as the community's elected representatives, are not only vested with the final authority to approve plans authorizing Tax Increment Incentives, but also are in the best position to determine the relative priorities of the proposed infrastructure improvements and the related community benefits from a public policy standpoint. The Board, with the support of the City's staff, will administer and implement these Policies consistent with the policy directives of the City and, to the extent applicable, the County.

~~The Board has always viewed its core mission as the promotion of economic development and growth in the City, and in particular, commercial and industrial projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in the City. A project fitting within this core mission will encounter greater flexibility and receptivity by the Board, as well as the City and the County, as opposed to projects that do not involve these factors.~~

Section 2. Statutory Background

The IDB is a nonprofit public corporation that was established in 1966 pursuant to the Tennessee Industrial Development Corporation Act (the "IDB Act"), Tenn. Code Ann. §§7-53-101 et seq. The Board's statutory purpose includes financing, owning, and leasing certain real and personal properties,

which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and the City, in particular.

On May 14, 2004, the Tennessee General Assembly amended the IDB Act to vest industrial development corporations like the Board with the authority to initiate and administer Tax Increment Incentives in areas that are approved by the Governmental Authorities. The Board's responsibilities under the amendment include the following:

- (i) Preparation and submission of an Economic Impact Plan for an area that includes an eligible Project, which plan must comply with certain statutory criteria;
- (ii) Holding a public hearing relating to the Economic Impact Plan after proper, published notice; and
- (iii) Administering the incremental tax payments allocated to the Board under the Economic Impact Plan.

The purpose of these Policies is to specify the procedures for applying for a Tax Increment Incentive, specify the information that will be required of an Applicant, confirm that the Governmental Authorities retain the legal authority to approve any plan that would affect their respective property taxes, and prescribe the role the Board will play in the process. These Policies presume that each Economic Impact Plan will be submitted for approval by both Governmental Authorities, but the IDB, with the approval by the City Council, may approve an Economic Impact Plan that only applies to the City's taxes, in which case all references to the County in these Policies will not be applicable as to such Economic Impact Plan.

The amendment, which is codified as Tenn. Code Ann. §7-53-312, provides that City Council is entitled to approve any Economic Impact Plan affecting property taxes due to the City and the County Commission must approve any Economic Impact Plan affecting property taxes owed to the County. Neither has the authority to approve an Economic Impact Plan affecting the property taxes of the other. A Tax Increment Incentive may be approved that allocates to the Board incremental property tax revenues from both real and personal property taxes in the specified area. However, because of the complexity of administering the calculation of the increment relating to personal property taxes, a Tax Increment Incentive that includes personal property taxes will only be approved if the allocation of incremental personal property taxes is essential, in the judgment of the Board and the Governmental Authorities, to the development of the Plan Area.

In 2012, the Tennessee General Assembly enacted the Uniformity in Tax Increment Financing Act of 2012 (the "TIF Uniformity Act") to provide a more comprehensive statutory framework for utilizing Tax Increment Incentives. The TIF Uniformity Act was codified as Chapter 23 of Title 9 of the Tennessee Code Annotated. Pursuant to Section 9-23-107 of the TIF Uniformity Act, the City and the Board were specifically authorized to adopt policies and procedures relating to Tax Increment Incentives, and these Policies are adopted pursuant to such statutory authorization.

The Tennessee General Assembly has also enacted Section 7-53-316 of the IDB Act, which authorizes the use of certain incremental sales tax revenues to supplement Tax Increment Revenues in connection with the development of certain brownfield sites. These Policies shall apply to the consideration of an Economic Impact Plan to be adopted pursuant to Section 7-53-316 of the IDB Act, as well as Section 7-53-312 of the IDB Act, and any Applicant requesting consideration of an Economic Impact Plan under Section 7-53-316 of the IDB Act shall request such consideration in the Applicant's Application.

Section 3. Process

3.1. Application. The process for requesting a Tax Increment Incentive will commence with an Applicant filing a completed Application in the form attached to these Policies as Exhibit A and incorporated herein by reference together with all exhibits, supplements, schedules, and financial information required in the Application. The Applicant shall tender an application fee to the Board in an amount set forth in Section 6 of these Policies. No action will be taken with respect to the Application until the Board (or its Administrative Agent) determines that it has received all information which may be relevant or necessary in determining the qualifications of the Applicant and the Project. **Acceptance of the Application does not imply, evidence, or confirm the IDB's support for, or recommendation of, the Project identified in the Application or the Tax Increment Incentive request.**

3.2. Board Considerations. The Board has always viewed its core mission as the promotion of economic development and growth in the City, and in particular, commercial and industrial Projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in the City. An Application detailing a Project that fits within this core mission will encounter greater flexibility and receptivity by the Board, as well as the City and the County, as opposed to Projects that do not involve these factors. Additionally, the Board will evaluate the Project's community impact in connection with evaluating an Application for a Tax Increment Incentive. The Board recognizes that new commercial and industrial Projects have direct and indirect impacts on the existing businesses and people who work, live, dine, shop, and commute in and around the location of the Project, and an Applicant should consider any concerns of the community to be impacted by the Project and, to the extent practicable, be responsive to such concerns.

~~3.23-~~ **Submission to Governmental Authorities.** Upon receipt of the Application, the Board shall work with City staff to review the Application. The review shall include, but not be limited to, the following considerations: the purpose of the request; experience of the Applicant; description of the Project to be located in the area that would be the subject of the Economic Impact Plan (the "Plan Area"); proposed sources of funds to pay the Project; ~~and~~ evidence of the financial capability of the Applicant to undertake the Project; and community impact of the Project. Once the Board determines that it has received a properly completed Application and any other information that it considers relevant or necessary for City Council to evaluate the Application and the Project, the Board will submit its acceptance of the Application with a proposed Resolution of Intent to the City Council.

Upon receipt of the Application from the Board, the City Council may take one of three actions:

(i) reject the Application and return it to the Board, (ii) return the Application to the Board to request more information from the Applicant as specified by City Council, or (iii) approve the Resolution of Intent to consider an Economic Impact Plan relating to the Application. If adopted, the Resolution of Intent will instruct the Board to prepare and submit to City Council an Economic Impact Plan as requested by the Application.

If the Tax Increment Incentive request will affect County property taxes, the Board will also submit the Application and a proposed Resolution of Intent to the County Mayor and County Commission. County Commission may then take one of three actions described above in the same manner as City Council. If County Commission disapproves the Application or does not consider the Application in a timely manner, the City Council may reconsider the Application and adopt another Resolution of Intent instructing the Board to prepare and submit an Economic Impact Plan that only affects City taxes.

3.3. Economic Impact Plan. If the Board receives a Resolution of Intent from the City Council and, if applicable, County Commission, the Board may prepare, with input from the Applicant, a proposed Economic Impact Plan for the Board's consideration. The Board may also instruct the Applicant to prepare the proposed Economic Impact Plan for the Board's consideration. The proposed Economic Impact Plan shall contain the information required by Section 7-53-312(b) of the IDB Act and, to the extent not already required by the IDB Act, shall also include the following information:

- (i) a list of tax parcels composing the Plan Area, including owners and parcel numbers, from which the Tax Increment Revenues will be generated, and the Base Taxes for each such tax parcel;
- (ii) a map clearly identifying the boundaries of the Plan Area;
- (iii) a clear description of the Project or Projects that will be located in the Plan Area and that will be developed by the Applicant;
- (iv) confirmation of the current zoning of the parcels in the Plan Area subject to the Economic Impact Plan;
- (v) the proposed period of time for which taxes will be allocated from the Plan Area in accordance with the Economic Impact Plan as to each tax parcel, and if the allocation period as to each tax parcel shall not commence in the same tax year, the maximum period of time during which such allocation periods can commence;
- (vi) a description of any proposed borrowing related to the Tax Increment Incentive;
- (vii) the number of jobs which the Applicant estimates will be created by the Project identified in the Plan Area and a summary of the projected compensation that will be paid to those holding the jobs;

(viii) the estimated development and construction costs of the Project; and

(ix) the projected total cost of the Tax Increment Incentive, including interest paid during the term of the Tax Increment Incentive.

If the Applicant is requested to prepare a proposed Economic Impact Plan, the Applicant shall submit the proposed Economic Impact Plan to the Board no later than ninety (90) days after such request is made of the Applicant. If the Applicant does not submit the proposed Economic Impact Plan within that period, the Board has the authority to take no further action with respect to the Application and the Project. If the Board chooses to take no further action, the Board will consider any further requests of the Applicant as a new request requiring a new Application, the re-commencement of the procedures described above, and the payment of another application fee. If the Board elects to cause the preparation of the Economic Impact Plan, the Board will cause such preparation to occur promptly after approval of the applicable Resolution of Intent. In either case, the Applicant shall fully cooperate in connection with preparation of the proposed Economic Impact Plan and shall provide such economic impact information, including a report relating thereto from an independent consultant if requested by the Board.

3.4. Application Review Committee. There shall be an Application Review Committee consisting of not less than five (5) members. Two (2) members shall be appointed by the City Mayor; two (2) members shall be appointed by City Council; and one (1) member shall be a representative of the Chamber of Commerce. The Application Review Committee will review each Application, each proposed Economic Impact Plan, the application process to date, and the Resolution(s) of Intent. The Committee will advise the Board whether the Application and the proposed Economic Impact Plan comply with the IDB Act and these Policies, and is, therefore, qualified to be considered for submission to City Council and/or County Commission for approval. The Committee, in consultation with the Board's chairman, will then establish a proposed date for the Board to hold a public hearing and determine whether to submit the Economic Impact Plan to the City Council and, if applicable, County Commission for approval. The meetings of the Application Review Committee shall be subject to the Tennessee Open Meetings Act.

3.5. Public Hearing by the IDB. After the Application Review Committee and the Board's designated staff and counsel determine the Economic Impact Plan to be complete, the Board will hold a public hearing relating to the proposed Economic Impact Plan at a regular or special meeting of the Board. Notice of the public hearing shall be published in a newspaper of general circulation in Hamilton County at least two weeks prior to the date of the public hearing, as required by Section 7-53-312(g) of the IDB Act. If approved by the Board, the Board will submit the Economic Impact Plan to Chattanooga City Council and, if applicable, County Commission for consideration and approval. The submission shall include a summary of any comments from the public hearing on the proposed Economic Impact Plan and other information deemed pertinent by the Board.

3.6. Approval of Economic Impact Plan. The City Council and, if applicable, County Commission shall then consider whether to approve the proposed Economic Impact Plan. Such approval, if provided, shall be undertaken by resolution of the applicable governing body in accordance with the

IDB Act and TIF Uniformity Act. After such approval, City Council and, if applicable, County Commission shall provide a certified copy of the resolution providing such approval to the Board.

3.7. Closing of Tax Increment Incentive. If an Economic Impact Plan requested by an Applicant is approved by City Council and, if applicable, County Commission, the Applicant and the Board will commence negotiation of the appropriate documents implementing the Tax Increment Incentive authorized by the Economic Impact Plan. Such documentation shall include, without limitation, a Development Agreement with the Applicant that will incorporate the specific terms of the Tax Increment Incentive and will require the Applicant to undertake the Project identified in the Economic Impact Plan consistent with the Applicant's Application. If the Tax Increment Incentive includes tax increment financing, the documents required to implement such tax increment financing shall also be negotiated between the parties. Such documents, once negotiated, will be presented to the Board in substantially final form for consideration for approval.

The Board may instruct its counsel to prepare the documentation required to implement any Tax Increment Incentive or may instruct the Applicant to prepare such documents for the Board's review. In any event, all contractual commitments of the Board under such documents, including any tax increment financing, shall be non-recourse as to the Board other than with respect to allocated Tax Increment Revenues. All such documents shall be subject to the review and approval of the Board's counsel.

The Applicant will close the Tax Increment Incentive transaction within a reasonable period of time after the City Council and, if applicable, County Commission, approve the applicable Economic Impact Plan. If the closing of the Tax Increment Incentive does not occur within a 120-day period after such approval, the Board may consider the Application withdrawn and, unless such time period is extended by the Board, all approvals by the Board shall be deemed to have lapsed and be of no further force or effect.

Section 4. Board Policies for Tax Increment Incentives

The following policies shall apply with respect to Tax Increment Incentives within each Plan Area:

4.1. Maximum Allocation Period. Unless City Council and, if applicable, County Commission, approve otherwise in an Economic Impact Plan, the maximum allocation period for any Tax Increment Revenues as to any parcel in a Plan Area shall be 20 years, but the Board may provide for a shorter allocation period in any Economic Impact Plan if the Board determines that such shorter allocation period will result in a Tax Increment Incentive sufficient to make the Project financially feasible. A longer allocation period will only be permitted in extraordinary circumstances and only with the required statutory approvals under the TIF Uniformity Act.

4.2. Limit on Allocation of Gross Incremental Tax Revenues. Unless City Council approves otherwise in an Economic Impact Plan, the maximum amount of Gross Tax Increment Revenues of the City allocable to support a Tax Increment Incentive shall be 75% of the Gross Tax Increment Revenues of the City if the allocation period for the Tax Increment Incentive is 10 years or less and 60% of the

Gross Tax Increment Revenues of the City if the allocation period for the Tax Increment Incentive is more than 10 years. The maximum amount of Gross Tax Increment Revenues of the County allocable to support a Tax Increment Incentive shall be as is approved by the County Commission if the Economic Impact Plan is submitted to the County for approval.

4.3. Plan Area. The Plan Area, from which the Tax Increment Revenues will be generated, will consist of no more than (i) the parcels on which the applicable Project will be located, and (ii) those parcels, determined by the Board, to be directly affected and substantially benefited by the Project, whose owners have received the notice referred to in Section 4.5. The Board may rely upon the opinions of City staff and such independent consultants as the Board deems advisable in determining whether a parcel would be directly affected and substantially benefited by the Project in the Plan Area.

4.4. Eligible Costs. Unless City Council and, if applicable, County Commission approve otherwise in an Economic Impact Plan, a Tax Increment Incentive may only be used to pay or reimburse the cost of Public Infrastructure in a Plan Area that relates to a Project or Projects in such Plan Area. The cost of Public Infrastructure may include the following costs:

- (i) The cost of the land on which the Public Infrastructure will be located;
- (ii) Costs relating to the design and construction of the Public Infrastructure, including clearing, grading and excavating, site work, and other hard construction expenses;
- (iii) costs of obtaining permits for the Project from Governmental Authorities;
- (iv) capitalized interest relating to financing of the Public Infrastructure;
- (v) premiums for payment and performance bonds issued in favor of Governmental Authorities or professional fees for architectural and engineering services and legal expenses capitalized as Project costs under generally accepted accounting principles;
- (vi) acquisition costs for equipment included in the Public Infrastructure; and
- (vii) fees and expenses of the Board and other fees and expenses related to the Tax Increment Incentive.

For purposes of these Policies, “Public Infrastructure” shall have the meaning given to that term in Section 9-23-102 of the TIF Uniformity Act.

If an Applicant desires the Board to pay any cost not described above, the Applicant should make such a request in its Application and shall demonstrate the extraordinary circumstances requiring the payment of such additional costs. If City Council and, if applicable, County Commission approve such additional costs as part of a Resolution of Intent, the Board may include such additional costs as being permitted in the applicable Economic Impact Plan.

4.5. Notice to Property Owners. The Board through its designated administrative staff will notify any owners of parcels included in the proposed Plan Area (other than the Applicant) that the Board will consider the Application for Tax Increment Incentive on a certain date and at a prescribed time and place. The Applicant will provide a list of all parcels contained in the Plan Area, the names of the record owners and the address of each owner. The Board's notice will invite public comment and will be mailed to such property owners at least 14 days prior to the public hearing of the Board relating to the Economic Impact Plan described in Section 3.5 above. In addition, the form of notice will advise property owners how they may comment on the Economic Impact Plan such as by email or by letter, as well as by attending the hearing. This notice is in addition to the notice required by Tenn. Code Ann. 7-53-312(g).

4.6. Maximum Percentage of Project Cost and Minimum Project Size. The amount of a Tax Increment Incentive for a specific Project (either through the reimbursement of costs or based upon the principal amount of any tax increment financing) shall not exceed fifteen percent (15%) of the Total Projected Project Cost of any Applicant. The Applicant must also reasonably anticipate a Total Projected Project Cost of at least \$5,000,000 with respect to a proposed Project in order to apply for a Tax Increment Incentive.

4.7. Eligible Projects. As is described above, each Economic Impact Plan must include an eligible Project. The list of eligible Projects is included in Section 7-53-101(15) of the IDB Act. Such list of eligible Projects includes many types of commercial, industrial, and warehousing facilities as may be determined by the Board. However, in the absence of unusual or extenuating circumstances acceptable to the Board and the City, Projects that are substantially residential or are multifamily housing facilities under Section 7-53-101(15)(x) of the IDB Act will not qualify as an eligible Project for purposes of an Economic Impact Plan. A request for an incentive for a residential project, including a multifamily housing facility, should be submitted to the appropriate governmental authority or entity to the extent incentives may be available for such projects.

4.8. Guaranties of Completion. The Board may require guaranties of completion of all or any portion of the Public Infrastructure from principals of the Applicant, payment and performance bonds from sureties acceptable to the Board, or letters of credit from financial institutions acceptable to the Board that assure the timely completion of the Public Infrastructure.

4.9. Transfer of Tax Increment Incentive. No rights to a Tax Increment Incentive may be sold, assigned, or leased, including by transfer of ownership interests in the Applicant, unless approved by the Board or otherwise specified in the Development Agreement, provided however that the Board will consent to the collateral assignment of Tax Increment Revenues to secure tax increment financing.

4.10. Additional Requirements; Amendments. These Policies are in addition to the normal rules and procedures of the Board. From time to time and without notice, these Policies may be amended or waived, in whole or part, by the Board and the City, and new policies may also be adopted by the Board and the City. The Board may consider any special circumstances or conditions in determining whether to submit an Application for consideration by the City Council and, if applicable, County Commission, and whether to prepare and submit an Economic Impact Plan for approval.

4.11. Applicant Affidavit and Third-Party Review. The Applicant must submit a signed affidavit certifying that the Project cannot proceed without the availability of a Tax Increment Incentive and must provide supporting documentation justifying the need for and the amount of the Tax Increment Incentive, in accordance with the Application form. The form of such affidavit is attached to these Policies as Exhibit B. In addition to requiring such affidavit, the Board, as a condition to the approval of any Economic Impact Plan, ~~may~~shall retain an independent consulting firm, at the expense of the Applicant, to evaluate the Applicant's financial projections for the Applicant's Project to assist in evaluating whether the amount and allocation period of Tax Increment Incentive requested by the Applicant is required for Applicant to receive a commercially reasonable return on investment with respect to the Applicant's Project. By submitting an Application, the Applicant agrees to pay the cost of such independent consulting firm.

4.12. Tax Increment Payment Dates. The Tax Increment Revenues to be allocated to the Board for any Tax Increment Incentive shall be paid by the City and, if applicable, the County no later than sixty (60) days from the last day of each February, which is the last day that such tax revenues are not overdue. Delinquent taxes to be allocated to the Board shall be paid by the County and the City no later than sixty (60) days after each date such delinquent taxes are collected, together with interest thereon to the extent required by the Tax Increment Act.

4.13. State Approval Process. If any Tax Increment Incentive will be used to pay any cost that does not relate to Public Infrastructure or if any allocation period with respect to any parcel is to extend beyond 20 years, and only to the extent permitted by these Policies, the State Commissioner of Community and Economic Development and the State Comptroller of the Treasury shall be required to make a determination, as provided in the TIF Uniformity Act, that it is in the best interests of the State to permit such use of the Tax Increment Incentive or such extended allocation period.

4.14. Stormwater Fees. All applications for Tax Increment Incentives shall require verification that all stormwater fees for any properties owned by the Applicant shall have been paid in full. No Tax Increment Incentive payments shall be made by the Board or the City to an Applicant or its permitted assigns unless all stormwater fees have been paid in full and continue to be paid in full during the term of any Tax Incremental Incentive by the Applicant and its permitted assigns. Additionally, no stormwater fees within a Plan Area shall be waived at any time during the term of the Tax Increment Incentive pursuant to Tennessee law.

Section 5. Post-Closing Evaluation

The Board intends to produce substantial and measurable changes and improvements to and for the economic and commercial environment of the City through the use of Tax Increment Incentives. Accordingly, the Applicant will be obligated to develop the Project substantially in accordance with the Economic Impact Plan and the Applicant's Application, and the Development Agreement will document that obligation. Material departures from the development specified in the Development Agreement will require the consent of the Board and may result in reductions or even elimination of the Tax Increment Incentive, depending on the effect of the proposed changes.

In addition, the Board requires the Applicant to annually certify compliance with the Development and Financing Agreement in a writing signed by the Applicant's chief executive officer or other executive acceptable to the Board. The Board will annually (or at such other times as it deems appropriate) evaluate each Project receiving a TIF to ensure compliance with the Development and Financing Agreement.

Section 6. Fees

6.1. Application Fee. The Applicant will submit the Application with an Application Fee of \$1,500.00, provided that for any Application submitted on or after January 1, 2023, the Application Fee shall be increased to \$8,000.00.

6.2. Annual Administrative Fee. For all Economic Impact Plans approved prior to January 1, 2023, the Applicant will pay to the Board an annual administrative fee equal to 25 basis points (0.25%) of the Tax Increment Revenues allocated to the Board each year with respect to the applicable Plan Area. For all Economic Impact Plans approved on or after January 1, 2023, the Applicant will pay to the Board an annual administrative fee equal to 250 basis points (2.50%) of the Tax Increment Revenues allocated to the Board each year with respect to the applicable Plan Area. The annual administrative fees provided for in this paragraph shall be payable from the Tax Increment Revenues allocable to the Board and not from Gross Tax Increment Revenues retained by the City.

In addition, the Board will charge reasonable fees for any amendments to the Tax Increment Incentive, including any amendment to the Development Agreement, that will be based upon the facts and circumstances requiring the amendment, the actions required by the Board to effect the amendment, and the involvement of any Governmental Authorities. The Board may require that these fees be paid in advance of Board action and at the time the Applicant requests the amendment.

The fees described above are intended to offset the expenses of the Board and the City staff for evaluating and administering Tax Increment Incentives. In addition to the fees described above, the Applicant is responsible for payment of the Board's counsel fees and other expenses incurred by the Board with respect to the Application, the Economic Impact Plan, the Development Agreement and all other aspects of the Tax Increment Incentive, as applied to the Applicant, including, without limitation, the cost of any economic impact study and/or financial review deemed advisable by the Board.

Section 7. Environmental Report and Title Insurance

The Board may require the Applicant to provide at its expense a Phase I Environmental Site Assessment Report for the Project and/or Plan Areas that (i) shall be prepared by a recognized Person in the health, safety and environmental field that is acceptable to the Board; (ii) shall bear a date acceptable to the Board; and (iii) shall disclose no unacceptable conditions to the Board. All environmental reports requested by the Board must grant to the Board the right to rely on such reports.

The Board may also require that the Applicant obtain at its expense, and deliver to the Board, a

title insurance commitment for the Project and/or Plan Areas described in the Economic Impact Plan.

Section 8. Conflicts of Interest

Each Board member shall be responsible for disclosing any material interest which he or she may have in or with an Applicant or any financing source for the applicable Project. Any Board member having any material interest in a Project or a financial or family relationship with an Applicant or financing source for the applicable Project shall submit to general counsel for the Board a representation of that interest, and such counsel shall advise both the Board and Board member whether the member needs to recuse himself or herself from consideration of the Application. Such recommendation of the Board's counsel shall be conclusive. If recusal is recommended, the Board will then consider the Application without participation from the member or members who recuse themselves.

If any counsel has a professional legal relationship with the Applicant or source of the financing for the Project other than incidental representations in connection with financings of other projects, the Board will retain special counsel to represent the Board in connection with the particular Application and Project being considered.

Section 9. Disclosures

The Application will require the Applicant to disclose, in addition to all other information required by the Application, the following:

- (i) If the Applicant or any principal in the Applicant are currently engaged in any civil or criminal proceeding;
- (ii) If the Applicant or any principal in the Applicant have ever been charged or convicted of any felony or currently is under indictment; or
- (iii) If the Applicant or any principal in the Applicant has ever filed for bankruptcy.

Section 10. Definitions

For purposes of these Policies, the following terms shall have the following meanings:

“Administrative Agent” means the Person providing administrative services to the Board from time to time. The Board's current administrative agent is Office of Economic Development of the City.

“Application” means the Application for Tax Increment Incentive submitted hereunder in the form designated by the Board and as amended from time to time. The current form of the Application is attached hereto as Exhibit A.

“Base Taxes” has the meaning given to such term in Section 9-23-102 of the TIF Uniformity Act.

“Dedicated Taxes” has the meaning given to such term in Section 9-23-102 of the TIF Uniformity Act.

“Development Agreement” means the Development Agreement between the Board and the Applicant (and any guarantor thereof) or similar agreement or contract providing for the terms and implementation of the Project and the Tax Increment Incentive.

“Economic Impact Plan” means an economic impact plan within the meaning of Section 7-53-312 of the IDB Act.

“Governmental Authority” means the City of Chattanooga, Tennessee, and Hamilton County, Tennessee.

“Gross Tax Increment Revenues” means the property tax revenues generated from the Plan Area less the Base Taxes, without reduction for Dedicated Taxes and any amount the County, the City, or the Board withhold as administrative expenses or as may be reserved pursuant to applicable law.

“IDB Act” means Chapter 53 of Title 7 of the Tennessee Code Annotated, as amended.

“Person” means any individual, sole proprietorship, corporation, limited liability company, association, partnership (general, limited, or limited liability partnership), organization, business, trust, individual and Governmental Authority.

“Plan Area” means the parcels of real property identified as the plan area in the applicable Economic Impact Plan.

“Project” means a project under Section 7-53-101(11) of the IDB Act and includes the infrastructure, utilities, road and traffic improvements, traffic signage and signals, buildings, structures, machinery, equipment, and land defined in the Application as part of the Project.

“Public Infrastructure” has the meaning assigned to it in Section 4.3.

“Reserved Taxes” means the Base Taxes and the Dedicated Taxes.

“Tax Increment Revenues” means the property tax revenues generated from the Plan Area after the Reserved Taxes less any amount that the County, the City or the Board withhold as administrative expenses or as may be reserved pursuant to applicable law.

“TIF Uniformity Act” means the Uniformity in Tax Increment Financing Act of 2012, as amended.

“Total Projected Project Cost” means all costs that are expected to be incurred in connection with the development of a Project and that would be capitalized in accordance with generally acceptable accounting principles other than interest, property taxes and insurance during the construction of the Project as set forth in the Applicant’s Application.