



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE FUNDING BOARD
JULY 26, 2022
AGENDA

1. Call meeting to order
2. Consideration for approval of minutes from the June 15, 2022, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **TBA**
FastTrack Job Training Assistance Grant \$ 800,000
 - **Quanta Manufacturing Nashville, LLC – LaVergne (Rutherford County)**
FastTrack Economic Development Grant \$2,500,000
 - **Energybox Inc – Nashville (Davidson County)**
FastTrack Job Training Assistance Grant \$1,000,000
 - **iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC
Chattanooga (Hamilton County)**
FastTrack Economic Development Grant \$1,000,000
 - **TechnologyAdvice, LLC – Nashville (Davidson County)**
FastTrack Job Training Assistance Grant \$1,750,000
4. Consideration for approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$61,561,969.18 and Canceling Authorized Bonds”
5. Consideration for approval of a “Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee”
6. Consideration for approval of a “Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and Canceling Authorized Bonds”
7. Consideration for approval of a Declaration of Trust for Other Post-Employment Benefits (OPEB) for Gallatin Department of Electricity
8. Annual Review of Tennessee State Funding Board’s Debt Management Policy
9. Report on State of Tennessee General Obligation Commercial Paper and Bond Indebtedness
10. Adjourn

TENNESSEE STATE FUNDING BOARD
June 15, 2022

The Tennessee State Funding Board (the “Board”) met on Wednesday, June 15, 2022, at 10:30 a.m., in the Executive Conference Room, State Capitol Building, Ground Floor, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of State
The Honorable David Lillard, State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Having established that a quorum was present, Mr. Mumpower called the meeting to order and presented the minutes from the meeting held on April 26, 2022, for consideration and approval. Mr. Lillard made a motion to approve the minutes, and Mr. Hargett seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Mr. Bob Rolfe, Commissioner of the Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the April 26, 2022, Board meeting, the FastTrack balance was \$205,809,224.79. Since that time, \$85,837.04 in new funds had been appropriated, comprised of interest earned on the fund during March 2022; \$158,000.00 in funds had been deobligated; \$13,397,800.00 in new grants and loans had been approved; and \$149,884.95 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$192,505,376.88 as of the date of the Report. Mr. VanderMeer reported that total commitments had been made in the amount of \$184,897,674.48, resulting in an uncommitted FastTrack balance of \$7,607,702.40. Mr. VanderMeer reported that the amount of proposed grants for projects to be considered at this meeting totaled \$3,000,000.00, and if these projects were approved, the uncommitted balance would be \$4,607,702.40, and the total committed balance would be \$187,897,674.48, which represented 97.6% of the FastTrack balance.

Mr. Rolfe then presented the following FastTrack project:

- **Ariens Company – Fayetteville (Lincoln Co.)**
FastTrack Economic Development Grant \$ 3,000,000.00

The Board member packets included letters and a FastTrack checklist signed by Commissioner Rolfe, and an incentive acceptance form signed by the company representative. Mr. Mumpower inquired if the company that had signed the incentive acceptance form fully understood the agreements, and Mr. Rolfe responded affirmatively. Mr. Mumpower then inquired if the checklist had been completed for the project, and Mr. Rolfe responded affirmatively. Mr. Mumpower then inquired if the project included an accountability agreement which would provide protections for the state in the event the entity could not

fulfill the agreement, and Mr. Rolfe responded affirmatively. Mr. Hargett made a motion to approve the project. Mr. Bryson seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Mr. Trent Ridley, Chief Financial Officer of the Tennessee Housing Development Authority (“THDA”), to present the THDA Schedule of Financing (the “Schedule”) for Fiscal Year 2022-2023 for consideration and approval. Mr. Ridley stated that the Schedule had been approved by THDA’s board in May. Mr. Ridley then stated that THDA was projecting three bond issuances totaling \$464 million for fiscal year 2023. Mr. Ridley further stated that the estimated financings were based on loan projections and production over the next fiscal year, and as such were subject to increase or decrease based on market conditions. Mr. Ridley then stated that THDA was required by statute to present the Schedule to the Board but was not required to carry out the financings as precisely shown on the Schedule. Mr. Lillard made a motion to approve the Schedule, and Mr. Bryson seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Ms. Sandra Thompson, Assistant Secretary to the Board and Director of State Government Finance (“SGF”), to present for consideration for approval a “Resolution Making Findings for Decrease in Special Revenues” which was presented pursuant to Section 9-9-104(b), Tennessee Code Annotated. Ms. Thompson stated that the resolution was a certification by the Board that was required because the state had covenanted with bond holders on debt issued prior to July 1, 2013, that it would not decrease the Special Tax revenues that have been pledged for the payment of principal and interest on its debt unless the Board certifies the following by resolution as required by TCA Section 9-9-104(b): (1) all payments due pursuant to Tennessee Code Annotated Title 9, Chapter 9 have been made in full; (2) the state is not in default in the payment of any outstanding debt; and (3) fees and taxes pledged pursuant to TCA Section 9-9-104 will be sufficient to provide funds adequate to meet all payments required to be made by the Board in Fiscal Year 2022-2023. Mr. Mumpower moved for adoption of the resolution, and Mr. Hargett seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present for consideration and acceptance the Tennessee Consolidated Retirement System’s (“TCRS”) affirmation of the Standby Commercial Paper Purchase Agreement. Ms. Thompson stated that the Comptroller had received a letter from the Chief Investment Officer of the TCRS addressed to the Secretary of the Board affirming that TCRS does not plan to terminate its contract prior to July 1, 2023, to serve as a standby purchaser for the State’s commercial paper program. Ms. Thompson then stated that the Board had received in their packets a draft letter from the Secretary of the Board to the Chief Investment Officer of the TCRS affirming that the Board also does not plan to terminate the contract prior to July 1, 2023. Mr. Hargett made a motion to approve the acceptance of the letter from TCRS and authorize the Comptroller to notify TCRS on behalf of the Board and to send an executed letter to TCRS affirming the Board would not terminate the contract. Mr. Bryson seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Mr. Michael Brakebill, Chief Investment Officer of the Department of Treasury (“Treasury”), and Mr. Markus Klar, Director of Fixed Income, Treasury, to present revisions to the State Pooled Investment Fund (“SPIF”) Investment Policy (the “Policy”) for consideration and approval. Mr. Klar then detailed the following revisions to the Policy:

- Updated language for the shadow price calculation for clarity
- Updated language for the stable net asset value calculation for clarity

- Created a new compliance section in the Policy and moved language detailing requirements to comply with applicable laws and regulations from the Other Considerations section to the new section
- Added language to clarify the roles and responsibilities of the Chief Investment Officer (CIO)
- Clarified the responsibilities of Treasury Compliance and emphasized the focus on internal control and segregation of duties
- Updated the Certificates of Deposit and Money Market demand deposit accounts minimum quality criteria for clarity
- Added language referencing the timeframe for when the monthly SPIF rate would be available on the department's website
- Clarified the CIO's duty to review the SPIF Quarterly Investment Report
- Added language to reference the authorization per TCA §9-4-603 to charge participants an administrative fee
- Revised policy language to reflect the change in benchmark
- Updated language to clarify the frequency of portfolio diversification testing performed
- Clarified the frequency of when liquidity assessments are performed (monthly) and updated the allowable allocation investment in commercial paper to \$350,000,000 per issuer
- Updated language that clarified the timing and actions to be taken to complete remediation of deviations from investment criteria

Mr. Lillard then stated that the approximate balance of the SPIF on June 12, 2022, was \$28 billion. Mr. Lillard made a motion to approve the revisions to the Policy effective June 15, 2022. Mr. Bryson seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present for consideration and approval a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$340,349 and Canceling Authorized Bonds". Ms. Thompson stated that the state had previously authorized funding through the commercial paper program for the University of Memphis ("UoM") to purchase sites and existing structures in accordance with their master plan ("UoM 101 Properties"). Ms. Thompson further stated that UoM was in the process of repaying the allocated amount and had repaid the borrowing in the amount of \$340,349 during fiscal year 2022. Ms. Thompson then stated that the resolution authorized the cancelation of bonds for the UoM 101 Properties project in the like amount of \$340,349 and would be effective as of June 15, 2022. Mr. Hargett made a motion to approve the resolution. Mr. Bryson seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Betsy Knotts, Director of the Division of Local Government Finance ("LGF") to present a Report from the Comptroller's Office on requests for approval of plans of balloon indebtedness. Ms. Knotts stated that local governments were required by state statute to submit plans of balloon indebtedness to LGF for approval. Ms. Knotts then reported that there were four requests from local governments during fiscal year 2022, down from seventeen in the prior fiscal year. Ms. Knotts further reported that all the requests were for refundings, and all plans were approved as cost savings were produced. The Board acknowledged the report, and no further action was necessary.

After Mr. Mumpower requested other business and heard none, Mr. Hargett made a motion to adjourn the meeting, and Mr. Lillard seconded the motion. The motion was unanimously approved, and the meeting was adjourned.

Approved on this _____ day of _____ 2022.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

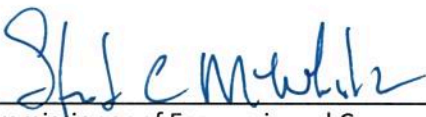
FastTrack Report to State Funding Board

7/21/2022

| | | |
|--|-----------------|----------------|
| 1. Previous FastTrack Balance, as of Last Report | 192,505,376.88 | |
| 2. + New Appropriations: | 92,473,110.27 | |
| 3. + Newly Deobligated Funds: | 249,841.00 | |
| 4. + Funds Transferred to FastTrack: | 0.00 | |
| 5. - Funds Transferred from FastTrack: | 0.00 | |
| 6. - FastTrack Grants or Loans Approved Greater Than \$750,000: | (13,400,000.00) | |
| 7. - FastTrack Grants or Loans Approved Less Than \$750,000: | (1,735,625.00) | |
| 8. - FastTrack Administration | (386,073.79) | |
| 9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans: | | 269,706,629.36 |
| <hr/> | | |
| 10. Total Amount of Commitments: | 179,940,510.69 | |
| <hr/> | | |
| 11. Uncommitted FastTrack: | | 89,766,118.67 |
| 12. Percentage Committed: | | 66.7% |
| <hr/> | | |
| 13. Amount of Proposed Grants or Loans: | 7,050,000.00 | |
| 14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved: | | 82,716,118.67 |
| 15. Percentage Committed: | | 69.3% |

See next page for explanations of the above questions.

I have reviewed the above and believe it to be correct:



Commissioner of Economic and Community Development

Date: 7-21-22



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

July 26, 2022

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

1. [REDACTED] – Brentwood (Williamson County)

Founded in 1984, [REDACTED] is a holding company to top brands in the restaurant, fitness, video rental and commercial real estate industries. Today, the company employs roughly 2,500 people across the country.

Located at 209 Powell Place, [REDACTED] new Tennessee headquarters will serve as the business hub for the company's well-known brands: [REDACTED]. [REDACTED]. 15% to 20% of existing employees will relocate to Tennessee.

[REDACTED] has committed to create 80 net new jobs and make a \$8,250,000 capital investment within five (5) years. The company will have an average hourly wage of \$40.98 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$800,000. **(\$800,000)**



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Total FastTrack funds for this project - \$800,000

2. Quanta Manufacturing Nashville, LLC – LaVergne (Rutherford County)

Quanta, headquartered in Taiwan, engages in assembly of cloud computing racks and servers. Quanta is among the top IT companies globally and is the largest Original Design Manufacturer (ODM) of laptop computers in the world. Currently in their existing La Vergne facility, Quanta assembles cloud racks and servers. Quanta employs 900+ people in Tennessee currently.

The company is retrofitting a building on their campus in Rutherford County. The investment and jobs will be substantial as the company is growing their production of racks and servers to this new facility.

Quanta Manufacturing Nashville, LLC has committed to create 546 net new jobs and make a \$30,349,040 capital investment within five (5) years. The company will have an average hourly wage of \$18.82 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, roof improvements, fixture improvements, and new construction for a total of \$2,500,000. **(\$2,500,000)**

Total FastTrack funds for this project - \$2,500,000

3. Energybox Inc – Nashville (Davidson County)

Energybox is a leading IoT Automation Company that helps multi-site enterprises automate their operations, reduce costs and improve sustainability. They provide users with an integrated IoT proprietary platform.

Energybox Inc is preparing to relocate the company's headquarters from the Northeast to Nashville, Tennessee. 25% of existing employees will relocate to Tennessee.

Energybox Inc has committed to create 250 net new jobs and make a \$1,739,000 capital investment within five (5) years. The company will have an average hourly wage of \$66.68 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,000,000. **(\$1,000,000)**

Total FastTrack funds for this project - \$1,000,000



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

4. **iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC – Chattanooga (Hamilton County)**

Founded in 2003 and headquartered in San Luis Obispo, California, iFixit is an e-commerce company that specializes in providing repair manuals, repair parts and other guides for consumer electronics and gadgets. Since its founding nearly 20 years ago, the company has expanded its operations worldwide with facilities in California, Tennessee and Germany.

Located in Onion Bottom Station, iFixit's new Chattanooga facility will house the company's distribution and back-office operations, further connecting the California company to its East Coast customer base.

iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC has committed to create 201 net new jobs and make a \$24,250,000 capital investment within five (5) years. The company will have an average hourly wage of \$24.58 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, fixture improvements, and acquisition of real property for a total of \$1,000,000. **(\$1,000,000)**

Total FastTrack funds for this project - \$1,000,000

5. **TechnologyAdvice, LLC – Nashville (Davidson County)**

TechnologyAdvice, a business-to-business (B2B) technology marketing platform, delivers marketing and data information to technology companies, helping them find their ideal clients.

By expanding its headquarters and back-office operations, TechnologyAdvice will be able to continue delivering marketing and data information to its existing technology partners while also introducing a new line of product offerings to the marketplace. TechnologyAdvice will more than double its total employment across its operations in Australia, Asia, Europe and the U.S.

TechnologyAdvice, LLC has committed to create 350 net new jobs and make a \$2,725,000 capital investment within five (5) years. The company will have an average hourly wage of \$38.42 for the new positions.



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,750,000. **(\$1,750,000)**

Total FastTrack funds for this project - \$1,750,000

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING | | RECIPIENT ENTITY | GRANT AMOUNT | LOAN AMOUNT |
|--------------------------|----------------------|------------------|------------------|-------------|
| <input type="checkbox"/> | INFRASTRUCTURE | | | |
| <input type="checkbox"/> | TRAINING* | | \$800,000 | |
| <input type="checkbox"/> | ECONOMIC DEVELOPMENT | | | |
| TOTAL | | | \$800,000 | |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): _____

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)?* Yes No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)?* Yes No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)?* Yes No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)?* Yes No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)?* Yes No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)?*
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)?* If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)?* Yes No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)?* Yes No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)?* Yes No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)?* If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

7-21-22

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

September 22, 2021

INCENTIVE ACCEPTANCE FORM

This form serves as notice that [redacted] intends, in good faith, to create 80 private sector jobs in Davidson or Williamson Counties and make a capital investment of \$8,250,000 in exchange for incentives that will be memorialized in a grant agreement between [redacted] and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

| | |
|-------------------------------|-------------------|
| FastTrack Job Training Grant: | \$ 800,000 |
| Total ECD Commitment: | \$ 800,000 |

Please sign your name in the space below to signify [redacted]'s acceptance of ECD's offer set forth above and return it by December 21, 2021 to:

Tennessee Department of Economic and Community Development
Attn: Joey Viola
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Joey.Viola@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: [Signature]
(Authorized Representative of Company)

Date: 10/22/21

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING | | RECIPIENT ENTITY | GRANT AMOUNT | LOAN AMOUNT |
|--------------------------|----------------------|--|--------------|-------------|
| <input type="checkbox"/> | INFRASTRUCTURE | | | |
| <input type="checkbox"/> | TRAINING* | | | |
| <input type="checkbox"/> | ECONOMIC DEVELOPMENT | The Industrial Development Board of Rutherford County, Tennessee | \$2,500,000 | |
| TOTAL | | | \$2,500,000 | |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): _____ **Quanta Manufacturing Nashville, LLC**

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? Yes No
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.


Commissioner of Economic and Community Development

7-21-22
Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

March 7, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Quanta Manufacturing Nashville, LLC intends, in good faith, to create 546 private sector jobs in La Vergne, Rutherford County and make a capital investment of \$30,349,040 in exchange for incentives that will be memorialized in a grant agreement between Quanta Manufacturing Nashville, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

| | |
|---------------------------------------|---------------------|
| FastTrack Economic Development Grant: | \$ 2,500,000 |
| Total ECD Commitment: | \$ 2,500,000 |

Please sign your name in the space below to signify Quanta Manufacturing Nashville, LLC's acceptance of ECD's offer set forth above and return it by June 5, 2022 to:

Tennessee Department of Economic and Community Development
Attn: Joey Viola
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Joey.Viola@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 3/15/22



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

July 26, 2022

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to The Industrial Development Board of Rutherford County, Tennessee for the benefit of Quanta Manufacturing Nashville, LLC in the amount of \$2,500,000 to offset the costs Quanta Manufacturing Nashville, LLC will incur in building retrofit, building expansion, building improvements, roof improvements, fixture improvements and new construction. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of net new manufacturing jobs and capital investment. Quanta Manufacturing Nashville, LLC has committed to create 546 net new jobs and make a \$30,349,040 capital investment within five (5) years. The company will have an average hourly wage of \$18.82 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING | RECIPIENT ENTITY | GRANT AMOUNT | LOAN AMOUNT |
|----------------------|------------------|--------------------|-------------|
| INFRASTRUCTURE | | | |
| TRAINING* | Energybox Inc | \$1,000,000 | |
| ECONOMIC DEVELOPMENT | | | |
| TOTAL | | \$1,000,000 | |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Energybox Inc

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? Yes No
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

7-21-22

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

June 9, 2021

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Energybox Inc intends, in good faith, to create 250 private sector jobs in Nashville, Davidson County and make a capital investment of \$1,739,000 in exchange for incentives that will be memorialized in a grant agreement between Energybox Inc and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

| | |
|-------------------------------|---------------------|
| FastTrack Job Training Grant: | \$ 1,000,000 |
| Total ECD Commitment: | \$ 1,000,000 |

Please sign your name in the space below to signify Energybox Inc's acceptance of ECD's offer set forth above and return it by September 8, 2021 to:

Tennessee Department of Economic and Community Development
Attn: Joey Viola
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Joey.Viola@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 8/2/21

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING | RECIPIENT ENTITY | GRANT AMOUNT | LOAN AMOUNT |
|----------------------|-----------------------------------|--------------------|-------------|
| INFRASTRUCTURE | | | |
| TRAINING* | | | |
| ECONOMIC DEVELOPMENT | Hamilton County Government | \$1,000,000 | |
| TOTAL | | \$1,000,000 | |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

***ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC**

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
 2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
 3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
 4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No
- Identify which of the following apply:**
5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
 - b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
 - c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
 - d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.
- Applicant must answer "Yes" to a or b.**
6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
 - b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

7-21-22

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

April 21, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that iFixit, Hyperbolic Growth Fund, LLC, and Epicycloid, LLC intends to, in good faith, to create at least 201 private sector jobs in Chattanooga, Hamilton County and make a capital investment of \$24,250,000 in exchange for incentives that will be memorialized in a grant agreement between iFixit, Hyperbolic Growth Fund, LLC, Epicycloid, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

| | |
|---------------------------------------|---------------------|
| FastTrack Economic Development Grant: | \$ 1,000,000 |
| Total ECD Commitment: | \$ 1,000,000 |

Please sign your name in the space below to signify iFixit, Hyperbolic Growth Fund, LLC, and Epicycloid, LLC's acceptance of ECD's offer set forth above and return it by July 20, 2022 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Woodward
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Woodward@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: *Steve Souder*
(Authorized Representative of Company)

Date: 7/14/2022



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

July 26, 2022

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to Hamilton County Government for the benefit of iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC in the amount of \$1,000,000 to offset the costs iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC will incur in building retrofit, building expansion, building improvements, fixture improvements, and acquisition of real property. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of high wage net new jobs. iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC has committed to create 201 net new jobs and make a \$24,250,000 capital investment within five (5) years. The company will have an average hourly wage of \$24.58 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart McWhorter".

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

| TYPE OF FUNDING | RECIPIENT ENTITY | GRANT AMOUNT | LOAN AMOUNT |
|-----------------------------|------------------------------|--------------------|-------------|
| INFRASTRUCTURE | | | |
| TRAINING* | TechnologyAdvice, LLC | \$1,750,000 | |
| ECONOMIC DEVELOPMENT | | | |
| TOTAL | | \$1,750,000 | |

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): TechnologyAdvice, LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

7-21-22

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

April 21, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that TechnologyAdvice, LLC intends, in good faith, to create 350 private sector jobs in Nashville, Davidson County and make a capital investment of \$2,725,000 in exchange for incentives that will be memorialized in a grant agreement between TechnologyAdvice, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 107 jobs at the project site in Tennessee.

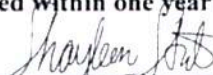
ECD OFFER SUMMARY

| | |
|-------------------------------|---------------------|
| FastTrack Job Training Grant: | \$ 1,750,000 |
| Total ECD Commitment: | \$ 1,750,000 |

Please sign your name in the space below to signify Technology Advice LLC's acceptance of ECD's offer set forth above and return it by July 20, 2022 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Woodward
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Woodward@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 5/2/2022

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE FUND TO
THE CAPITAL PROJECTS FUND \$61,561,969.18 AND CANCELING
AUTHORIZED BONDS**

RECITALS

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 462, Public Acts of Tennessee, 2001 (the “2001 Act”) to issue and sell its general obligation bonds in an amount not to exceed One Hundred Sixty Million, Six Hundred Thousand Dollars (\$160,600,000.00) of which Nineteen Million, Three Hundred Thousand Dollars (\$19,300,000.00) is allocated pursuant to Section 4(1) of the 2001 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the “2001 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Three Hundred Fifty-Six Thousand, Two Hundred Six Dollars and Seventy-Three Cents (\$356,206.73) is available for the 2001 4(1) Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2001 Act Bonds be canceled.

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to the 2001 Act to issue and sell its general obligation bonds in an amount not to exceed One Hundred Sixty Million, Six Hundred Thousand Dollars (\$160,600,000.00) of which Sixty-One Million, Three Hundred Thousand Dollars (\$61,300,000.00) is allocated pursuant to Section 4(2) of the 2001 Act to the Department of Finance and Administration for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the “2001 Act FRF Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Three Hundred Eighty-Two Thousand, Nine Hundred Sixty-Two Dollars and Seventy-Three Cents (\$382,962.73) is available for the 2001 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2001 Act FRF Bonds be canceled.

(3) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 852, Public Acts of Tennessee, 2002 (the “2002 Act”) to issue and sell its general obligation bonds in an amount not to exceed One Hundred Twenty-Seven Million, Two Hundred Sixty-Five Thousand Dollars (\$127,265,000.00) of which Three Million, One Hundred Thousand Dollars (\$3,100,000.00) is allocated pursuant to Section 4(2) of the 2002 Act to the Department of Finance and Administration for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the “2002 Act FRF Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Two Million, Four Hundred Fifteen Thousand, Five Hundred Thirty-One Dollars and Sixteen Cents (\$2,415,531.16) is available for the 2002 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2002 Act FRF Bonds be canceled.

(4) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 958, Public Acts of Tennessee, 2004 (the “2004 Act”) to issue and sell its general obligation bonds in an amount not to exceed Four Hundred Seventy-Three Million, Seven Hundred Thousand Dollars (\$473,700,000.00) of which Two Hundred Sixty-Nine Million, Four Hundred Thousand Dollars (\$269,400,000.00) is allocated pursuant to Section 4(1) of the 2004 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and further expressively providing for the making of grants to governmental entities and/or to Memphis Biotech Foundation, a not-for-profit organization located in Memphis (the “2004 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Five Million, Three Hundred Forty-One Thousand, Five Hundred Fifty-Six Dollars and Thirty-One Cents (\$5,341,556.31) is available for the 2004 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2004 Act Bonds be canceled.

(5) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 501, Public Acts of Tennessee, 2005 (the “2005 Act”) to issue and sell its general obligation bonds in an amount not to exceed Three Hundred Fifty-Eight Million, Three Hundred Thousand Dollars (\$358,300,000.00) of which One Hundred Eighty-Five Million, Eight Hundred Thousand Dollars (\$185,800,000.00) is allocated pursuant to Section 4(1) of the 2005 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the “2005 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Five Thousand, Two Hundred Thirty-One Dollars and Twenty-Three Cents (\$5,231.23) is available for the 2005 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2005 Act Bonds be canceled.

(6) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 962, Public Acts of Tennessee, 2006 (the “2006 Act”) to issue and sell its general obligation bonds in an amount not to exceed Five Hundred Eight-Six Million, Nine Hundred Thousand Dollars (\$586,900,000.00) of which Three Hundred Seventy-Eight Million, Three Hundred Thousand Dollars (\$378,300,000.00) is allocated pursuant to Section 4(1) of the 2006 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, and further expressly providing for the making of a grant to Shelby County for a forensic center, if such project grant is approved by the State Building Commission. (the “2006 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Seven Million, Five Hundred Eighty-Three Thousand, Two Hundred Thirteen Dollars and Nineteen Cents (\$7,583,213.19) is available for the 2006 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2006 Act Bonds be canceled.

(7) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to the 2006 Act to issue and sell its general obligation bonds in an amount not to exceed Five Hundred Eight-Six Million, Nine Hundred Thousand Dollars (\$586,900,000.00) of which Forty-Three Million, Eight Hundred

Thousand Dollars (\$43,800,000.00) is allocated pursuant to Section 4(2) of the 2006 Act to the Department of Finance and Administration for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if sure project grant is approve by the State Building Commission (the “2006 Act FRF Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Five Million, Three Hundred Eighty-Four Thousand, Five Hundred Twenty-Three Dollars and Sixty-Four Cents (\$5,384,523.64) is available for the 2006 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2006 Act FRF Bonds be canceled.

(8) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the “2007 Act”) to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars (\$295,000,000.00) of which One Hundred Thirty-Eight Million, Five Hundred Thousand Dollars (\$138,500,000.00) is allocated pursuant to Section 4(1) of the 2007 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2007 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Nine Million, Two Hundred Seventy-Six Thousand, Nine Hundred Sixty-Five Dollars and Seventy-Four Cents (\$9,276,965.74) is available for the 2007 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2007 Act Bonds be canceled.

(9) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to the 2007 Act to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars (\$295,000,000.00) of which Sixty Million, Five Hundred Thousand Dollars (\$60,500,000.00) is allocated pursuant to Section 4(4) of the 2007 Act to the Department of Finance and Administration for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approve by the State Building Commission (the “2007 Act FRF Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Three Million, Six Hundred Twenty-Five Thousand, Seven Hundred Ninety-Three Dollars and Fifty-Eight Cents (\$3,625,793.58) is available for the 2007 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2007 Act FRF Bonds be canceled.

(10) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1202, Public Acts of Tennessee, 2008 (the “2008 Act”) to issue and sell its general obligation bonds in an amount not to exceed One Hundred Forty-One Million, Four Hundred Thousand Dollars

(\$141,400,000.00) of which Twenty-Nine Million, Seven Hundred Thousand Dollars (\$29,700,000.00) is allocated pursuant to Section 4(1) of the 2008 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2008 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that One Million, Seven Hundred Sixty-Three Thousand, Eighteen Dollars and Fifty-Nine Cents (\$1,763,018.59) is available for the 2008 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2008 Act Bonds be canceled.

(11) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to the 2008 Act to issue and sell its general obligation bonds in an amount not to exceed One Hundred Forty-One Million, Four Hundred Thousand Dollars (\$141,400,000.00) of which Twenty-Four Million Dollars (\$24,000,000.00) is allocated pursuant to Section 4(2) of the 2008 Act to the Department of Finance and Administration for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2008 Act FRF Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Five Million, Four Hundred Seventy-One Thousand, Six Hundred Thirty-Eight Dollars and Forty-Nine Cents (\$5,471,638.49) is available for the 2008 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2008 Act FRF Bonds be canceled.

(12) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 552, Public Acts of Tennessee, 2009 (the “2009 Act”) to issue and sell its general obligation bonds in an amount not to exceed Four Hundred Thirty-Eight Million, Six Hundred Thousand Dollars (\$438,600,000.00) of which Two Hundred Ten Million, Nine Hundred Thousand Dollars (\$210,900,000.00) is allocated pursuant to Section 4(1) of the 2009 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2009 Act Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Nineteen Million, One Hundred Thirty-Two Thousand, Nine Hundred Forty-Nine Dollars and Ninety-Eight Cents (\$19,132,949.98) is available for the 2009 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2009 Act Bonds be canceled.

(13) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to the 2009 Act to issue and sell its general obligation bonds in an amount not to exceed Four Hundred Thirty-Eight Million, Six Hundred Dollars (\$438,600,000.00) of which Three Million, Three Hundred Thousand

Dollars (\$3,300,000.00) is allocated pursuant to Section 4(3) of the 2009 Act to the Department of Finance and Administration for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporate town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2009 Act FRF Bonds”).

By memorandum dated June 9, 2022, the Commissioner of Finance and Administration has notified the Funding Board that Eight Hundred Twenty-Two Thousand, Three Hundred Seventy-Seven Dollars and Eighty-One Cents (\$822,377.81) is available for the 2009 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2009 Act FRF Bonds be canceled.

Be It Resolved By the Funding Board of the State of Tennessee:

1. The projects authorized to be financed by the 2001 Act Bonds, 2001 Act FRF Bonds, 2002 Act FRF Bonds, 2004 Act Bonds, 2005 Act Bonds, 2006 Act Bonds, 2006 Act FRF Bonds, 2007 Act Bonds, 2007 Act FRF Bonds, 2008 Act Bonds, 2008 Act FRF Bonds, 2009 Act Bonds and 2009 Act FRF Bonds have been financed in whole or in part with commercial paper and the commercial paper has been retired in whole or in part without the issuance of bonds and Sixty-One Million, Five Hundred Sixty-One Thousand, Nine Hundred Sixty-Nine Dollars and Eighteen Cents (\$61,561,969.18) is no longer needed to fund such authorized projects.
2. Sixty-One Million, Five Hundred Sixty-One Thousand, Nine Hundred Sixty-Nine Dollars and Eighteen Cents (\$61,561,969.18) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion on the 2001 Act Bonds, 2001 Act FRF Bonds, 2002 Act FRF Bonds, 2004 Act Bonds, 2005 Act Bonds, 2006 Act Bonds, 2006 Act FRF Bonds, 2007 Act Bonds, 2007 Act FRF Bonds, 2008 Act Bonds, 2008 Act FRF Bonds, 2009 Act Bonds and 2009 Act FRF Bonds .
3. In accordance with authority provided by Tennessee Code Annotated Section 9-9-205 and 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated June 9, 2022, the Funding Board hereby cancels Sixty-One Million, Five Hundred Sixty-One Thousand, Nine Hundred Sixty-Nine Dollars and Eighteen Cents (\$61,561,969.18) of the principal amount authorized by the 2001 Act, 2002 Act, 2004 Act, 2005 Act, 2006 Act, 2007 Act, 2008 Act and 2009 Act for the 2001 Act Bonds, 2001 Act FRF Bonds, 2002 Act FRF Bonds, 2004 Act Bonds, 2005 Act Bonds, 2006 Act Bonds, 2006 Act FRF Bonds, 2007 Act Bonds, 2007 Act FRF Bonds, 2008 Act Bonds, 2008 Act FRF Bonds, 2009 Act Bonds and 2009 Act FRF Bonds.
4. This resolution shall be retroactively effective as of June 30, 2022, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on _____, 2022.

JASON E MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE STATE OF TENNESSEE**

Be It Resolved By The Funding Board Of The State Of Tennessee:

1. The Funding Board of the State of Tennessee (the “Funding Board”) hereby finds and determines that the Funding Board is authorized to provide for the issuance of general obligation bonds of the State of Tennessee (the “State”) under the provisions of Sections 1 and 4 of Chapter 1133, Public Acts of Tennessee, 2022, to be allocated as follows:

Item 1. Eighty-Three Million, Five Hundred Thousand Dollars (\$83,500,000) to the Department of Transportation to be expended for construction of highways and for the purpose of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and repair, replacement, or rehabilitation of bridges.

Item 2. Five Hundred Million Dollars (\$500,000,000) to the Department of Finance and Administration to provide funds for the purpose of making a grant to the Metropolitan Government of Nashville and Davidson County for the construction of a domed sports stadium.

Further, the Funding Board is authorized to sell bonds in amounts not to exceed 2.5% of all the amounts stated above, the proceeds of which are to be allocated to the Funding Board and expended for the purpose of funding discounts and the costs of issuance.

2. The Funding Board hereby finds and determines that no bonds or bond anticipation notes have been issued pursuant to the Public Acts referred to in Section 1 hereof, and that such authorization has not been cancelled or rescinded.

3. The Funding Board hereby authorizes the issuance of general obligation bonds of the State in the respective maximum principal amounts and for the respective purposes set forth in Section 1 hereof (the “Bonds”). The sale and issuance of the Bonds shall be provided for by subsequent resolution of the Funding Board. Pending the issuance of Bonds, bond anticipation notes may be issued from time to time under and pursuant to the resolution adopted by the Funding Board on March 6, 2000, entitled “RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF COMMERCIAL PAPER; AUTHORIZING AND PROVIDING FOR A STANDBY COMMERCIAL PAPER PURCHASE

AGREEMENT; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO”, as amended or restated, or under and pursuant to other resolutions hereafter adopted by the Funding Board.

4. The Funding Board reserves the right to rescind the authorization of any Bonds authorized hereunder to the extent (i) general obligation bonds have not been issued against such Bond authorization or (ii) general obligation bond anticipation notes have not been issued in anticipation of the issuance of Bonds to be issued against such Bond authorization.

5. Available State funds may be expended for any or all the purposes specified in Section 1 hereof, in anticipation of reimbursement from the proceeds of Bonds or bond anticipation notes issued under and pursuant to the respective authorizations specified in Section 1 hereof. The Funding Board hereby authorizes the Commissioner of Finance and Administration or the Secretary or Assistant Secretary of the Board to evidence an official intent to this effect, and otherwise execute, file and publish such documents or take such other action, as may be necessary to permit reimbursement from the proceeds of Bonds or bond anticipation notes, the interest on which shall be excluded from gross income for federal income tax purposes.

6. If any provisions of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to that end the provisions of this resolution are declared to be severable.

7. This resolution shall be retroactively effective as of July 1, 2022, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 26, 2022.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF
THE COST OF HIGHWAY CONSTRUCTION PROJECTS AND
CANCELING AUTHORIZED BONDS**

Recitals

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 813, Public Acts of Tennessee, 2014 (the “2014 Act”), to issue and sell its general obligation bonds in an amount not to exceed One Hundred Sixty-Seven Million, Six Hundred Thousand Dollars (\$167,600,000) of which Eighty-Three Million, Five Hundred Thousand Dollars (\$83,500,000) is allocated pursuant to Section 4(4) of the 2014 Act (the “2014 TDOT Bonds”) for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2014 TDOT Bonds principal amount authorized has been issued.

Section 6, Item 1 of Chapter 1130, Public Acts of Tennessee, 2022, (the “2022 Appropriations Act”) appropriates to the Funding Board the sum of Eighty-Three Million, Five Hundred Thousand Dollars (\$83,500,000) to cancel a like amount of unissued 2014 TDOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 11, 2022, recommended that the Funding Board proceed with canceling Eighty-Three Million, Five Hundred Thousand Dollars (\$83,500,000) of the unissued 2014 TDOT Bonds.

Be It Resolved By The Funding Board Of The State Of Tennessee:

1. The projects authorized to be financed by the 2014 TDOT Bonds have been financed in whole or in part with current funds and a total of Eighty-Three Million, Five Hundred Thousand Dollars (\$83,500,000) is no longer needed to fund such authorized projects.
2. Eighty-Three Million, Five Hundred Thousand Dollars (\$83,500,000) of the unissued 2014 TDOT Bonds are hereby canceled.
3. This resolution shall be retroactively effective as of July 1, 2022, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 26, 2022.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD

**DECLARATION OF TRUST
FOR
OTHER POST-EMPLOYMENT BENEFITS**

A Declaration of Trust made as of the __1st__ day of _____ July _____, 2022, by Gallatin Department of Electricity (hereinafter referred to as the “Employer”). This Trust shall come into existence when the Tennessee State Funding Board created pursuant to Tennessee Code Annotated, Section 9-9-101, has approved the same.

RECITALS

WHEREAS, the Governmental Accounting Standards Board issued Statements 74 and 75, which set forth standards on accounting and reporting for post-employment benefits (other than pensions) by governmental entities; and

WHEREAS, these standards require political subdivisions of the State of Tennessee to report such other post-employment benefits on an actuarial basis during an employee’s career rather than on a pay-as-you-go basis during retirement; and

WHEREAS, a governmental plan or employer may reduce or eliminate its net OPEB Liability (as defined in GASB 74 or GASB 75) by making contributions to an irrevocable trust in relation to such anticipated benefits; and

WHEREAS, the Tennessee General Assembly enacted Chapter 771 of the Tennessee Public Acts of 2006 that authorized Tennessee political subdivisions that offer other post-employment benefits to create an investment trust whereby the political subdivisions may begin financing those benefits in advance; and

WHEREAS, the Employer is a political subdivision of the State of Tennessee that is exempt from federal income tax under the Internal Revenue Code of 1986, as amended from time to time, and whose chief governing body has passed a resolution authorizing the establishment of this investment trust for the exclusive purpose of funding other post-employment benefits accrued by employees of the Employer, to be paid as they come due in accordance with the arrangements between the Employer, the Participants and their Beneficiaries, as such terms are defined in Section 1.1 below.

NOW, THEREFORE, in consideration of the premises, the Employer does hereby establish this Trust to be known as the Gallatin Department of Electricity Post-Employment Benefits Trust.

ARTICLE I DEFINITIONS

- 1.1. Definitions. For purposes of this Declaration of Trust, the following terms shall have the respective meanings set forth below unless otherwise expressly provided.
- (a) "Board" means the board of trustees created pursuant to Section 5.1 of this Trust.
 - (b) "Code" means the Internal Revenue Code of 1986, as amended from time to time.
 - (c) "Directed Trustee" means Highland Capital Management, LLC, and its successors and assigns, or such other entity as may be appointed by the Board to provide trust services pursuant to Section 6.1(b) of this Trust.
 - (d) "Employee" means an individual who performs services for the Employer, and who has been designated as eligible to participate in and receive benefits under a post-employment benefits plan.
 - (e) "Employer" means the Gallatin Department of Electricity.
 - (f) "OPEB Liability" means the net liability for post-employment benefits other than pension benefits under GASB 74 or GASB 75.
 - (g) "Other post-employment benefits" ("OPEB") or "post-employment benefits" means non-pension benefits paid on behalf of a former Employee after separation from service. Such benefits include reimbursement for supplemental health insurance premiums and Medicare Part B premiums.
 - (h) "Participant" means an Employee of the Employer who satisfies the requirements for participation in a post-employment benefits plan sponsored by the Employer.
 - (i) "State Funding Board" or "Funding Board" means the board created pursuant to Tennessee Code Annotated, Section 9-9-101.
 - (j) "Trust" means the trust created and established hereunder.

ARTICLE II PURPOSE AND SCOPE OF TRUST

- 2.1. This Trust is established exclusively for the purpose of funding other post-employment benefits accrued by Employees of the Employer, to be paid as they

come due in accordance with the terms of the Employer's respective post-employment benefits plan.

- 2.2. Nothing in this Trust shall be construed to define or otherwise grant any rights or privileges to post-employment benefits. Such rights and privileges, if any, shall be governed by the terms of the Employer's respective post-employment benefits plan.

ARTICLE III TRUST ASSETS

- 3.1. This Trust shall consist of all contributions paid or otherwise delivered to it, and all investment income and realized and unrealized gains and losses.
- 3.2. The Trustees shall receive and accept for the purposes hereof all contributions described herein and shall hold, invest, reinvest, manage, administer, and distribute property and the increments, proceeds, earnings, and income solely to meet OPEB Liabilities and provide other post-employment benefits as described herein, and in accordance with Code Sections 105 and 106.
- 3.3. All assets held by the Trustees in the Trust are referred to herein as the "Trust Fund." The Trustees have the authority to invest and manage the assets of the Trust Fund.
- 3.4. The contributions made by to the Trust and all investments, receipts, disbursements, and other transactions thereunder may be maintained in a common account, which contributions shall be used solely for the payment of benefits, expenses and other charges properly allocable to the Trust.
- 3.5. The Trust Fund shall continue to be held by the Trustees in trust and dealt with in accordance with the provisions of the Trust. At no time shall any part of the Trust Fund be used for, or diverted to, purposes other than for the exclusive benefit of Participants as provided herein and for defraying the reasonable expenses of administering the Trust.

ARTICLE IV TRUST CONDITIONS

- 4.1. This Trust shall be irrevocable, and the assets of this Trust shall be preserved, invested and expended solely pursuant to and for the purposes of this Declaration of Trust and shall not be loaned or otherwise transferred or used for any other purpose. During the life of the Trust, no portion of the principal or income of this Trust shall revert to the Employer. The assets of the Trust shall be expended solely to:
 - (a) Make payments for other post-employment benefits pursuant to and in accordance with terms of the post-employment benefits plan; and

- (b) Pay the cost of administering this Trust.
- 4.2. This Trust shall have the powers, privileges and immunities of a corporation; and all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held in trust for the purpose for which received.
- 4.3. All assets, income and distributions of the Trust shall be protected against the claims of creditors of the Employer, Employees, Former Employees, Participants or their beneficiaries, and shall not be subject to execution, attachment, garnishment, the operation of bankruptcy, the insolvency laws or other process whatsoever, nor shall any assignment thereof be enforceable in any court.

**ARTICLE V
BOARD OF TRUSTEES**

- 5.1. The general administration and responsibility for the proper operation of this Trust shall be governed by a board of trustees (hereinafter the "Board"). The Board shall consist of members as follows:
 - (a) Mark Kimbell _____
 - (b) Casey Byrd _____
 - (c) Jaerica Troutt _____
 - (d) _____
 - (e) _____
- 5.2. The Board shall annually elect from its membership a chair and a vice chair and shall designate a secretary who need not be a member of the Board. Written minutes covering all meetings and actions of the Board shall be prepared by the secretary and shall be kept on file, open to public inspection pursuant to the provisions of Tennessee Code Annotated, Title 10, Chapter 7.
- 5.3. Members of the Board shall serve without compensation but shall receive reasonable reimbursement for actual and necessary travel expenses in accordance with the Employer's travel regulations.
- 5.4. A majority of the voting members of the Board serving shall constitute a quorum for the transaction of business at a meeting of the Board. Voting upon action taken by the Board shall be conducted by a majority vote of the voting members present at the meeting of the Board. The Board shall meet at the call of the chair, or upon the call of a majority of the members, and as may be otherwise provided in any operating policies or procedures adopted by the Board.
- 5.5. The business of the Board shall be conducted at meetings of the Board held in compliance with Tennessee Code Annotated, Title 8, Chapter 44.

**ARTICLE VI
POWERS AND DUTIES OF THE BOARD**

- 6.1. In addition to the powers granted by any other provisions of this Trust, the Board shall have the powers necessary or convenient to carry out the purposes and objectives of this Trust including, but not limited to, the following express powers:
- (a) Invest any funds of the Trust in any instrument, obligation, security, or property that constitutes legal investments for assets of the Trust as described in applicable law, including without limitation Tennessee Code Annotated, Section 8-50-1201, et seq., as amended from time to time, including the use of mutual funds, commingled investment funds or collective investment trusts, institutional accounts, or master trusts, provided that any such investment is authorized in the investment policy adopted, and from time to time amended, by the chief governing body of the Employer.
 - (b) Contract for the provision of all or any part of the services necessary for the management and operation of the Trust, including, but not limited to, trust and custody services and investment management services;
 - (c) Contract with financial consultants, auditors, and other consultants as necessary to carry out its responsibilities under the provisions of this Trust;
 - (d) At the Board's sole discretion, contract with an actuary or actuaries for the benefit of the Employer in determining the level of funding necessary by the Employer to fund the other post-employment benefits offered by the post-employment benefits plan;
 - (e) Prepare annual financial reports, including audited financial statements, following the close of each fiscal year relative to the activities of the Trust. Such statements and reports shall contain such information as shall be prescribed by the Board and be prepared in accordance with the standards established by the Governmental Accounting Standards Board; and
 - (f) Upon the request of the State Funding Board, file the annual report and financial statements with the secretary of the State Funding Board. The report and statements shall be filed with the secretary of the Board within ninety (90) calendar days from the date of the request, unless the secretary extends such time in writing.
 - (g) To determine, consistent with the applicable laws, rules or regulations, all questions of law or fact that may arise as to any person or entity claiming rights under the Trust;

- (h) Subject to and consistent with GASB 74 and 75, Code Section 115 and applicable law, to construe and interpret the Trust and to correct any defect, supply any omission, or reconcile any inconsistency in the Trust;
- (i) To adopt and amend bylaws governing its operations and procedures;
- (j) To provide for termination of trusteeship and transfer of assets to successor trustees as permitted by law;
- (k) To employ legal counsel;
- (l) To employ and contract with auditors, accountants, investment advisers, investment brokers, consultants, medical personnel, and other agents and employees;
- (m) Subject to Articles IX and X, to collect and disburse all funds due and payable under the Trust;
- (n) To provide for and promulgate all the rules, regulations, and forms that are deemed as necessary or desirable in fulfilling its purposes of assisting in providing other post-employment benefits and in maintaining proper records and accountings consistent with GASB Statement 74 and 75 and Internal Revenue Service standards;
- (o) To adopt an Investment Policy Statement and asset allocation;
- (p) To bring and defend actions, sue and be sued, and plead and be impleaded;
- (q) To expend funds for the purchase of fidelity and surety bonds and liability insurance for the protection and indemnification of Trustees in the performance of their duties;
- (r) To expend funds for the reasonable expenses of the Trustees while engaged in the performance of their duties;
- (s) To employ insurance companies, banks, trust companies, and investment brokers as agents for the keeping of records and the receipt and disbursement of funds held by or due the Trustees;
- (t) To exercise generally any of the powers of an owner with respect to all or any part of the Trust Fund; and
- (u) To take all actions consistent with this Declaration of Trust necessary or appropriate to administer or carry out the purposes of the Trust; provided, however, the Trustees need not take any action unless, in their opinion, there are sufficient Trust assets available for the expense thereof.

- 6.2. The Trustees may buy fiduciary liability insurance or errors and omissions insurance, as described above. However, all such insurance shall provide that proceeds shall be payable to the Trust and shall contain express provisions reserving to the insurer executing the same the full right of recourse against all parties or other individuals whose errors, acts, omissions, or breaches may obligate such insurer to make payments to the Trust.
- 6.3. In addition to the powers stated in Section 6.1, the Trustees may from time to time delegate to an individual, committee, or organization certain of its fiduciary responsibilities under the Trust. Any such individual, committee, or organization shall remain a fiduciary until such delegation is revoked by the Trustees, which revocation may be without cause and without advance notice. Such individual, committee, or organization shall have such power and authority with respect to such delegated fiduciary responsibilities as the Trustees have under the Trust.
- 6.4. The Trustees may rely upon a certification of the Employer with respect to any instruction, direction, or approval of such Employer and may continue to rely upon such certification until a subsequent certification is filed with the Trustees. The Trustees shall have no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as fully authorized by the Employer.
- 6.5. The Trustees shall be protected further in relying upon a written certification that purports to be from any custodian, investment manager, insurance company, or mutual fund as to the person or persons authorized to give instructions or directions on behalf of such custodian, investment manager or insurance company and continue to rely upon such certification until a subsequent written certification is filed with the Trustees.
- 6.6. The Trustees' responsibilities and liabilities shall be subject to the following limitations:
 - (a) The Trustees shall have no duties other than those expressly set forth in this Declaration of Trust and those imposed on the Trustees by applicable laws.
 - (b) The Trustees and the Trust Administrator shall not be responsible for any particular federal, state or local income, payroll or other tax consequence to the Employer or a Participant.
 - (c) The Trustees shall be responsible only for money and property actually received by the Trust, and then to the extent described in this Declaration of Trust.
 - (d) The Trustees shall not be responsible for the correctness of any determination of payments or disbursements from the Trust Fund.

- (e) No Trustee shall have any liability for the acts or omissions of any predecessor or successor in office.
 - (f) The Trustees shall have no liability for (i) the acts or omissions of any investment manager or managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any investment fund; (iv) the acts or omissions of any custodian; (v) the acts or omissions of the trust administrator; or (vi) the acts or omissions of any contractor.
- 6.7. The Trust shall, and hereby does, to the extent permitted by law, indemnify the Trustees, including persons who have served as such in the past or who are heirs, executors, or administrators thereof, against expenses (including attorney's fees), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any actual or threatened proceeding of any kind, arising by reason of the fact that any such person is or was a Trustee, and shall advance to such person expenses reasonably incurred in defending any such proceedings as permitted by law. Such indemnity shall apply, however, only if, in connection with the matter at issue, the person claiming indemnity hereunder acted in good faith and in a manner he or she reasonably believed was in the best interests of the Trust. This indemnity does not extend to any acts of the person seeking indemnity which involve gross negligence or willful misconduct, or are materially in breach of this Agreement, or any bylaw. The Trustees may obtain and may rely on a written opinion of independent legal counsel on any issues of good faith, reasonable belief, or breach, or on any and all other issues that may bear on the application of this indemnity.

**ARTICLE VII
POWERS AND DUTIES OF THE DIRECTED TRUSTEE**

- 7.1. The Directed Trustee shall act solely in a directed capacity hereunder and shall act solely as directed by the Board or Employer. It shall be the duty of the Directed Trustee to manage, invest and reinvest the Trust funds in accordance with governing law and the provisions set forth herein pursuant to this Trust. The Directed Trustee shall have no duty or authority to ascertain whether any contributions should be made to it pursuant to the post-employment benefits plan. The duties and obligations shall be limited to those expressly imposed upon it by this Trust.

**ARTICLE VIII
INVESTMENTS**

- 8.1. The Board shall be responsible for investing the assets of the Trust funds in accordance with Section 6.1(a) above.
- 8.2. Subject to the limitations in Section 6.1(a) above, the Board, or its nominee, has full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities or investments in which the assets of the Trust have been invested, as

well as of the proceeds of such investments and any moneys belonging to the Trust.

- 8.3. All of the Board's business shall be transacted, all of the Trust funds invested, all warrants for money drawn, any payments made, and all of the cash and securities and other property of the Trust shall be held:
- (a) In the name of the Board as title holder only, or as Trustee;
 - (b) In the name of its nominee; provided, that the nominee is authorized by Board resolution solely for the purpose of facilitating the transfer of securities and restricted to members of the Board, or a partnership composed of any such members; or
 - (c) For the account of the Board or its nominee in such forms as are standard in the investment community for the timely transaction of business or ownership identification, such as book entry accounts.
- 8.4. Except as otherwise provided, no Board member nor employee of the Board shall have any personal interest in the gains or profits of any investment made by the Board; nor shall any Board member or employee of the Board, directly or indirectly, for such member or employee or as an agent, in any manner for such member or employee or as an agent, in any manner use the same except to make such current and necessary payments as are authorized by the Board.

ARTICLE IX EMPLOYER CONTRIBUTIONS TO TRUST

- 9.1. Notwithstanding Section 6.1(d) above, it shall be the sole and exclusive responsibility of the Employer to determine the level of contributions the Employer will make to the Trust for the purpose of financing the post-employment benefits accrued by its respective Employees. Neither the Trust, nor the Board shall be responsible for collecting or otherwise determining the level of contributions needed by the Employer to finance any post-employment benefits offered by the Employer.

ARTICLE X WITHDRAWALS FOR PAYMENT OF OTHER POST-EMPLOYMENT BENEFITS

- 10.1. The Board shall upon the request of the Employer reimburse the Employer for payments made for other post-employment benefits upon the Board's receipt of certified documentation evidencing the payment. Such payments shall be made by the Board on no more than a quarterly basis.
- 10.2. Notwithstanding anything in this part to the contrary, the Board shall not honor a request for reimbursement made by the Employer under this Article if assets credited to the Trust are not equal to or greater than the amount requested.

Retroactive payments shall be paid by the Board upon accumulation of sufficient assets.

ARTICLE XI BOOKS AND RECORDS

- 11.1. The books and records of the Trust shall be maintained in accordance with generally accepted accounting principles and shall be open to public inspection. The annual report, including financial statements, all books, accounts and financial records of the Trust shall be subject to audit by the State Comptroller of the Treasury.
- 11.2. The Board may, with the prior approval of the State Comptroller of the Treasury, engage a licensed certified public accountant to perform the audits. The audit contract between the Board and the certified public accountant shall be on a contract forms-prescribed by the State Comptroller of the Treasury. Reimbursement of the costs of audits prepared by the State Comptroller of the Treasury and the payment of fees for audits prepared by a licensed certified public accountant shall be the responsibility of the Board, which may be paid from the assets of the Trust.

ARTICLE XII AMENDMENT

- 12.1. The Employer shall have the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Trust; however, no such amendment shall authorize or permit the assets of the Trust (other than such part as may be used to pay the expenses of administering the Trust) to be used for or diverted to purposes other than those expressed in this Declaration of Trust. Any such amendment shall not be effective until approved by resolution of the chief governing body of the Employer, and by the State Funding Board.

ARTICLE XIII PLAN TERMINATION OR MODIFICATION

- 13.1. In the event the other post-employment benefits plan is terminated or substantially modified rendering the assets of this Trust to be unnecessary to fund the plan, the assets shall be distributed pursuant to Section 13.2 below.
- 13.2. The Trust shall have perpetual existence, except if dissolved by the Board. Following any such dissolution, the Board shall proceed to wind up the affairs of the Trust in an orderly manner and within a reasonable period of time considering relevant circumstances. After paying or making reasonable provision for the payment of all liabilities of the Trust, and upon receipt of such releases, indemnities or like documentation as the Trustees may reasonably deem necessary for the protection of the Trustees, the Trustees shall distribute the remaining property of the Trust, in cash or in kind or partly each, for the sole purpose of assisting in the payment of post-employment benefits for Participants, and for

related reasonable expenses, fees and allocated administrative fees and expenses. Upon the satisfaction of all liabilities under the Trust, any remaining assets shall be transferred to another entity whose income is excluded from gross income under Code Section 115. In no event will Trust assets be distributed to or revert to any entity that is not an entity whose income is excluded from gross income under Code Section 115.

13.3. Actuarial valuations contemplated by this Article shall be performed by the plan's independent consulting actuary in accordance with actuarial methods recognized by the Governmental Accounting Standards Board for other post-employment benefits.

ARTICLE XIV CONSTRUCTION

- 14.1. This Trust created herein shall be governed by and construed in accordance with the laws of the State of Tennessee.
- 14.2. If any terms and conditions of this Trust are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Trust shall not be affected thereby and shall be construed to effectuate the purpose of this Trust.
- 14.3. This Trust Agreement shall be binding upon the Trustees, the Employer, and, as the case may be, the delegates, successors, and assigns of each of them.
- 14.4. Necessary parties to any accounting, litigation, or other proceedings relating to the Trust Agreement shall include only the Trustees. The settlement or judgment in any such case in which the Trustees are duly served or cited shall be binding upon all persons claiming by, through, or under this Trust.
- 14.5. The terms of the Declaration of Trust shall supersede any previous oral or written agreement between the parties to this Trust pertaining to matters that are the subject of the Trust.
- 14.6. If the Trustees make any payment that according to the terms of the Trust and the benefits provided hereunder should not have been made, the Trustees may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Trustees, from the person to whom it was made or from any other appropriate party. For example, the Trustees may deduct the amount of the incorrect payment when making any future payments to the recipient of the incorrect payment.
- 14.7. Any payment to a recipient shall, to the extent thereof, be in full satisfaction of the claim of such entity being paid thereby and the Trustees may condition payment thereof on the delivery by the recipient, or its designee, of the duly executed receipt and release in such form as may be determined by the Trustees.

- 14.8. The Trust provides no guaranty that payments or reimbursements to employees, former employees or retirees will be tax-free. The Trust will obtain a ruling from the Internal Revenue Service concerning only the federal tax treatment of the Trust's income. That ruling may not be cited or relied upon by the any party whatsoever as precedent concerning any matter relating to the Employer's post-retirement supplemental health reimbursement plan.

[The next and last page is the signature page]

EMPLOYER:

By: Gallatin Department of Electricity

Name: Mark Kimball
Title: General Manager

TRUSTEES:

Mark Kimball

Casey Byrd

[Signature]

DIRECTED TRUSTEE:

David L. Shoy

APPROVED:

Chair of State Funding Board

Date

GALLATIN DEPARTMENT OF ELECTRICITY OTHER POST EMPLOYMENT BENEFIT PLAN

INVESTMENT POLICY OBJECTIVES AND GUIDELINES

FOR HIGHLAND CAPITAL MANAGEMENT LLC

INTRODUCTION

This statement of investment policies and objectives is set forth in order that:

- 1) There is clear understanding on the part of the Trustees of the Gallatin Department of Electricity Other Post Employment Benefit Plan of the investment policy objectives of the Fund.
- 2) The investment manager is given guidance and limitation and understands what is expected of them.
- 3) The Trustees have a basis for evaluation of the investment performance of the Fund. It is the intent of this statement to establish an attitude and/or philosophy which will guide the investment manager toward the performance desired. It is intended that the objectives be sufficiently flexible to be practicable.

MANAGEMENT

The Trustees are authorized and permitted to engage the services of investment managers who possess the necessary specialized research facilities and skilled manpower to meet these investment objectives and guidelines. Accordingly, the Trustees require the investment managers to adhere to the "prudent investor rule" under such federal and state laws as now apply, or may in the future apply, to investment or the fund assets.

Policy guidelines will be fixed from time to time by the Trustees after consideration of the advice and recommendations of the investment manager and others. All modifications of policy guidelines shall be in writing and signed by the Chairman and the investment manager.

OBJECTIVES

The investment objectives of the Gallatin Department of Electricity Other Post Employment Benefit Plan will be to attain a favorable total return for the entire fund, consistent with generation of sufficient income, preservation of capital and emphasis on long term growth.

DELEGATION OF AUTHORITY

The investment managers will be held responsible for making all investment decisions regarding the assets in the fund and will be accountable for the objectives indicated herein, subject to (1) the specific limitations set forth in this memorandum, and (2) the guidelines and philosophies stated herein.

GUIDELINES

(1) Investment Philosophy – Asset Allocation

The total asset allocation of the fund should fall within the following parameters:

| | |
|---------------------------|---------------------|
| Cash and Cash Equivalents | 0 – 5% |
| Fixed Income | 35 – 45% Target 40% |
| Equity | 55 – 65% Target 60% |

(2) Preservation of Principal

It is the intention of the Trustees that the investment managers make reasonable efforts to preserve the principal of the funds provided to them but preservation of the principal shall not be imposed on each individual investment.

(3) Types of Assets

In order to provide the investment managers with freedom to invest in various types of assets, the following list of assets is expressly approved for investment:

- Common Stocks and ADR's
- Preferred Stocks
- Covered Call Option Contracts
- Mutual Funds or Exchange Traded Funds (ETF)
- International Mutual Funds or International Exchange Traded Funds (ETF)
- U.S. Government Securities
- Commercial Paper
- Convertible Securities
- Fixed income securities of investment grade quality
- Collateralized Mortgage Obligations
- Money Market Funds
- Real Estate as represented by REIT's
- Zero Coupon Securities

All assets selected for the portfolio must have an ascertainable market value. The following assets and/or transactions are expressly prohibited:

| | |
|---------------|--|
| Naked Options | Hedge Funds |
| Naked Puts | Derivatives (excluding asset backed or pass through |
| Commodities | mortgages) |

(4) Diversification of Securities

The Trustees believe that it is necessary and desirable that securities held in the fund represent a cross section of the economy. The investment managers will be allowed to choose the degree of concentration in any economy. However, no equity investment in any one company shall exceed 7% of the equity portfolio; and no fixed income investment in any one company shall

exceed 5% of the fixed income portfolio. There are no restrictions on the amount that may be invested in U.S. government securities.

(5) Cash and Cash Equivalents

All cash, wherever and whenever possible, should be invested in interest bearing securities. These securities should be free from risk of loss or price fluctuation and instantly saleable.

(6) Investment Markets – Fixed Income

The fixed income segment of the portfolio shall be compared against the Barclays Capital Intermediate Gov't/Credit Bond Index. No single income security should exceed 5% of the fixed income segment with the exception of the U.S. Government and agency securities.

(7) Investment Markets – Equities – Style Diversification

In order to broaden the investment opportunities for the investment managers to achieve the objectives set forth herein, they are permitted to invest in ETF's and mutual funds in order to achieve equity style diversification within the following parameters:

| <u>Category</u> | <u>Allocation</u> |
|-----------------|-------------------|
| Large Cap Core | 60 – 85% |
| International | 5 – 15% |
| Mid Cap | 5 – 10% |
| Small Cap | 5 – 10% |
| Real Estate | 0 – 5% |

The allocations to the various equity categories will be reviewed periodically and rebalanced as the Investment Committee directs.

Initial equity style diversification will be as follows:

| <u>Category</u> | <u>Allocation</u> |
|-----------------|-------------------|
| Large Cap Core | 85% |
| International | 5% |
| Mid Cap | 5% |
| Small Cap | 5% |
| Real Estate | 0% |

PERFORMANCE GOALS

The investment objectives of the fund are long term in nature. The total equity sections of the portfolio will be compared against the S&P 500 Index. For a more detailed view of individual equity segments, each and every section will also be compared against its subcategory. The measurement of investment returns will be measured against the following indices:

- (1) Fixed Income – Barclays Capital Intermediate Gov't/Credit Bond Index
- (2) Total Equity Allocation and Large Cap Core Equities – S&P 500
- (3) International Equities – EAFE Index
- (4) Small Cap Equities – Russell 2000 Index
- (5) Mid Cap Equities – Russell Mid Cap Index
- (6) Real Estate Investment Trusts – S&P REIT Index (SPREIT)

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- (5) Statement of all income received and expenses paid
- (6) Statement of all realized gains and losses

Accepted:

Highland Capital Management, LLC

By: David L. Shomp Date: 6-9-2022

Gallatin Department of Electricity Other Post Employment Benefit Plan

By: Mark Kimball Date: 6-9-2022

Tennessee State Funding Board



Debt Management Policy

Prepared by
Division of State Government Finance

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Debt Management Policy

Introduction

Debt management policies provide written guidance about the amount and type of debt issued by governments, the debt issuance process, and the management of the debt portfolio. A debt management policy tailored to the needs of the State of Tennessee (the “State”) and the Tennessee State Funding Board (the “Board”): (1) identifies policy goals and demonstrates a commitment to long-term financial planning, including a multi-year capital plan; (2) improves the quality of decisions concerning debt issuance; and (3) provides justification for the structure of debt issuance. Adherence to its debt management policy signals to rating agencies and the capital markets that the State is well-managed and able to meet its obligations in a timely manner.

Debt levels and their related annual costs are important financial considerations that impact the use of current resources. An effective debt management policy provides guidelines for the State to manage its debt program in line with those resources.

The debt program for the State includes general obligation debt issued by the State for which the State has pledged its full faith and credit for the payment of both principal and interest. The Board is the entity authorized to issue general obligation debt of the State and issues all general obligation debt in the name of the State pursuant to authorization by the General Assembly. The Board is comprised of the Governor, the State Comptroller of the Treasury, the Secretary of the State, the State Treasurer and the Commissioner of Finance and Administration.

The Division of State Government Finance (SGF) serves as staff to the Board. The Director of SGF serves as the Assistant Secretary to the Board.

Goals and Objectives

The Board is establishing this Debt Management Policy (the “Policy”) as a tool to ensure that financial resources are sufficient to fulfill the State’s long-term capital plan. In addition, this Policy helps to ensure that financings undertaken by the Board satisfy certain clear objective standards designed to protect the State’s financial resources and to meet its long-term capital needs.

A. The goals of this Policy

- To document responsibility for the oversight and management of debt-related transactions;
- To define the criteria for the issuance of debt;
- To define the types of debt approved for use within the constraints established by the General Assembly;
- To define the appropriate uses of debt;
- To define the criteria for the refunding of debt or the use of alternative debt structures; and
- To minimize the cost of issuing and servicing debt.

B. The objectives of this Policy

- To establish clear criteria and promote prudent financial management for the issuance of all debt obligations;
- To identify legal and administrative limitations on the issuance of debt;
- To ensure the legal use of the Board's debt issuance authority;
- To maintain appropriate resources and funding capacity for present and future capital needs;
- To protect and enhance the State's credit rating;
- To evaluate debt issuance options;
- To promote cooperation and coordination with other stakeholders in the financing and delivery of services;
- To manage interest rate exposure and other risks; and
- To comply with Federal Regulations, laws of the state of Tennessee, and generally accepted accounting principles ("GAAP").

Debt Management/General

A. Purpose and Use of Debt Issuance

- Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State (including Title 9, Chapter 9, of the TCA and various bond authorizations enacted by the General Assembly of the State), pursuant to resolutions adopted by the Board.
- Debt may be issued for public purposes of respective State departments and institutions, among others, including without limitation to make grants to counties, metropolitan governments, incorporated towns, cities, special districts of the State, or government agencies or instrumentalities of any of them.
- Debt may be used to finance capital projects authorized by the General Assembly through Bond Acts, included in the Capital Budget and/or approved by the State Building Commission and to fund discount and costs of issuance, limited to 2.5% of the amount allocated in the bond authorizations.
- Debt may be authorized to fund highway improvements. Such authorization is used as a cash management tool and gives budget authority to enter into various contracts for highway capital improvements. The projects are not constructed until the current revenue is available to pay the State's share of the projects. Highway bond authorization is canceled once projects have been funded with current funds.
- Debt may only be used to fund operating expenditures when such debt is repaid in the fiscal year issued.
- Prior to the issuance of bonds, bond anticipation notes may be issued for the payment of costs of projects as authorized by the bond authorization and a resolution of the Board.
- Bonds may be issued to refund outstanding debt.

B. Debt Capacity Assessment

- The “debt service coverage” test (the “Test”) shall be used to compute the maximum principal amount of bonds that the Board can issue after July 1, 2013. The first step of the Test is to calculate the amount necessary to pay the maximum annual debt service in the then current or any future fiscal year on all outstanding bonds and bonds proposed to be issued (the “Debt Service Amount”). The second and final step of the Test is to compare the Debt Service Amount with the amount of total state tax revenue (as defined in Section 9- 9-104, of the TCA) that was allocated to the general fund, debt service fund and highway fund for the immediately preceding fiscal year (the “Total Tax Revenue Amount”). If the Debt Service Amount is not greater than ten percent (10%) of the Total Tax Revenue Amount, then the bonds may be issued.
- If the Debt Service Amount is six percent (6%) or more of the Total Tax Revenue Amount, the Board shall cause a debt capacity study to be conducted on an annual basis until the Debt Service Amount drops below six percent (6%) of the Total Tax Revenue Amount.

C. Federal Tax Status

- **Tax-Exempt Debt** – The Board will use its best efforts to maximize the amount of debt sold under this Policy using tax-exempt financing based on the assumptions that tax- exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of financed projects, and investment constraints.
- **Taxable Debt** – The Board will sell taxable debt when necessary to finance projects not eligible to be financed with tax-exempt debt. However, the Board may finance taxable projects within the permitted limits of tax-exempt financings whenever possible.

D. Legal Limitations on the Use of Debt

- No debt obligation, except as shall be repaid within the fiscal year of issuance, shall be sold to fund the current operation of any state service or program.
- The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized.
- Debt may only be issued under a bond authorization for which the General Assembly has appropriated sufficient funds to pay the first year’s obligation of principal and interest, and when the Board has determined that such funds are available.
- No debt may be issued for a period longer than the useful life of the capital project it is funding.

Types of Debt

A. Bonds

Security – Pursuant to Section 9-9-105, of the TCA, the Board may issue general obligation bonds, which are direct general obligations of the State payable as to both principal and interest from any funds or monies of the State from whatever source derived. The full faith and credit of the State is pledged to the payment of principal of and interest on all general obligation bonds. Subject only to Section 9-9-104(a), of the TCA, all general obligation debt constitutes a charge and lien upon the entire fees, taxes and other revenues and funds allocated to the general fund, the debt service fund, and the highway fund.

These bonds may be structured as:

- **Fixed Interest Rate Bonds** – Bonds that have an interest rate that remains constant throughout the life of the bond.
 - Serial Bonds
 - Term Bonds
- **Variable Interest Rate Bonds** – Bonds which bear a variable interest rate but do not include any bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate. Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution.
- **Capital Appreciation Bonds** – A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded interest rate until maturity, at which time the investor receives a single payment representing both the initial principal amount and the total investment return.

B. Short-Term Debt

Pending the issuance of the definite bonds authorized by the bond authorizations, the Board may issue short-term debt from time to time as needed to fund projects during the construction phase. Such debt shall be authorized by resolution of the Board. Short-term debt may be used for the following reasons:

- To fund projects with an average useful life of ten years or less. The Board may provide that the short-term debt issued may mature more than five years from the date of issue of the original short-term debt; provided, that an amortization schedule of principal repayment is established for the project funded by the short-term debt and provisions are made such that any short-term debt or renewal of short-term debt or bond refunding such short-term debt attributed to the financing of such project shall be redeemed or retired no later than the useful life of the project and no later than either twenty-five years from the date of such original short-term debt or twenty years from the date the project is completed and placed into full service, whichever is earlier.
- To fund projects during the construction phase of the projects.
- To fund cash flow deficits when repaid in the fiscal year in which the debt was issued.

Short-term debt is typically issued during the construction period to take advantage of the lower short-term interest rates. Short-term debt will be subsequently repaid with proceeds from the sale of long-term debt. Short-term debt may include:

- **Bond Anticipation Notes (“BANs”)** – BANs are short-term interest-bearing securities generally issued to finance a capital project during construction.
- **Commercial Paper (“CP”)** – CP is a form of BANs that has a maturity up to 270 days, may be rolled to a subsequent maturity date. It can be issued incrementally as funds are needed.
- **Fixed Rate Notes** – Notes issued for a period less than three years at a fixed interest rate.

- **Variable Rate Notes** – Notes issued for a period less than three years which bear variable interest rates until redeemed. Provisions as to the calculation or change of variable interest rates shall be included in the authorizing resolution.
- **Revolving Credit Facility** – A form of BANs involving the extension of a line of credit from a bank. The bank agrees that the revolving credit facility can be drawn upon incrementally as funds are needed. The draws upon the line of credit may bear variable interest rates until redeemed. Provisions as to the calculation or change of variable interest rate shall be included in the authorizing credit agreement.
- **Tax and Revenue Anticipation Notes (“TRANs”)** - TRANs are short term notes secured by a pledge of taxes and other general fund revenues in the current fiscal year of the State. TRANs, if issued, will constitute direct obligations of the State backed by the full faith and credit of the State. All TRANs will be redeemed in the same fiscal year in which they are issued.

Debt Management Structure

The Board shall establish by resolution all terms and conditions relating to the issuance of debt and will invest all proceeds pursuant to the terms of the Board’s authorizing resolution and the State’s investment policy.

A. Term

The term of any debt (including refunding debt) used to purchase or otherwise obtain or construct any equipment, goods, or structures shall have a reasonably anticipated lifetime of use equal to or less than the average useful life of the project. The final maturity of the bond debt should be limited to twenty (20) years after the date of issuance or the date the project is deemed complete or placed in service, whichever is earlier unless otherwise permitted by the Bond Act and approved by the Board in the Bond Resolution.

B. Debt Service Structure

Debt issuance shall be planned to achieve level principal over a twenty-year period unless otherwise specified in the Bond Act. The Board shall avoid use of bullet or balloon maturities; this does not include term bonds with mandatory sinking fund requirements or capital appreciation bonds.

No debt shall be structured with other than at least equal principal repayment unless such structure is specifically approved by unanimous vote of the members of the Board.

C. Call Provisions

When issuing new debt, the structure may include a call provision that occurs no later than ten years from the date of delivery of the bonds. Call provisions should be structured to provide the maximum flexibility relative to cost. The State will avoid the sale of long-term non-callable bonds absent careful evaluation by SGF in consultation with the Financial Advisor with respect to the value of the call option.

D. Original Issuance Discount/Premium

Bonds sold with original issuance discount/premium are permitted with the approval of the Board. The Board is authorized to sell bonds in amounts not to exceed 2.5% of the amount stated in the bond act for funding discounts.

Refunding Outstanding Debt

The Board may refund outstanding bonds by issuing new bonds. The Board's staff with assistance from the Board's financial advisor (the "Financial Advisor") shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Financial Advisor will conduct an analysis of all refunding candidates at least semiannually to identify potential refunding candidates from the outstanding bond maturities.

A. Refunding Opportunities

The bonds may be considered for refunding when:

Advance Refunding:

- The refunding results in present value savings of at least 4% per series of refunded bonds. Consideration will be given to escrow efficiency when reviewing refunding candidates.

Current Refunding:

- The refunding results in aggregate present value savings of at least 2% per series of refunded bonds; or
- The present value savings per series must be equal to or greater than twice the cost of issuance allocable to the refunding series.

Refunding for Other Purposes:

- The refunding of the bonds is necessary due to a change in the use of a project that would require a change to the tax status of the bonds; or
- The project is sold or no longer in service while still in its amortization period; or
- Restrictive covenants prevent the issuance of other debt or create other restrictions on the financial management of the project and revenue producing activities.

After consultation with the Financial Advisor, the Comptroller may waive the foregoing refunding considerations given that the sale of refunding bonds will still accomplish cost savings to the public. Such waiver shall be reported in writing to the Board at its next meeting.

Present Value Savings Calculation

Unless otherwise agreed upon by the SGF and the Financial Advisor, the present value savings shall be calculated for each series of refunding bonds (whether or not issued at the same time) by comparing the debt service on the refunding bonds to the remaining debt service on the bonds to be refunded thereby, present valued to the issue date of such refunding bonds at a discount rate equal to the arbitrage yield on such refunding bonds calculated (whether for tax-exempt bonds or taxable bonds) in the same manner as arbitrage yield is calculated for Federally tax-exempt bonds; provided, however, if a series of bonds is being issued for the purpose of refunding bonds to be refunded and for other purposes the discount rate is equal to the arbitrage yield of the series of bonds.. Percentage present value savings shall be expressed as a percentage of the par amount of such bonds to be refunded.

Escrow Efficiency

Escrow efficiency is determined by dividing the present value savings by the perfect escrow cost. The perfect escrow cost is the sum of the present value savings plus the absolute value of the negative arbitrage in the escrow.

B. Term of Refunding Issues

The bonds will have a term not extending beyond the fiscal year of the latest outstanding maturity of the originally issued debt. No backloading of debt will be permitted.

C. Escrow Structuring

The Board shall structure refunding escrows using legally permitted securities deemed to be prudent under the circumstances and will endeavor to utilize the least costly securities unless considerations of risk, reliability and convenience dictate otherwise. The Board will take competitive bids on any selected portfolio of securities and will award to the lowest cost provider giving due regard to considerations of risk and reliability or unless State and Local Government Series securities (“SLGS”) are purchased directly from the Federal Government. The provider must guarantee the delivery of securities except for SLGs. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Board from its own account.

D. Arbitrage

The Board shall take all reasonable steps to optimize escrows and to avoid negative arbitrage in its refunding subject to 9-4-602 and 9-4-603, of the TCA. Any positive arbitrage will be rebated as necessary according to federal guidelines (see also “Federal Regulatory Compliance and Continuing Disclosure – A. Arbitrage”).

E. Cost of Issuance

Costs of issuance includes fees paid for professional services provided to the Board in the debt issuance process, including underwriting fees.

Methods of Sale

Pursuant to Section 9-9-205 and 9-9-207, of the TCA, general obligation bonds issued by the Board shall be sold in such manner as may be determined and approved by the Board. Following each sale, the SGF with the assistance of the Financial Advisor shall provide a report to the Board on the results of the sale.

A. Competitive Sale

In a competitive sale, the Board’s bonds are posted for auction sale and awarded to the bidder providing the lowest true interest cost as long as the bid conforms to the requirements set forth in the official notice of sale. The competitive sale is the Board’s preferred method of sale.

B. Negotiated Sale

While the Board prefers the use of a competitive process, the Board recognizes some bonds are best sold through negotiation. The underwriting team will be chosen, and the underwriter’s fees negotiated prior to the sale. See section below titled “Selection of Underwriting Team (Negotiated Transaction).” In its consideration of a negotiated sale, the Board will assess the following factors:

- A structure which may require a strong pre-marketing effort such as a complex transaction;
- Volatility of market conditions and whether the Board would be better served by flexibility in timing a sale;
- Size of the bond sale which may limit the number of potential bidders;
- If legal or disclosure issues make it advisable in marketing the bonds;

- Credit strength;
- Whether or not the bonds are issued as variable rate demand obligations;
- Whether the bonds include market sensitive refunding(s); and
- Tax status of the bond(s).

C. Private Placement

From time to time the Board may have a need to consider privately placing its debt. Such placement shall be considered where the size is too small, the structure is too complicated for public debt issuance, the market of purchasers is limited, and/or will result in a cost savings to the Board relative to other methods of debt issuance.

Selection of Underwriting Team (Negotiated Transaction)

If there is an underwriter, the Board shall require the underwriter to clearly identify itself in writing, whether in response to a request for proposals (“RFP”) or in promotional materials provided to the Board or otherwise, as an underwriter and not as a financial advisor from the earliest stages of its relationship with the Board with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm’s-length commercial transaction and that it has financial and other interests that differ from those of the Board. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the Board or its designated official in advance of the pricing of the debt.

A. Senior Manager

The Board with assistance from its staff and financial advisor shall select the senior manager(s) for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:

- Experience in selling Tennessee debt;
- Ability and experience in managing complex transactions;
- Prior knowledge and experience with the Board;
- Willingness to risk capital and demonstration of such risk;
- Quality and experience of personnel assigned to the Board’s engagement;
- Financing ideas presented; and
- Underwriting fees.

B. Co-Managers

Co-managers will be selected on the same basis as the senior manager. The number of co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Board's bonds. The Secretary or Assistant Secretary to the Board will, at his or her discretion, affirmatively determine the designation policy for each bond issue.

C. Selling Groups

The Board may use selling groups in certain transactions to maximize the distribution of bonds to retail investors. Firms eligible to be a member of the selling group, should either have a public finance department or pricing desk located within the boundaries of the State. To the extent that selling groups are used, the Secretary or Assistant Secretary of the Board at his or her discretion may make appointments to selling groups as the transaction dictates.

D. Underwriter's Counsel

In any negotiated sale of the Board's debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager.

Credit Quality

The Board's debt management activities will be conducted to receive the highest credit ratings possible, consistent with Board's financing objectives. If the State's credit ratings are downgraded below the AAA rating, the capital funding and debt strategy will immediately be reviewed and necessary steps within the Board's authority taken to avoid additional downgrades and to restore the AAA rating.

The Office of the Comptroller of the Treasury through the SGF will be responsible for the communication of information to the rating agencies and keeping them informed of significant developments throughout the year. The SGF will schedule rating agency calls and/or visits prior to the issuance of General Obligation bonds.

The Board through the SGF will engage the relevant rating agencies in advance, if the Board decides to move forward with a plan of finance that includes variable rate debt, new CP programs or the use of derivatives.

The Board shall apply for ratings from at least two of the four credit rating agencies. The Board shall fully review the contract with the rating agencies and receive an engagement letter prior to submitting documentation for the rating.

Credit Enhancements

The Board will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus the cost. Only when clearly demonstrable savings can be shown shall an enhancement be utilized. The Board may consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

A. Bond Insurance

The Board may purchase bond insurance when such purchase by the Board is deemed prudent and advantageous. The primary consideration shall be based on whether such insurance is less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the purchaser of the bonds may be allowed to determine whether bond insurance will be used and will be included in the bid for the bonds and will be paid for by the purchaser of the bonds. If the Board decides to purchase insurance, it shall do so on a competitive bid basis whenever practicable. In a negotiated sale, the Board will select a provider whose bid is most cost effective and

will consider the credit quality of the insurer and that the terms and conditions governing the guarantee are satisfactory to the Board.

B. Letters of Credit

The Board may enter into a letter-of-credit (“LOC”) agreement when such an agreement is deemed prudent and advantageous. The Board will prepare and distribute an RFP to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the Board. The LOC will be awarded to the bank or financial institution providing the lowest cost bid with the highest credit quality that meets the criteria established by the State.

C. Liquidity

For variable rate debt requiring liquidity facilities to protect against remarketing risk, the Board will evaluate:

- Alternative forms of liquidity, including direct pay letters of credit, standby letters of credit, and lines of credit, in order to balance the protection offered against the economic costs associated with each alternative;
- Diversification among liquidity providers, thereby limiting exposure to any individual liquidity provider;
- All cost components attendant to the liquidity facility, including commitment fees, standby fees, draw fees, and interest rates charged against liquidity draws; and
- A comparative analysis and evaluation of the cost of external liquidity providers compared to the requirements for self-liquidity.

The winning bid will be awarded to the bank or financial institution providing the lowest cost with the highest credit quality that meets the criteria established by the State.

D. Use of Structured Products

No interest rate agreements or forward purchase agreements will be considered unless the Board has established a policy defining the use of such products before the transaction is considered.

Risk Assessment

The SGF will evaluate each transaction to assess the types and amounts of risk associated with that transaction, considering all available means to mitigate those risks. The SGF will evaluate all proposed transactions for consistency with the objectives and constraints defined in this Policy. The following risks should be assessed before issuing debt:

A. Change in Public/Private Use

The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.

B. Default Risk

The risk that debt service payments cannot be made by the due date.

C. Liquidity Risk

The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing of short-term debt.

D. Interest Rate Risk

The risk that interest rates will rise, on a sustained basis, above levels that would have been set if the issue had been fixed.

E. Rollover Risk

The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of a contract period.

F. Market Risk

The risk that in the event of failed remarketing of short-term debt, the liquidity provider fails.

Transparency

The Board shall comply with the Tennessee Open Meetings Act, providing adequate public notice of meetings and specifying on the agenda when matters related to debt issuance will be considered. All costs (including interest, issuance, continuing, and one-time) shall be disclosed to the citizens in a timely manner. Additionally, the Board will provide certain financial information and operating data by specified dates and provide notice of certain enumerated events with respect to the bonds continuing disclosure requirements as required by the U.S. Securities and Exchange Commission (“SEC”) Rule 15c2-12. The Board intends to maintain transparency by:

- Posting the Official Statement of a bond sale to the Board’s website within two weeks of the closing of such sale;
 - Preparing and filing with the Division of Local Government Finance (LGF) a copy of the costs related to the issuance of a bond and other information as required by Section 9-21-151, of the TCA, within 45 days of the closing of such sale, and presenting the original of such document to the Board at its next meeting (see also “Debt Administration – B. Post Sale”); and
- Electronically submitting through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website the information necessary to satisfy the Board’s continuing disclosure requirements for the bonds in a timely matter (see also “Federal Regulatory Compliance and Continuing Disclosure”).

Professional Services

The Board requires all professionals engaged to assist in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by the Board. This includes “soft” costs or compensations in lieu of direct payments.

A. Issuer’s Counsel

The Board will enter into an engagement letter agreement with each lawyer or law firm representing the Board in a debt transaction. No engagement letter is required for any lawyer who is an employee of the Office of Attorney General and Reporter for the State of Tennessee who serves as counsel to the Board or of the Office of General Counsel, Office of the Comptroller of the Treasury, which serves as counsel to the SGF regarding Board matters.

B. Bond Counsel

Bond counsel shall be engaged through the SGF and serves to assist the Board in all its general obligation debt issues under a written agreement.

C. Financial Advisor

The Financial Advisor shall be engaged through the SGF and serves and assists the Board on financial matters under a written agreement. However, the Financial Advisor shall not be permitted to bid on, privately place or underwrite an issue for which it is or has been providing advisory services. The Financial Advisor has a fiduciary duty including a duty of loyalty and a duty of care.

D. Dealer

The Board will enter into a Dealer Agreement with the appointed CP dealer. The Dealer agrees to offer and sell the CP, on behalf of the Board, to investors and other entities and individuals who would normally purchase CP.

E. Issuing and Paying Agent

The Board covenants to maintain and provide an Issuing and Paying Agent at all times while the CP is outstanding. The Board will enter into an Issuing and Paying Agency Agreement with an appointed firm. The Issuing and Paying Agent will be a bank, trust company, or national banking association that has trust powers.

F. Credit/Liquidity Provider

The Board shall enter into a Credit/Liquidity Agreement with an appointed provider if deemed necessary or advisable for the CP. The provider shall be a bank, lending institution or the Tennessee Consolidated Retirement System (“TCRS”) that extends credit to the Board in the form of a revolving credit facility, a line of credit, a loan or a similar credit product or as a liquidity facility for CP.

G. Refunding Trustee

The Refunding Trustee shall be appointed by resolution of the Board adopted prior to the issuance of any refunding bonds. The Refunding Trustee will be a bank, trust company or national banking association that provides Paying Agent or Registrar services.

H. Verification Agent

The Verification Agent will be selected through a request for proposal process prior to the issuance of refunding bonds. The Verification Agent primarily verifies the cash flow sufficiency to the call date of the escrowed securities to pay the principal and interest due on the refunded bonds.

I. Escrow Bidding Agent

The Escrow Bidding Agent will be selected through a request for proposal process prior to the issuance of refunding bonds. With regards to structuring the refunding escrow with investment securities, the Escrow Bidding Agent will prepare bidding specifications, solicit bids for investment securities, review and evaluate responses to the bids, accept and award bids, and provide final certification as to completion of requirements.

Potential Conflicts of Interest

Professionals involved in a debt transaction hired or compensated by the Board shall be required to disclose to the Board existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators and other issuers whom they may serve. This disclosure shall include such information that is reasonably sufficient to allow the Board to appreciate the significance of the relationships.

Professionals who become involved in a debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure provision. No disclosure is required if such disclosure would violate any rule or regulation of professional conduct.

Debt Administration

A. Planning for Sale

In planning for the sale of bonds, the procedures outlined below will be followed:

- Prior to submitting a bond resolution for approval, the Director of the SGF (the “Director”), with the assistance of the Financial Advisor, will present to staff of the members of the Board information concerning the purpose of the financing, the estimated amount of financing, the proposed structure of the financing, the proposed method of sale for the financing, members of the proposed financing team, and an estimate of all the costs associated with the financing, and;
- In addition, in the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the Director will present the rationale for using the proposed debt structure, an estimate of the expected savings associated with the transaction and a discussion of the potential risks associated with the proposed structure.
- The Director (with the assistance of staff in the SGF), Bond Counsel, Financial Advisor, along with other members of the financing team will prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

B. Preparing for Bond Closing

In preparation for the bond closing, the procedures outlined below will be followed:

- The Director (with the assistance of staff in the SGF), Bond Counsel, and Financial Advisor, along with other members of the financing team will prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.
- The Financial Advisor will provide a closing memorandum with written instructions on transfer and flow of funds.
- The Board’s staff, with assistance from the Financial Advisor, will evaluate each bond sale after completion to assess the following: costs of issuance including the underwriter’s compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credit, if applicable.
- The Director will present a post-sale report to the members of the Board describing the transaction and setting forth all the costs associated with the transaction.
- Within 45 days from closing, the Director will prepare a Form CT-0253 - “Report on Debt

Obligation” outlining costs related to the issuance and other information set forth in Section 9-21-151, of the TCA, and also present the original at the next meeting of the Board and file a copy with the LGF.

- The Director will establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal Revenue Code, over the life of bonds reporting to the Internal Revenue Service (IRS) all arbitrage earnings associated with the financing and any tax liability that may be owed.
- The Post-Issuance Compliance (“PIC”) team will meet annually to review matters related to compliance and complete the PIC checklist.
- As a part of the PIC procedures, the Director (with the assistance of staff in the SGF) will, no less than annually, request confirmation from the responsible departments that there has been no change in use of tax-exempt financed facilities.

Federal Regulatory Compliance and Continuing Disclosure

A. Arbitrage

The SGF will comply with arbitrage requirements on invested tax-exempt bond funds. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by the IRS. The Board will comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earnings on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code, Section 148. The Board currently contracts with an arbitrage consultant to prepare these calculations, when needed. The Board will also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

B. Investment of Proceeds

Any proceeds or other funds available for investment by the Board must be invested per Section 9-9-110 of the TCA, subject to any restrictions required pursuant to any applicable bond issuance authorization. Compliance with federal tax code arbitrage requirements relating to invested tax-exempt bond funds will be maintained.

Proceeds used to refund outstanding long-term debt shall be placed in an irrevocable refunding trust fund with a Refunding Trustee. The investments (i) shall not include mutual funds or unit investments trusts holding such obligations, (ii) are rated not lower than the second highest rating category of both Moody’s Investors Service, Inc. and Standard and Poor’s Global rating services and (iii) shall mature and bear interest at such times and such amounts as will be sufficient without reinvestment, together with

any cash on deposit, to redeem the bonds to be refunded and to pay all interest coming due on the bonds to be refunded.

C. Disclosure

The Board will disclose on EMMA the State’s audited Comprehensive Annual Financial Report as well as certain financial information and operating data required by the continuing disclosure undertakings for the outstanding bonds no later than January 31st of each year. The Board will timely disclose any failure to provide required annual financial information by January 31st. The Board will also, in accordance with the continuing disclosure undertakings, disclose on EMMA within ten business days after the occurrence of any of the following events relating to the bonds to which the continuing disclosure undertakings apply:

- Principal and interest payment delinquencies
- Nonpayment-related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of such bonds or other material events affecting the tax status of such bonds
- Modifications to rights of bond holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing the repayment of the bonds, if material
- Rating changes
- Bankruptcy, insolvency, receivership, or similar event of the State
- Consummation of a merger, consolidation, or acquisition of the issuer or sale of all or substantially all of the assets of the Board, other than in the course of ordinary business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of successor trustee or the change of name of a trustee if material
- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

Generally Accepted Accounting Principles (GAAP)

The Board will comply and prepare its financial reports in accordance with the standard accounting practices adopted by the Governmental Accounting Standards Board and with the accounting policies established by the Department of Finance and Administration when applicable.

Review of the Policy

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. The Board maintains the right to modify these guidelines and may make exceptions to any of them at any time to the extent that the execution of such debt achieves the Board's goals.

This policy will be reviewed by the Board no less frequently than annually. At that time, the Director will present any recommendations for any amendments, deletions, additions, improvement, or clarification.

Adoption of the Policy

1. After a public hearing on August 24, 2011, the Board adopted the Policy on September 8, 2011, effective September 8, 2011.
2. After a public hearing on September 16, 2013, the Board adopted the amended Policy on September 16, 2013, effective September 16, 2013.
3. After a public hearing on May 11, 2017, the Board adopted the amended Policy on May 11, 2017, effective May 11, 2017.
4. After a public hearing on March 2, 2018, the Board adopted the amended Policy on March 2, 2018, effective March 2, 2018.
5. After a public hearing on June 27, 2019, the Board adopted the amended Policy on June 27, 2019, effective June 27, 2019.
6. After a public hearing on July 22, 2021, the Board adopted the amended Policy on July 22, 2021, effective July 22, 2021.



Secretary
Tennessee State Funding Board

Annual Review

The Board has reviewed and accepted the Debt Management Policy on:

October 8, 2014

November 19, 2015

July 20, 2020

July 26, 2022

State of Tennessee
General Obligation Debt Program

As of June 30, 2022
(unaudited)

| | <u>Taxable</u> | <u>Tax-Exempt</u> | <u>Total</u> |
|------------------------------|-----------------------|--------------------------|---------------------|
| Commercial Paper Outstanding | \$24,063,000 | \$65,500,000 | \$89,563,000 |
| | <u>Taxable</u> | <u>Tax-Exempt</u> | <u>Total</u> |
| Bonds Outstanding | \$676,010,000 | \$860,665,000 | \$1,536,675,000 |

State of Tennessee
General Obligation Commercial Paper Program

Analysis for the period July 1, 2021, to June 30, 2022
(unaudited)

| | <u>Taxable</u> | <u>Tax -Exempt</u> |
|------------------------|-----------------------|---------------------------|
| Average Daily Balance | \$28,650,397 | \$58,009,523 |
| Interest Rate | 0.08 – 1.12% | 0.10 – 1.45% |
| Weighted Average Yield | 0.34% | 0.35% |

Expenses for FY22

| | |
|--------------------------------|-------------|
| Commercial Paper Interest | \$ 185,044 |
| Standby Purchase Agreement Fee | \$1,225,000 |
| Dealer Services Fee | \$ 43,330 |
| Issuing & Paying Agent Fee | \$ 3,000 |
| Rating Fees | \$ 10,000 |