

**TENNESSEE STATE SCHOOL BOND AUTHORITY
FEBRUARY 10, 2017
AGENDA**

1. Call meeting to order
2. Approval of Minutes from the TSSBA meeting of January 5, 2017
3. Approval of the extension of the Revolving Credit Agreement
4. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
January 5, 2017

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Thursday, January 5, 2017, at 10:30 a.m., in the Legislative Plaza, Room LP-29, Nashville, Tennessee.

The following members were present:

Honorable Justin Wilson, Comptroller
Honorable Tre Hargett, Secretary of State of Tennessee
Honorable David Lillard, State Treasurer
Larry Martin, Commissioner of Finance and Administration
Acting Chancellor David Gregory, Tennessee Board of Regents
Ron Maples, proxy for Dr. Joe DiPietro, President, University of Tennessee

The following member was absent:

Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on September 21, 2016. Mr. Gregory moved approval of the minutes. Mr. Hargett seconded the motion and it was unanimously approved.

Mr. Wilson then recognized Mr. Dick Tracy, Executive Director, Facilities Development, to present the first project for consideration for the Board of Regents:

- East Tennessee State University- Fine Arts Classroom Building (Match Project)(353); Cost: \$52,338,250 of which \$7,500,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate

Mr. Wilson asked if the Office of State and Local Finance ("OSLF") had conducted a review of the project for feasibility. Ms. Sandra Thompson, Director of OSLF stated that the review had been conducted and that pledged revenues were sufficient to cover the projected debt service. Mr. Martin moved approval of the project. Mr. Lillard seconded the motion and it was unanimously approved.

Mr. Wilson called on Mr. Tracy to present the next project for consideration for the Board of Regents:

- Tennessee State University- Health Sciences Facility (Match Project)(528); Cost: \$38,800,000 of which \$3,950,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate

Mr. Wilson asked if OSLF had conducted a review of the project for feasibility. Ms. Thompson stated that the review had been conducted and that pledged revenues were sufficient to cover the projected debt service. Mr. Lillard moved approval of the project. Mr. Martin seconded the motion and it was unanimously approved.

Mr. Wilson called on Mr. Tracy to present the final project for consideration for the Board of Regents:

- Tennessee Technological University - Laboratory Science Building and Infrastructure (Match Project)(928); Cost: \$90,114,000 of which \$6,000,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate

Mr. Wilson asked if OSLF had conducted a review of the project for feasibility. Ms. Thompson stated that the review had been conducted and that pledged revenues were sufficient to cover the projected debt service. Mr. Martin moved approval of the project. Mr. Lillard seconded the motion and it was unanimously approved.

Mr. Wilson then recognized Mr. Robbi Stivers, Executive Director, Office of Capital Projects, to present a project for consideration for the University of Tennessee:

- University of Tennessee, Knoxville - Campus Beautification (Phase 2)(A89); Cost: \$4,175,000 all of which will be funded by TSSBA; Term of Financing: 20 years as long-term financing at an assumed tax-exempt rate

Mr. Wilson asked if OSLF had conducted a review of the project for feasibility. Ms. Thompson stated that the review had been conducted and that pledged revenues were sufficient to cover the projected debt service. Mr. Lillard moved approval of the project. Mr. Martin seconded the motion and it was unanimously approved.

Mr. Wilson asked if there was any other business to be presented. Hearing none, Mr. Wilson adjourned the meeting.

Approved on this ____ day of _____, 2017

Respectfully submitted,

Sandra Thompson
Assistant Secretary



February 7, 2017

Ms. Lauren S. Lowe, Director Public
Financial Management, Inc.
Email: lowel@pfm.com

Dear Lauren:

On behalf of Wells Fargo Bank, N.A. ("Wells Fargo") and U.S. Bank, N.A. ("U.S. Bank") (each a "Bank" and, together, the "Banks"), we are pleased to provide a summary of the proposed renewal of the Revolving Credit Facility dated as of March 20, 2014 (the "Existing Agreement" or the "Existing Facility"), by and among Wells Fargo, U.S. Bank and the Tennessee State School Bond Authority (the "Authority").

In a continued effort to make this transaction as seamless and efficient as possible, the Banks have agreed to have U.S. Bank continue in its role as Administrative and Calculation Agent (the "Administrative Agent") at no additional cost to the Authority. U.S. Bank, as Administrative Agent, will be responsible for managing ongoing administration of the Existing Facility. Ongoing administration of the Existing Facility would include the collection and distribution of fees and financial statements, coordination of advances and repayments, coordination of waivers and amendments, and invoice preparation and distribution. A single draw request will be sent by the Authority to the Administrative Agent. The Administrative Agent will coordinate the funding of drawing requests from moneys received from the Banks and will also receive repayments from the Authority to be distributed to the Banks. Funds will be provided by both Banks but, from the Authority's perspective, it will appear as if it is coming from one funding source.



Structure Summary:

Obligor:

Tennessee State School Bond Authority (the "Obligor").

**Facility Type
and Structure:**

Renewal of the Existing Agreement and the terms shall be consistent with the Existing Agreement except as set forth in this Term Sheet.

Facility Amount:

Wells Fargo	\$150,000,000 in principal
<u>U.S. Bank</u>	<u>\$150,000,000 in principal</u>
Total	\$300,000,000 in principal

Term:

Three (3) years from the effective date of the amendment.

Drawn Rate:

Tax-Exempt Advances shall initially bear interest at a per annum rate of interest equal to the sum of (i) the product of the Index and the Applicable Factor and (ii) the Applicable Spread (the "Tax-Exempt Drawn Rate").

- Index – One-Month LIBOR
- Applicable Factor – 70%
- Applicable Spread – initially 38.5 basis points

Taxable Advances shall initially bear interest at a per annum rate of interest equal to the sum of (i) the product of the Index and the Applicable Factor and (ii) the Applicable Spread (the "Taxable Drawn Rate").

- Index – One-Month LIBOR
- Applicable Factor – 100%
- Applicable Spread – 53 bps

Tax-Exempt and Taxable Drawn Rates will be subject to adjustment as described below.

Undrawn Fee:

The Obligor shall pay to each Bank an Undrawn Fee based upon each Bank's Undrawn Commitment (i.e. the difference between the total Commitment under the Agreement less the outstanding principal amount of Advances made by each Bank) equal to Twenty Three (23.0) basis points, calculated on the basis of a 360 day year and the actual days elapsed, which Undrawn Fee shall be paid quarterly.



- Margin Rate Factor:** The Margin Rate Amount Effective Date shall be the date upon which the change in corporate tax rates becomes effective.
- Downgrade Pricing:** Consistent with the downgrade pricing set forth in the Existing Agreement.
- Bank Counsel:** The Banks will be represented by Chapman and Cutler, LLP.
- Legal Fees:** In connection with an amendment of the Existing Agreement, capped at \$10,000 and in connection with an amendment and restatement of the Existing Agreement, capped at \$20,000.
- General Terms:** The terms set forth in the amendment to the Existing Agreement or an amendment and restatement of the Existing Agreement will reflect the terms set forth in this Term Sheet and otherwise will be substantially similar to those set forth in the Existing Agreement; provided that the Banks will need amendments to the Existing Agreement to reflect:
- (i) a LIBOR Floor with respect to LIBOR based Loans;
 - (ii) minor modifications to the increased cost and withholding tax provisions;
 - (iii) modifications to the OFAC provisions; and
 - (iv) other regulatory type provisions.

Please note that the structure contemplated herein is subject to normal due diligence, formal credit approval, satisfactory documentation, and agreement on terms and conditions, and does not represent an offer or commitment to lend on the part of Wells Fargo or U.S. Bank. This letter should not be construed as an attempt to establish all of the terms and conditions relating to the Facility; it is intended only to be indicative of certain terms and conditions around which credit approval may be sought, and if approved, how the operative documents might be structured. Unless this letter is earlier rescinded, it shall expire automatically without further action or notice by the Banks on February 15, 2017 unless the Authority provides written notice of a formal mandate to the Banks.



Should you have any questions, please do not hesitate to contact either of us at the phone numbers provided below. Thank you for your consideration, and we look forward to working with the Authority and its financing team on this transaction.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ellie Sternberg".

Ellie Sternberg
Vice President
Wells Fargo Bank, N.A.
Phone: (256) 551-4126
Email: ellie.sternberg@wellsfargo.com

A handwritten signature in cursive script, appearing to read "Cameron Parker".

Cameron Parker
Vice President
U.S. Bank, N.A.
Phone: (513) 632-3283
Email: cameron.parker@usbank.com



January 30, 2017

Ms. Sandi Thompson
Director of State and Local Finance
State of Tennessee
James K. Polk Building, Suite 1600
Nashville, TN 37243

pfm

530 Oak Court Drive
Suite 160
Memphis, TN 38117
901.682.8356

pfm.com

Dear Ms. Thompson

PFM Financial Advisors LLC ("PFM") in our capacity as Financial Advisor for the Tennessee State School Bond Authority (the "Authority"), analyzed a renewal of the Revolving Credit Facility dated March 20, 2014 (the "Existing Facility") by and among Wells Fargo, U.S. Bank and the Authority.

The Existing Facility was entered into in March 2014 for a three (3) year term and will expire on March 20, 2017. The Existing Facility replaced the Authority's Commercial Paper program after PFM evaluated multiple short term financing options and determined that a Revolving Credit Facility was the most cost-effective option and eliminated the remarketing risk and bank credit rating risk. PFM can confirm that a Revolving Credit Facility remains the most advantageous to the Authority based on costs and reduction of risks.

The table below shows the terms of the Existing Facility and the proposed terms of the renewal (the "Proposed Facility").

	<u>Existing Facility</u>	<u>Proposed Facility</u>
Tax Exempt Spread	0.370%	0.395%
Taxable Spread	0.500%	0.530%
Undrawn Fee	0.200%	0.230%

In order to compare the cost of the Existing Facility to the Proposed Facility, PFM calculated monthly interest based on actual invoices using the terms of the Proposed Facility for the time period of June 30, 2016 through November 30, 2016; PFM found



that the overall interest cost for this time period increased approximately \$4,000. PFM also calculated quarterly undrawn fees using the terms of the Proposed Facility for the time period of March 31, 2016 through September 30, 2016; PFM found that the quarterly undrawn fees for this time period increased approximately \$33,400.

While the Authority will incur increased costs under the Proposed Facility, PFM feels that the increased costs would be less than the costs required to implement a new revolving credit facility with a new provider.

PFM, based upon our knowledge of the Authority's Program and the review of the Existing Facility and Proposed Facility, recommends that the Authority proceed to negotiate terms and conditions with US Bank and Wells Fargo for the Program for an additional three (3) year term. Our recommendation is based on the Authority's ability to negotiate a First Amendment to the Revolving Credit Agreement with Wells Fargo and U.S. Bank.

PFM Financial Advisors LLC

Laure S. Lowe
Managing Director

**RESOLUTION AUTHORIZING A FIRST AMENDMENT TO
REVOLVING CREDIT AGREEMENT**

WHEREAS, Tennessee State School Bond Authority (the "Authority") has entered into a Revolving Credit Agreement dated as of March 20, 2014 (the "Revolving Credit Agreement") with U.S. Bank National Association ("U.S. Bank") and Wells Fargo Bank, National Association ("Wells Fargo" and, together with U.S. Bank, the "Banks") as several (not joint) lenders thereunder, and U.S. Bank as administrative agent for both Banks; and

WHEREAS, the Revolving Credit Agreement will terminate on March 20, 2017, unless extended as provided therein; and

WHEREAS, the Banks have submitted a proposal to the Authority to extend and amend the Revolving Credit Agreement pursuant to a First Amendment to Revolving Credit Agreement (as authorized hereby, the "First Amendment"); and

WHEREAS, the Authority desires to extend and amend the Revolving Credit Agreement by and pursuant to the First Amendment,

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

SECTION 1. First Amendment. The Authority hereby authorizes the execution by the Secretary of the Authority (or any other officer or member of the Authority designated by him), and delivery to the other parties, of a first amendment to the Revolving Credit Agreement among the Authority, U.S. Bank and Wells Fargo as lenders thereunder, and U.S. Bank as administrative agent, substantially in the form of the "First Amendment to Revolving Credit Agreement" presented to this meeting, with such changes and additions to and omissions from said form as the person executing such first amendment, after consultation with counsel to the Authority, shall approve as necessary or appropriate (the "First Amendment"), such execution and delivery to be conclusive evidence of such approval and consultation; provided, however, that the Commitment Expiration Date (as defined by the First Amendment) shall not be later than March 20, 2020.

SECTION 2. Coordination With Resolution Authorizing Revolving Credit Agreement. The Revolving Credit Agreement and certain matters relating to the implementation thereof were approved by a resolution adopted by the Authority on March 13, 2014, entitled "RESOLUTION AUTHORIZING AND PROVIDING WITH RESPECT TO REVOLVING CREDIT AGREEMENT, LOANS AND PROMISSORY NOTES, AND TERMINATION OF COMMERCIAL PAPER PROGRAM". The provisions of such resolution applicable to the implementation of the Revolving Credit Agreement are incorporated herein as if set forth herein in full; provided, however, that for such purpose, the term "Revolving Credit Agreement" shall be deemed to refer to the Revolving Credit Agreement as amended by the First Amendment.

SECTION 3. Further Authority. All officers and members of the Authority, and other officers and employees of the State, including the Office of State and Local Finance of the State, are hereby authorized to carry out or cause to be carried out the transactions contemplated

by this Resolution, including but not limited to all actions necessary to cause the First Amendment to become effective and to carry out the obligations of the Authority under the Revolving Credit Agreement as amended by the First Amendment.

SECTION 4. Ratification. All action taken prior to the adoption of this Resolution by the officers and members of the Authority, and other officers and employees of the State, including the Office of State and Local Finance of the State, relating to the transactions contemplated by this Resolution are hereby ratified and confirmed.

SECTION 5. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

Adopted this 10th day of February, 2017.

FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT

This First Amendment to Revolving Credit Agreement (this "*Amendment*") dated [_____, 2017 (the "*Amendment Date*"), is by and among the TENNESSEE STATE SCHOOL BOND AUTHORITY (the "*Authority*"), WELLS FARGO BANK, NATIONAL ASSOCIATION, and its successors and permitted assigns ("*Wells Fargo*"), as a bank, and U.S. BANK NATIONAL ASSOCIATION, and its successors and permitted assigns ("*U.S. Bank*" and, together with Wells Fargo, collectively referred to herein as the "*Banks*"), as a bank and as administrative agent for the Banks (the "*Administrative Agent*"). All terms used herein and not defined herein shall have the meanings assigned to such terms in the hereinafter defined Agreement.

WITNESSETH

WHEREAS, the Authority, the Administrative Agent and the Banks have previously entered into the Revolving Credit Agreement dated as of March 20, 2014 (the "*Agreement*"), pursuant to which the Banks provided lines of credit to the Authority to provide a source of funds for the purposes set forth in the Act and the Resolution;

WHEREAS, pursuant to Section 11.2 of the Agreement, the Agreement may be amended by a written amendment thereto, signed by the Authority and the Banks;

WHEREAS, the parties hereto wish to amend the Agreement as set forth herein;

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. AMENDMENTS.

Upon satisfaction of the conditions precedent set forth in Section 3 hereof, the Agreement shall be amended as follows:

1.01. The definitions of the terms "*Commitment Expiration Date*," "*LIBOR*," "*Risk-Based Capital Guidelines*," "*Taxable Applicable Spread*" and "*Tax-Exempt Applicable Spread*" set forth in Section 1.1 of the Agreement are amended in their entireties and as so amended shall be restated to read as follows:

"*Commitment Expiration Date*" means [_____] 2020, unless extended as provided herein.

"*LIBOR*" means the rate of interest per annum for United States Dollar deposits in the London Interbank Market, as quoted by the Administrative Agent from Reuters Screen LIBOR01 Page or any successor thereto, which shall be that one-month LIBOR rate in effect two New York Banking Days (provided that for purposes of determining LIBOR, New York Banking Day shall

also exclude a day on which commercial banks in London, England are authorized by law or executive order to close) prior to the Rate Reset Date, such rate to be reset monthly on each Rate Reset Date. If for any reason such LIBOR is unavailable and/or the Administrative Agent is unable to determine the LIBOR for any period, the Administrative Agent may, at its discretion, either: (a) select a replacement index based on the arithmetic mean of the quotations, if any, of the interbank offered rate by first class banks in London or New York for deposits with comparable maturities or (b) deem LIBOR to be a rate per annum equal to the Administrative Agent's Federal Funds Rate as of the Rate Reset Date for which LIBOR is unavailable or cannot be determined; *provided* that the Administrative Agent shall give prompt written notice to the Authority and the Banks setting forth such change in interest rate, the nature of the circumstances giving rise to such change, and the method of calculating such change if based on a replacement index. If LIBOR or the replacement index or Administrative Agent's Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The Administrative Agent's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"Margin Rate Amount Effective Date" means the date of any change in the Maximum Federal Corporate Tax Rate applicable to the Banks.

"Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations.

"Taxable Applicable Spread" means the rate per annum associated with the Authority Rating, as specified in the applicable pricing matrix below:

(i) For the period commencing on the Effective Date, to but not including [_____], 2017, the Taxable Applicable Spread for such period shall be determined in accordance with the pricing matrix set forth below:

Authority Rating			Applicable Spread basis points (%)
Moody's	S&P	Fitch	

Level I	Aa2 or above	AA or above	AA or above	50.0 bps (0.50%)
Level II	Aa3	AA-	AA-	60.0 bps (0.60%)
Level III	A1	A+	A+	80.0 bps (0.80%)
Level IV	A2	A	A	110.0 bps (1.10%)
Level V	A3	A-	A-	150.0 bps (1.50%)

(ii) For the period commencing on [_____], 2017, and at all times thereafter, the Taxable Applicable Spread for such period shall be determined in accordance with the pricing matrix set forth below:

	<u>Authority Rating</u>			<u>Applicable Spread</u>
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	<u>basis points (%)</u>
Level I	Aa2 or above	AA or above	AA or above	53.0 bps (0.53%)
Level II	Aa3	AA-	AA-	63.0 bps (0.63%)
Level III	A1	A+	A+	83.0 bps (0.83%)
Level IV	A2	A	A	113.0 bps (1.13%)
Level V	A3	A-	A-	153.0 bps (1.53%)

The following paragraph applies to each of the pricing grids set forth in clauses (i) and (ii) above. In the event Authority Ratings are assigned by all three Rating Agencies, and only two of such Authority Ratings are equivalent, the two equivalent Authority Ratings shall be used for purposes of determining the Taxable Applicable Spread. In the event Authority Ratings are assigned by all three Rating Agencies, and no two such Authority Ratings are equivalent, the middle Authority Rating shall be used for purposes of determining the Taxable Applicable Spread. In the event Authority Ratings are assigned by only two Rating Agencies, and such Authority Ratings are not equivalent, the lower Rating shall be used for purposes of determining the Taxable Applicable Spread. Any change in the Taxable Applicable Spread resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in

connection with the adoption of a “*global*” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below “A3,” “A-” or “A-” by any of Moody’s, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, in each such case, the Loans outstanding shall automatically bear interest at the Default Rate, without notice to the Authority. The Authority acknowledges that as of [_____], 2017, the Taxable Applicable Spread is that specified in clause (ii) above for Level I.

“*Tax-Exempt Applicable Spread*” means the rate per annum associated with the Authority Rating, as specified in the applicable pricing matrix below:

(i) For the period commencing on the Effective Date, to but not including [_____], 2017, the Tax-Exempt Applicable Spread for such period shall be determined in accordance with the pricing matrix set forth below:

	Authority Rating			Applicable Spread
	Moody’s	S&P	Fitch	basis points (%)
Level I	Aa2 or above	AA or above	AA or above	37.0 bps (0.37%)
Level II	Aa3	AA-	AA-	47.0 bps (0.47%)
Level III	A1	A+	A+	67.0 bps (0.67%)
Level IV	A2	A	A	97.0 bps (0.97%)
Level V	A3	A-	A-	137.0 bps (1.37%)

(ii) For the period commencing on [_____], 2017, and at all times thereafter, the Tax-Exempt Applicable Spread for such period shall be determined in accordance with the pricing matrix set forth below:

	Authority Rating			Applicable Spread
	Moody's	S&P	Fitch	basis points (%)
Level I	Aa2 or above	AA or above	AA or above	39.5 bps (0.395%)
Level II	Aa3	AA-	AA-	49.5 bps (0.495%)
Level III	A1	A+	A+	69.5 bps (0.695%)
Level IV	A2	A	A	99.5 bps (0.995%)
Level V	A3	A-	A-	139.5 bps (1.395%)

The following paragraph applies to each of the pricing grids set forth in clauses (i) and (ii) above. In the event Authority Ratings are assigned by all three Rating Agencies, and only two of such Authority Ratings are equivalent, the two equivalent Authority Ratings shall be used for purposes of determining the Tax-Exempt Applicable Spread. In the event Authority Ratings are assigned by all three Rating Agencies, and no two such Authority Ratings are equivalent, the middle Authority Rating shall be used for purposes of determining the Tax-Exempt Applicable Spread. In the event Authority Ratings are assigned by only two Rating Agencies, and such Authority Ratings are not equivalent, the lower Rating shall be used for purposes of determining the Tax-Exempt Applicable Spread. Any change in the Tax-Exempt Applicable Spread resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a "global" rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below "A3," "A-" or "A-" by any of Moody's, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, in each such case, the Loans outstanding shall automatically bear interest at the Default Rate, without notice to the Authority. The Authority acknowledges that

as of [_____] , 2017, the Tax-Exempt Applicable Spread is that specified in clause (ii) above for Level I.

1.02. Section 2.6(a) of the Agreement is amended in its entirety and as so amended shall be restated to read as follows:

Section 2.6. Fees. (a) Commitment Fees. The Authority agrees to pay to the Administrative Agent, for the account of the Banks, a nonrefundable annual fee set forth in the pricing grids below (the “*Commitment Fee*”) multiplied by the daily unused Commitment of the Banks. Such Commitment Fee shall be distributed by the Administrative Agent to the Banks pro rata in accordance with such Banks’ respective Commitment Percentages. In the event of a change in the Authority Rating, the Commitment Fee shall be calculated based on the number of basis points set forth in the Level as described in the applicable pricing matrix below (the “*Commitment Fee Rate*”):

(i) For the period commencing on the Effective Date, to but not including [_____] , 2017, the Commitment Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

	Authority Rating			Commitment Fee Rate
	Moody’s	S&P	Fitch	basis points (%)
Level I	Aa2 or above	AA or above	AA or above	20 bps (0.20%)
Level II	Aa3	AA-	AA-	30 bps (0.30%)
Level III	A1	A+	A+	50 bps (0.50%)
Level IV	A2	A	A	80 bps (0.80%)
Level V	A3	A-	A-	120 bps (1.20%)

(ii) For the period commencing on [_____] , 2017, and at all times thereafter, the Commitment Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

	Authority Rating	Commitment Fee Rate
		basis points (%)

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	
Level I	Aa2 or above	AA or above	AA or above	23 bps (0.23%)
Level II	Aa3	AA-	AA-	33 bps (0.33%)
Level III	A1	A+	A+	53 bps (0.53%)
Level IV	A2	A	A	83 bps (0.83%)
Level V	A3	A-	A-	123 bps (1.23%)

The following paragraph applies to each of the pricing grids set forth in clauses (i) and (ii) above. In the event Authority Ratings are assigned by all three Rating Agencies, and only two of such Authority Ratings are equivalent, the two equivalent Authority Ratings shall be used for purposes of determining the Commitment Fee Rate. In the event Authority Ratings are assigned by all three Rating Agencies, and no two such Authority Ratings are equivalent, the middle Authority Rating shall be used for purposes of determining the Commitment Fee Rate. In the event Authority Ratings are assigned by only two Rating Agencies, and such Authority Ratings are not equivalent, the lower Rating shall be used for purposes of determining the Commitment Fee Rate. Any change in the Commitment Fee resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. The Commitment Fee shall be payable quarterly in arrears on the fifteenth (15) day of each January, April, July and October of each calendar year (and if such day is not a New York Banking Day, the next succeeding New York Banking Day) and on the Commitment Expiration Date, or such earlier date on which the Commitment may be terminated in accordance with the terms of this Agreement. The Commitment Fee shall be calculated on the basis of 360-day year and actual days elapsed. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a "global" rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below "A3," "A-" or "A-" by any of Moody's, S&P or Fitch, respectively, or upon the occurrence of and during the

continuance of an Event of Default, in each such case the Commitment Fee Rate shall increase automatically to 1.0% above the Commitment Fee Rate otherwise in effect without notice to the Authority. The Authority acknowledges that as of February [], 2017, the Commitment Fee Rate is that specified in clause (ii) above for Level I.

1.03. Section 5.2(b) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

(b) *Capital or Liquidity Requirements.* If either Bank, any Participant or any Noteholder determines that any Change in Law affecting such Bank, such Participant or such Noteholder, as applicable, or any of their parent or holding companies, if any, regarding capital or liquidity requirements, has or would have the effect of either (A) affecting the amount of capital or liquidity required or expected to be maintained by such Bank, such Participant or such Noteholder, as applicable, or any of their parent or holding companies, if any, or (B) reducing the rate of return on such Bank, such Participant or such Noteholder, or any of their parent or holding companies, capital or liquidity, if any, as a consequence of this Agreement, or making, maintenance or funding of, any Loan hereunder, to a level below that which such Bank, such Participant or such Noteholder, or their respective parent or holding companies could have achieved but for such Change in Law (taking into consideration such Bank's, such Participant's or such Noteholder's policies and the policies of their parent or holding companies with respect to capital or liquidity adequacy, as applicable), then from time to time upon written request of such Bank as set forth in clause (c) of this Section, the Authority shall promptly pay to such Bank, such Participant or such Noteholder, as the case may be, such additional amount or amounts as will compensate such Bank, such Participant or such Noteholder, or their parent or holding companies, as applicable, for any such additional costs incurred or reduction suffered.

1.04. Section 11.11 of the Agreement is amended in its entirety and as so amended shall be restated to read as follows:

Section 11.11. Government Regulations. The Administrative Agent and the Banks hereby notify the Authority that pursuant to the requirements of the Patriot Act each is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Administrative Agent and the Banks to identify the Authority in accordance with

the Patriot Act. The Authority hereby agrees that it shall promptly provide such information upon request by the Administrative Agent and take any other action necessary to enable the Administrative Agent and the Banks to comply with the requirements of the Patriot Act. The Authority shall, promptly following a request by any Bank, provide all documentation and other information that such Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

The Authority shall (a) ensure that no person who controls the Authority is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Authority or from otherwise conducting business with the Authority and (b) ensure that the proceeds of Revolving Loans, Advances and Term Loans shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

1.05. Article XI of the Agreement is amended by adding thereto a new Section 11.13 to appear in the appropriate numerical sequence and to read as follows:

Section 11.13. No Advisory or Fiduciary Responsibility.

The Authority acknowledges and agrees that its dealing with the Administrative Agent and the Banks are solely in the nature of a debtor/creditor relationship and that in no event shall the Administrative Agent or any Bank be considered to be a partner or joint venturer of the Authority. Also, the Authority represents and warrants that it has independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Administrative Agent or any Bank (including agents of the Administrative Agent or any Bank), if any, in deciding to pursue such undertaking. As the Authority is experienced in business, in no event shall the Administrative Agent or any Bank owe any fiduciary or similar obligations to it in connection with the subject transaction. In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Authority, on behalf of itself, its Affiliates, acknowledges and

agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement and the Related Documents provided by the Administrative Agent and each Bank and any Affiliate of the Administrative Agent and each Bank are arm's-length commercial transactions between the Authority and its Affiliates on the one hand, and the Administrative Agent and each Bank and their respective Affiliates, on the other hand, (ii) each of the Authority and its Affiliates has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Authority, on behalf of itself, its Affiliates, is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b)(i) the Administrative Agent and each Bank and their respective Affiliates each are and have been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, have not been, are not, and will not be acting as an advisor, agent or fiduciary, for the Authority or its Affiliates, or any other Person and (ii) neither the Administrative Agent nor any Bank nor their respective Affiliates have any obligation to the Authority or its Affiliates with respect to the transactions contemplated by this Agreement and the Related Documents except those obligations expressly set forth herein; and (c) the Administrative Agent and each Bank and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority and its Affiliates and neither the Administrative Agent nor any Bank nor their respective Affiliates has any obligation to disclose any of such interests to the Authority or its Affiliates.

2. REQUEST FOR EXTENSION OF COMMITMENT EXPIRATION DATE.

The Authority hereby requests that the Banks extend the Commitment Expiration Date to [_____] , 2020, and the Banks agree to such request. The Administrative Agent and all Banks hereby waive the requirement set forth in Section 2.11 of the Agreement that the Authority request the Banks extend the Commitment Expiration Date no later than ninety (90) days prior to the Commitment Expiration Date but only in relation to this Amendment to Agreement and not for any future extension the Commitment Expiration Date.

3. CONDITIONS PRECEDENT.

This Amendment shall be deemed effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent:

3.01. Delivery by the Authority, the Administrative Agent and each Bank of an executed counterpart of this Amendment.

3.02. Delivery to each Bank of an opinion of counsel to the Authority, addressed to the Banks and the Administrative Agent, on behalf of the Banks, to the effect that this Amendment will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Loans and Tax-Exempt Note for federal income tax purposes and such other customary matters as the Banks and their counsel may reasonable request.

3.03. Payment to each Bank on the date hereof of a non-refundable amendment fee with respect to this Amendment equal to \$2,500 for each Bank.

3.04. Payment to counsel to the Banks on the Amendment Date of the reasonable legal fees and expenses of counsel to the Banks (in an amount not to exceed \$10,000).

3.05. Receipt by each Bank of a certified copy of the authorizing resolution of the Authority approving the execution and delivery and performance of its obligations under this Amendment and the Agreement, as amended hereby.

3.06. Receipt by each Bank of a customary certificate executed by appropriate officer of the Authority including the incumbency and signature of the officer of the Authority executing this Amendment.

3.07. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to each Bank and its counsel.

4. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY.

4.01. The Authority hereby represents and warrants that the following statements are true and correct as of the date hereof:

(a) the representations and warranties of the Authority contained in Section 6.1 of the Agreement and in each of the Related Documents are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date, which shall have be true and correct on such earlier date, then such representation or warranty shall be true and correct as of such earlier date, and except that the representations contained in Section 6.1(j) of the Agreement shall be deemed to refer to the most recent financial statements of the Authority delivered to the Administrative Agent, on behalf of the Banks, pursuant to Section 7.1(e)(i) of the Agreement); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

4.02. In addition to the representations given in Section 6.1 of the Agreement, the Authority hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Authority of this Amendment and the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Authority.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Authority of this Amendment or the Agreement, as amended hereby.

(c) This Amendment and the Agreement, as amended hereby, constitute valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against the Authority, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

5. MISCELLANEOUS.

Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement, any Related Document or any communication issued or made subsequent to or with respect to the Agreement or any other Related Document, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. All capitalized terms used herein without definition shall have the same meanings herein as they have in the Agreement. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAW PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402); PROVIDED, HOWEVER THAT THE OBLIGATIONS OF THE AUTHORITY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TENNESSEE.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers hereunto duly authorized as of the Amendment Date.

TENNESSEE STATE SCHOOL BOND AUTHORITY

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as
Administrative Agent and Bank

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Bank

By: _____
Name: _____
Title: _____

REVOLVING CREDIT AGREEMENT

dated as of March 20, 2014

by and among

TENNESSEE STATE SCHOOL BOND AUTHORITY,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Bank

and

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent and as a Bank

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REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT, dated as of March 20, 2014 (this "*Agreement*"), is entered into by and among the TENNESSEE STATE SCHOOL BOND AUTHORITY, a corporate governmental agency and instrumentality of the State of Tennessee (the "*Authority*"), WELLS FARGO BANK, NATIONAL ASSOCIATION and its successors and permitted assigns ("*Wells Fargo*") and U.S. BANK NATIONAL ASSOCIATION and its successors and permitted assigns ("*U.S. Bank*") and as administrative agent for the Banks (the "*Administrative Agent*").

RECITALS

WHEREAS, the Authority wishes to obtain revolving lines of credit from the Banks hereunder and the Banks are willing, upon the terms and subject to the conditions set forth below, to provide the lines of credit to the Authority to provide a source of funds for the purposes set forth in the Act and the Resolution; and

WHEREAS, all obligations of the Authority to repay the Banks for extensions of credit made by the Banks under the lines of credit and to pay all other amounts payable to the Banks arising under or pursuant to this Agreement or the promissory notes to be issued to the Banks hereunder are created under and will be evidenced by this Agreement and such notes and will be secured by a pledge of and lien on the Pledged Collateral (as defined herein), all in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Banks to extend to the Authority the lines of credit, the Authority, the Administrative Agent and the Banks hereby agree as follows:

ARTICLE I

DEFINITIONS

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

"*Act*" means the Tennessee State School Board Authority Act, as amended, Sections 49-3-1201 *et seq.*, Tennessee Code Annotated.

"*Administrative Agent*" means U.S. Bank National Association, in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 10.6 hereof.

"*Administrative Agent's Office*" means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 11.3 hereof.

“*Advance*” means each Revolving Loan requested by the Authority and made by the Banks on a several but not joint basis under the Commitment and pursuant to the terms hereof for the purposes permitted under the Act, the Resolution and this Agreement.

“*Advance Date*” means the date on which an Advance is made by the Banks through the Administrative Agent to the Authority.

“*Affiliate*” means, as to any Person, a corporation, partnership, association, agency, authority, instrumentality, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

“*Agreement*” means this Revolving Credit Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“*Amortization End Date*” means the earliest to occur of (A) the third (3rd) anniversary of the Conversion Date and (B) the date on which any long-term Bonded Debt or other Debt that is senior to or on a parity with the Loans and the Notes is issued by the Authority to repay such Term Loans and (C) with respect to an Advance or a Revolving Loan that has been converted to a Term Loan, the eighth (8th) anniversary of the date on which the related Advance was made.

“*Amortization Payment*” has the meaning set forth in Section 4.5 hereof.

“*Amortization Payment Date*” means (a) the Initial Amortization Payment Date and each three-month anniversary of the Initial Amortization Payment Date occurring thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

“*Amortization Period*” has the meaning set forth in Section 4.5 hereof.

“*Anti-Terrorism Laws*” has the meaning set forth in Section 6.1(r) hereof.

“*Applicable Factor*” means 70%.

“*Applicable Law*” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and non-governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators.

“*Approving Opinion*” means, with respect to any action or matter that may affect a Tax-Exempt Loan, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Related Documents and (ii) will not adversely affect the exclusion of interest on any Tax-Exempt Loan from gross income of the Banks or any Participant for purposes of federal income taxation.

“*Authority*” means Tennessee State School Bond Authority, a corporate governmental agency and instrumentality of the State and its permitted successors and assigns.

“Authority Rating” means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each of Moody’s, S&P and Fitch to the Authority’s Second Program Bonds.

“Authorized Representative” means any of the Chairman, Vice Chairman, Secretary and any Assistant Secretary of the Authority, or any other authorized representative or authorized spokesperson conveying an official position of the Authority or such person at the time and from time to time authorized to act on behalf of the Authority by written certificate furnished to the Administrative Agent.

“Available Revenues” has the meaning set forth in the Resolution.

“Bank” means, individually, U.S. Bank or Wells Fargo.

“Bank Affiliate” means either Bank and any Affiliate of either Bank.

“Bank Agreement” means any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplemental or modification thereto) entered into by the Authority with any Person, directly or indirectly, or otherwise consented to by the Authority, under which any Person or Persons undertakes to make loans or extend credit or liquidity to the Authority in connection with, or purchase on a private placement basis, any Debt secured by or payable from the Pledged Collateral.

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

“Banks” means, collectively, U.S. Bank and Wells Fargo.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.0%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.0%), and (iii) seven percent (7.0%).

“Basel III” means “Basel III - A Global Regulatory Framework for More Resilient Banks and Banking Systems, December 2010” and “Basel III - International Framework for Liquidity Risk Measurement Standards and Monitoring, December 2010” promulgated by the Basel Committee on Banking Supervision, as the same may be amended and supplemented from time to time.

“Bond Counsel” means Hawkins Delafield & Wood LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed and paid by the Authority.

“Bonded Debt” means, as of any date, the Second Program Bonds and any other Debt of the Authority that is secured by a pledge of the Pledged Collateral on a parity with the Second Program Bonds.

“*Change in Law*” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, any Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or any successor Basel accord, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

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

“*Commitment*” means (a) as to either Bank, the obligation of such Bank pursuant to Section 2.1 hereof to make Advances under the terms hereof for the account of the Authority in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Bank’s name on the signature pages hereto, as such amount may be modified at any time or from time to time pursuant to the terms hereof and (b) as to all Banks, the aggregate commitment of all Banks to make Advances, as such amount may be modified at any time or from time to time pursuant to the terms hereof. The aggregate Commitment of all the Banks on the Effective Date shall be \$300,000,000.

“*Commitment Expiration Date*” means March 20, 2017, unless extended as provided herein.

“*Commitment Fee*” has the meaning set forth in Section 2.6(a) hereof.

“*Commitment Fee Rate*” has the meaning set forth in Section 2.6(a) hereof.

“*Commitment Percentage*” means, as to either Bank at any time, the ratio of (a) the amount of the Commitment of such Bank to (b) the aggregate Commitment of both of the Banks.

“*Computation Date*” means the second New York Banking Day preceding each applicable Rate Reset Date.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Authority, are treated as a single employer under Section 414 of the Code.

“*Conversion Date*” means the date on which a Revolving Loan is converted to a Term Loan pursuant to Article IV hereof.

“*Debt*” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person (excluding, however, economic development revenue bonds issued by such Person and other nonrecourse indebtedness of such Person), (vi) all Debt of others guaranteed by such Person and (vii) all obligations of such Person under any Swap Contract, in each case, whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

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

“*Default Rate*” means, for any day, a fluctuating rate per annum equal to the sum of the Base Rate in effect on such day *plus* three percent (3.00%).

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

(i) the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) the date that is one (1) year after the date on which the Administrative Agent notifies the Authority that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability has occurred unless, on or prior to that date, such firm of attorneys shall have withdrawn its opinion that an Event of Taxability has occurred, or, the Authority shall deliver to the Administrative Agent a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability has not occurred;

(iii) the date when the Authority shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other

government official or agent exercising the same or a substantially similar function from time to time) that based upon filings of the Authority (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the Authority, or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) the date when the Authority shall receive notice from the Administrative Agent or either Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of either Bank or any Participant the interest on any Tax-Exempt Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Authority has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined after taking into account any permitted appeals; *provided further, however*, that upon demand from the Administrative Agent, the Authority shall promptly reimburse the Administrative Agent on behalf of either Bank for any payments, including any taxes, interest, penalties or other charges, such Bank shall be obligated to make as a result of the Determination of Taxability.

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

“Effective Date” means March 20, 2014, subject to the satisfaction or waiver by the Banks of the conditions precedent set forth in Section 2.4(a) hereof.

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

“Event of Default” with respect to this Agreement has the meaning set forth in Section 10.1 hereof and, with respect to any other Related Document, has the meaning assigned therein.

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

“Excess Interest Amount” has the meaning set forth in Section 5.4(b) hereof.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by overall net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of either Bank, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) Taxes attributable to such Recipient’s failure (other than as a result of a Change in Law) to comply with Section 5.3(g) hereof, (c) any U.S. federal withholding Taxes imposed under FATCA and (d) any taxes imposed as a result of a Bank’s failure to apply for and receive any legally available exemption from tax or withholding.

“Executive Order” has the meaning set forth in Section 6.1(r) hereof.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

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

“Fiscal Year” means the period commencing on July 1 of each given calendar year and ending on June 30 of the immediately succeeding calendar year, or such similar period as the Authority may designate as its fiscal year.

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

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

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

“Governmental Approval” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“Governmental Authority” means the government of the United States or any state or political subdivision thereof or any other nation or political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“Indemnitee” has the meaning set forth in Section 5.1(a) hereof.

“Indemnified Taxes” means (a) Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes.

“Initial Amortization Payment Date” means the Conversion Date.

“Interest Payment Date” means (a) with respect to any Tax-Exempt Revolving Loan or Taxable Revolving Loan, the fifteenth (15) day of each calendar month (and if such day is not a New York Banking Day, the next succeeding New York Banking Day) and on the Revolving Loan Maturity Date, and (b) as to any Term Loan, the fifteenth (15) day of each calendar month (and if such day is not a New York Banking Day, the next succeeding New York Banking Day), and on the Amortization End Date.

“Interest Period” means, with respect to any Revolving Loan, the period from and including the date such Revolving Loan is made to but excluding the next succeeding Rate Reset Date, and thereafter shall mean the period from and including such Rate Reset Date to but excluding the next succeeding Rate Reset Date.

“Law” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LIBOR” means the rate of interest per annum for United States Dollar deposits in the London Interbank Market, as quoted by the Administrative Agent from Reuters Screen LIBOR01 Page or any successor thereto, which shall be that one-month LIBOR rate in effect two New York Banking Days (provided that for purposes of determining LIBOR, New York Banking Day shall also exclude a day on which commercial banks in London, England are authorized by law or executive order to close) prior to the Rate Reset Date, such rate to be reset monthly on each Rate Reset Date. If for any reason such LIBOR is unavailable and/or the Administrative Agent is unable to determine the LIBOR for any period, the Administrative Agent may, at its

discretion, either: (a) select a replacement index based on the arithmetic mean of the quotations, if any, of the interbank offered rate by first class banks in London or New York for deposits with comparable maturities or (b) deem LIBOR to be a rate per annum equal to the Administrative Agent's Federal Funds Rate as of the Rate Reset Date for which LIBOR is unavailable or cannot be determined; *provided* that the Administrative Agent shall give prompt written notice to the Authority and the Banks setting forth such change in interest rate, the nature of the circumstances giving rise to such change, and the method of calculating such change if based on a replacement index. The Administrative Agent's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" and *"Loans"* means individually, each Revolving Loan and each Term Loan under this Agreement, and collectively the Revolving Loans and the Term Loans under this Agreement.

"Margin Rate Amount" means, for each day, an amount equal to the product of (a) the difference between (i) the MRF Interest Amount for such day and (ii) the amount of interest that accrued on the Tax-Exempt Loans for such day and (b) $1/(1-\text{Maximum Federal Corporate Tax Rate})$.

"Margin Rate Amount Effective Date" means the ninetieth (90th) day after any change in the Maximum Federal Corporate Tax Rate applicable to the Bank.

"Margin Rate Factor" means the greater of (i) 1.0, and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by (b) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change. As of the Effective Date, the Margin Rate Factor is 1.0.

"Material Adverse Effect" means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Authority; (b) a material impairment of the ability of the Authority to perform its obligations under this Agreement, the Notes, the Tax Certificate or the Resolution; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Authority of any of this Agreement, the Notes, the Tax Certificate or the Resolution.

"Maximum Federal Corporate Tax Rate" means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Banks, the maximum statutory rate of federal income

taxation which could apply to the Banks). As of the Effective Date, the Maximum Federal Corporate Tax Rate is 35%.

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

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

“*MRF Interest Amount*” means, for each day, the product of (a) the amount of interest that accrued on the Tax-Exempt Loans for such day multiplied by (b) the Margin Rate Factor.

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

“*New York Banking Day*” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

“*Noteholder*” or “*Holder*” means the holder or owner of a Note.

“*Notes*” means the Tax-Exempt Notes and the Taxable Notes, each evidencing the Loans.

“*OFAC*” has the meaning set forth in Section 6.1(r) hereof.

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

“*Other Connection Taxes*” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Related Document, or sold or assigned an interest in any Loan or the Related Documents).

“*Other Taxes*” means all present or future stamp, court, documentary, excise, property, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document.

“*Participant*” means any entity to which either Bank has granted a participation in the obligations of such Bank hereunder and of the Authority hereunder and under the Notes.

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

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

"Plan" means, with respect to the Authority at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the Authority is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Authority is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Pledged Collateral" means the Available Revenues.

"Prime Rate" means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

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

"Rate Reset Date" means each date on which the interest rate borne by any Loan shall be reset hereunder, and with respect to any Loan, shall mean the first calendar day of each calendar month.

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

"Rating Documentation" has the meaning set forth in Section 2.4(a)(vii) hereof.

"Recipient" means the Administrative Agent or either Bank, any Participant or any Noteholder.

"Reduction Fee" means an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of the permanent reduction of the Commitment pursuant to the terms hereof, (B) the difference between (x) the aggregate Commitment prior to such reduction plus the aggregate principal amount of the Loans outstanding prior to such reduction and (y) the

aggregate Commitment after the reduction and the aggregate principal amount of the Loans outstanding after the reduction and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the first anniversary of the Effective Date, and the denominator of which is 360.

“Reimbursement Obligations” means the obligations of the Authority under this Agreement to repay all Loans, together with interest thereon, pursuant to and in accordance with this Agreement.

“Related Documents” means this Agreement, the Notes, the Tax Certificate, the Resolution and any documents related thereto or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Request for Advance” means any request for an Advance made by the Authority to the Administrative Agent, in the form of Exhibit B hereto, executed and delivered on behalf of the Authority by the manual or facsimile signatures of any Authorized Representative.

“Resolution” means the Resolution Authorizing and Providing with Respect to Revolving Credit Agreement, Loans and Promissory Notes, and Termination of Commercial Paper Program adopted by the Authority on March 13, 2014 as the same may from time to time be amended, supplemented, or otherwise modified in accordance with the terms thereof and hereof.

“Revolving Loan” has the meaning set forth in Section 3.1 hereof.

“Revolving Loan Maturity Date” means, with respect to any Revolving Loan, the Commitment Expiration Date or any earlier Termination Date, but in any event on the date that is the eight (8) year anniversary of the date such Revolving Loan was made.

“Risk-Based Capital Guidelines” means (i) the risk-based capital guidelines in effect in the United States on the Effective Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the Effective Date.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and any successor rating agency.

“Second Program Bond” has the meaning set forth in the Resolution.

“State” means the State of Tennessee.

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

“*Tax Certificate*” means that certain Arbitrage and Use of Proceeds Certificate dated March 20, 2014, by the Authority, relating to the Tax-Exempt Revolving Loans and the Tax-Exempt Term Loans, as the same may be amended, supplemented, modified or restated from time to time.

“*Taxable Applicable Spread*” means the rate per annum associated with the Authority Rating, as specified below:

	<u>Authority Rating</u>			<u>Applicable Spread</u>
	<u>Moody’s</u>	<u>S&P</u>	<u>Fitch</u>	<u>basis points (%)</u>
Level I	Aa2 or above	AA or above	AA or above	50.0 bps (0.50%)
Level II	Aa3	AA-	AA-	60.0 bps (0.60%)
Level III	A1	A+	A+	80.0 bps (0.80%)
Level IV	A2	A	A	110.0 bps (1.10%)
Level V	A3	A-	A-	150.0 bps (1.50%)

In the event Authority Ratings are assigned by all three Rating Agencies, and only two of such Authority Ratings are equivalent, the two equivalent Authority Ratings shall be used for purposes of determining the Taxable Applicable Spread. In the event Authority Ratings are assigned by all three Rating Agencies, and no two such Authority Ratings are equivalent, the middle Authority Rating shall be used for purposes of determining the Taxable Applicable Spread. In the event Authority Ratings are assigned by only two Rating Agencies, and such Authority Ratings are not equivalent, the lower Rating shall be used for purposes of determining the Taxable Applicable Spread. Any change in the Taxable Applicable Spread resulting from a

change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a “global” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below “A3,” “A-” or “A-” by any of Moody’s, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, in each such case, the Loans outstanding shall automatically bear interest at the Default Rate, without notice to the Authority. The Authority acknowledges that as of the Effective Date the Taxable Applicable Spread is that specified above for Level I.

“*Taxable Date*” means the date on which interest on any Tax-Exempt Loan is first includable in gross income of any holder thereof (including either Bank) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable LIBOR Rate*” means a fluctuating rate per annum, determined as of each applicable Computation Date, equal to the sum of (i) the Taxable Applicable Spread plus (ii) LIBOR, as in effect on such Computation Date, rounded upward to the fifth decimal place.

“*Taxable Loan*” and “*Taxable Loans*” means individually and collectively, Taxable Revolving Loans and Taxable Term Loans.

“*Taxable Note*” has the meaning set forth in Section 3.2(b) hereof.

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

“*Taxable Rate*” means, with respect to a Taxable Period, the product of (i) the average interest rate on the Tax-Exempt Loans during such period and (ii) $1/(1-\text{Maximum Federal Corporate Tax Rate})$.

“*Taxable Revolving Loan*” means any Revolving Loan bearing interest at the Taxable LIBOR Rate.

“*Taxable Term Loan*” means a Taxable Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.1 hereof.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“*Tax-Exempt Applicable Spread*” means the rate per annum associated with the Authority Rating, as specified below:

	Authority Rating			Applicable Spread
	Moody’s	S&P	Fitch	basis points (%)
Level I	Aa2 or above	AA or above	AA or above	37.0 bps (0.37%)
Level II	Aa3	AA-	AA-	47.0 bps (0.47%)
Level III	A1	A+	A+	67.0 bps (0.67%)
Level IV	A2	A	A	97.0 bps (0.97%)
Level V	A3	A-	A-	137.0 bps (1.37%)

In the event Authority Ratings are assigned by all three Rating Agencies, and only two of such Authority Ratings are equivalent, the two equivalent Authority Ratings shall be used for purposes of determining the Tax-Exempt Applicable Spread. In the event Authority Ratings are assigned by all three Rating Agencies, and no two such Authority Ratings are equivalent, the middle Authority Rating shall be used for purposes of determining the Tax-Exempt Applicable Spread. In the event Authority Ratings are assigned by only two Rating Agencies, and such Authority Ratings are not equivalent, the lower Rating shall be used for purposes of determining the Tax-Exempt Applicable Spread. Any change in the Tax-Exempt Applicable Spread resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a “*global*” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below “A3,” “A-” or “A-” by any of Moody’s, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, in each such case, the Loans outstanding shall automatically bear interest at the Default Rate, without notice to the Authority. The Authority acknowledges that as of the Effective Date the Tax-Exempt Applicable Spread is that specified above for Level I.

“*Tax-Exempt Loan*” and “*Tax-Exempt Loans*” means individually and collectively, Tax-Exempt Revolving Loans and Tax-Exempt Term Loans.

“*Tax-Exempt Note*” has the meaning set forth in Section 3.2(a) hereof.

“*Tax-Exempt Rate*” means a fluctuating rate per annum, determined as of each applicable Computation Date, equal to the sum of (a) the Tax-Exempt Applicable Spread *plus* (b) the

product of (i) LIBOR, as in effect on such Computation Date, multiplied by (ii) the Applicable Factor, rounded upward to the fifth decimal place.

“Tax-Exempt Revolving Loan” means any Revolving Loan bearing interest at the Tax-Exempt Rate.

“Tax-Exempt Term Loan” means a Tax-Exempt Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.1 hereof.

“Termination Date” means the earliest of (i) the Commitment Expiration Date, as such date may be extended pursuant to Section 2.11 hereof, (ii) the date on which the Commitment is otherwise terminated or reduced to zero in accordance with Section 2.7 hereof and (iii) the date the Commitment terminates by its terms in accordance with Section 9.2 hereof.

“Termination Fee” means an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of termination of the Commitment pursuant to Section 2.7(b) hereof, (B) the sum of the Commitment immediately prior to such termination plus the aggregate amount of all Loans outstanding at such time and (C) a fraction, the numerator of which is equal to the number of days from and including the date of termination to and including the first anniversary of the Effective Date, and the denominator of which is 360.

“Term Loan” means both a Tax-Exempt Term Loan and a Taxable Term Loan.

“Term Loan Rate” means, for each day of determination, a fluctuating rate per annum, with respect to any Term Loan equal to (i) for the period from and including the Conversion Date to and including the 180th day immediately following the Conversion Date, the Base Rate from time to time in effect and (ii) from and after the 181st day immediately following the Conversion Date and thereafter, the sum of the Base Rate from time to time in effect plus 1.00%; provided that from and after the occurrence of an Event of Default, the Term Loan Rate shall mean the Default Rate.

“United States” means the United States of America.

“U.S. Bank” has the meaning set forth in the introductory paragraph hereof.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“Wells Fargo” has the meaning set forth in the introductory paragraph hereof.

Section 1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Sections 6.1(j) hereof and such change shall result in a change in the method of calculation of any financial covenant,

standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the Authority or the Administrative Agent, on behalf of the Banks, may by notice to the other party hereto, require that the Administrative Agent, the Banks, and the Authority negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Authority shall be the same as if such change had not been made. No delay by the Authority, the Administrative Agent or the Banks, in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.2, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Section 1.3. Interpretation. The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (i) the singular includes the plural, and the plural the singular; (ii) words importing any gender include the other gender; (iii) references to statutes are to be construed as including all statutory provisions consolidating and amending, and all regulations promulgated pursuant to, such statutes; (iv) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible font; (v) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; (vi) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (vii) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (viii) section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; (ix) references to Persons include their respective permitted successors and assigns; and (x) in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding." All references to "funds" herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise.

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

Section 1.5. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the Authority of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Authority to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the Authority nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.5, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to

the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

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

ARTICLE II

FACILITIES; APPLICATION AND ISSUANCE OF THE LOANS; PAYMENTS

Section 2.1. Commitments. Subject to the terms and conditions hereof, each Bank, by its acceptance hereof, severally agrees to make a loan or loans in U.S. Dollars to the Authority from time to time on a revolving basis up to the amount of its Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Tax-Exempt Loans and Taxable Loans at any time outstanding shall not exceed the aggregate Commitments of the Banks in effect at such time, and the sum of the aggregate principal amount of Tax-Exempt Loans and Taxable Loans extended by either Bank at any time outstanding shall not at any time exceed such Bank's Commitment. Each Loan by either Bank shall be in a principal amount equal to such Bank's Commitment Percentage of the aggregate principal amount of Loans requested on such occasion. As provided in Section 2.3(c) hereof, the Authority may elect that any such Revolving Loan be either a Tax-Exempt Loan or a Taxable Loan. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof. The Commitment shall terminate on the Commitment Date.

Section 2.2. Application. The Authority hereby applies to each Bank for, and authorizes and instructs each Bank to issue for its account, its Commitment in the amount as set forth herein.

Section 2.3. Making of Advances; Use of Proceeds. (a) Subject to the terms and conditions of this Agreement, each Bank agrees to make Advances from time to time on any New York Banking Day, commencing on the Effective Date and ending on the Termination Date, in amounts not to exceed at any time outstanding its respective Commitment available hereunder; *provided*, that neither Bank shall be required to make more than three (3) Advances during any calendar month. Each Advance requested shall be in a minimum principal amount of \$3,000,000 or any integral multiples of \$500,000 in excess thereof. Each Advance shall be made solely for the purposes set forth in the Act and Resolution; *provided* that in no event shall any of

the proceeds of a Tax-Exempt Loan be used to pay or prepay a Taxable Loan, unless the Authority receives an Approving Opinion of Bond Counsel, which shall also be addressed to each Bank or upon which the Administrative Agent and each Bank is entitled to rely. The aggregate amount of all Advances made on any Advance Date shall not exceed the applicable Commitment (calculated without giving effect to any Advances made on such date) at 11:00 am (New York time) available to be drawn on such date and neither Bank shall be obligated to make Advances in excess of its respective Commitment.

(b) *Reborrowing.* Within the limits of this Section 2.3, the Authority may borrow, repay pursuant to the terms hereof and reborrow under this Section 2.3, subject to the terms and conditions set forth herein.

(c) *Method of Borrowing.* (i) *Requests for Advances.* The Authority shall give the Administrative Agent irrevocable prior written notice substantially in the form of Exhibit B (a "Request for Advance") not later than 11:00 a.m. three (3) New York Banking Days before each Advance, of its intention to borrow, specifying (A) the Advance Date, which shall be a New York Banking Day, (B) the amount of such borrowing, which shall be in an aggregate principal amount of \$3,000,000 or a whole multiple of \$500,000 in excess thereof, and (C) whether the requested Advance shall be a Tax-Exempt Loan or a Taxable Loan. A Request for Advance received after 11:00 a.m. shall be deemed received on the next New York Banking Day. The Administrative Agent shall promptly, and in any event not later than 1:00 p.m. on the date of receipt by the Administrative Agent of a Request for Advance, notify the Banks of each Request for Advance. Pursuant to Section 3.3 hereof, the Administrative Agent shall determine the initial Tax-Exempt Rate or Taxable Rate two (2) New York Banking Days prior to the related Advance Date.

(ii) *Disbursement of Advances.* Not later than 1:00 p.m. on the proposed Advance Date, each Bank will make available to the Administrative Agent, for the account of the Authority, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, such Bank's Commitment Percentage of the Advances be made on such Advance Date. The Authority hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each Advance requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account of the Authority identified in the related Request for Advance or as may be otherwise agreed upon by the Authority and the Administrative Agent from time to time. Subject to Section 2.8 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Advances requested pursuant to this Section to the extent that either Bank has not made available to the Administrative Agent its Commitment Percentage of such Advance.

Section 2.4. Conditions Precedent.

(a) *Conditions Precedent to Effective Date.* The obligations of the Banks to make the Commitment available hereunder shall be subject to the fulfillment of each of the following conditions precedent on or before the Effective Date in a manner satisfactory to each Bank:

(i) Each Bank shall have received the following documents, each dated and in form and substance as is satisfactory to each Bank:

(1) copies of the Resolution and any other resolution(s) of the Authority approving the execution and delivery of this Agreement and the Notes, certified by an Authorized Representative of the Authority as being true and complete and in full force and effect on the Effective Date;

(2) certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the Authority or any Governmental Authority necessary for the Authority to enter into each of the Related Documents and the transactions contemplated herein and therein;

(3) the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2013;

(4) a certificate of an Authorized Representative of the Authority dated the Effective Date certifying as to the authority, incumbency and specimen signatures of the designated representatives of the Authority authorized to sign this Agreement and the Notes and any other documents to be delivered by it hereunder and who will be authorized to represent the Authority in connection with this Agreement, upon which the Administrative Agent and the Banks may rely until they receive a new such certificate;

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

(6) the original executed Notes (to be delivered to the applicable Bank);

(7) an IRS Form W-9 duly completed by the Authority; and

(8) evidence that a CUSIP number has been obtained and reserved from S&P's CUSIP Service for the Tax-Exempt Note and the Taxable Note issued to Wells Fargo Bank, National Association; provided that there shall not be a CUSIP number assigned to any other Note unless requested by the applicable Bank.

(ii) Each Bank shall have received a written description of all actions, suits or proceedings pending or threatened against the Authority in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a material adverse effect on the Authority's ability to perform its obligation under this Agreement and the other Related Documents, if any, and such other statements, certificates, agreements, documents and information with respect thereto as each Bank may reasonably request. There shall not have occurred any change or any development involving a prospective change in the financial or operating

condition of the Authority or its ability to pay the Obligations from that set forth in the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2013 provided to the Banks, that in the judgment of the Banks is material or adverse to either Bank. No law, regulation, ruling or other action of the United States, the State or the State of New York or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Authority, the Administrative Agent or either Bank from fulfilling its respective obligations under this Agreement and the other Related Documents.

(iii) Each Bank shall have received an opinion dated the Effective Date from counsel to the Authority, in form and substance satisfactory to the Banks and their counsel.

(iv) The following statements shall be true and correct on the Effective Date, and each Bank shall have received a certificate signed by an Authorized Representative, dated the Effective Date, certifying that:

(1) (A) the representations and warranties of the Authority contained in each of the Related Documents and each certificate, letter, other writing or instrument delivered by the Authority to the Administrative Agent or either Bank pursuant hereto or thereto are true and correct on and as of the Effective Date as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the Authority's execution and delivery of this Agreement or the Notes or the acceptance of the Commitment by the Authority; (C) the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2013, including the balance sheet as of such date of said period, all examined and reported on by the State of Tennessee Comptroller of the Treasury, Department of Audit, Division of State Audit, as heretofore delivered to each Bank correctly and fairly present the financial condition of the Authority as of said date and the results of the operations of the Authority for such period, have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; (D) since the release of the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2013, no material adverse change has occurred in the financial condition of the Authority prior to the Effective Date, and on and prior to the Effective Date no material transactions or obligations (not in the ordinary course of business) shall have been entered into by the Authority, other than as previously advised in writing to the Administrative Agent; (E) the acceptance of the Commitment by the Authority pursuant to this Agreement is an arm's length commercial transaction between the Authority, the Administrative Agent and each Bank; (F) the Authority has consulted with its own respective legal and financial advisors in connection with the acceptance of the Commitment by the Authority pursuant to this Agreement; (G) neither the Administrative Agent nor either Bank has acted as a fiduciary in favor of the Authority with respect to the Notes or the acceptance of the Commitment by the Authority; and (H) the underlying unenhanced long-term ratings assigned to the Second Program Bonds by Moody's, S&P and Fitch have

not been reduced, withdrawn or suspended since the dated date of the Rating Documentation.

(v) Each Bank shall have received an opinion addressed to the Administrative Agent and each Bank and dated the Effective Date of Bond Counsel as to the due authorization, execution and delivery of this Agreement, the Resolution and the Notes, the legal and appropriate adoption of the Resolution and the validity and enforceability with respect to the Authority of this Agreement and the Notes, the exclusion of interest on the Tax-Exempt Loans from gross income for federal income tax purposes of the Banks, the pledge of Pledged Collateral securing the Notes and the Obligations constituting a valid pledge, and such other matters as either Bank may reasonably request, in form and substance satisfactory to the Banks and their counsel.

(vi) All necessary action on the part of the Authority shall have been taken as required for the assignment and pledge of a lien on the Pledged Collateral for the benefit of the Banks as described in Section 6.1(h) hereof.

(vii) The Administrative Agent shall have received evidence from Moody's, S&P and Fitch confirming that the underlying unenhanced long-term rating assigned to the Second Program Bonds by Moody's is "Aa1," by S&P is "AA" and by Fitch is "AA+" (referred to herein as the "Rating Documentation").

(viii) On or prior to the Effective Date, the Administrative Agent shall have received reimbursement of the Administrative Agent's and each Bank's fees and expenses (including the reasonable legal fees and expenses of Chapman and Cutler LLP in an amount not to exceed \$45,000 plus disbursements) and any other fees incurred in connection with the transaction contemplated by this Agreement due on the Effective Date.

(ix) Neither the Tax-Exempt Note nor the Taxable Note shall be (1) assigned a separate rating by any Rating Agency or (2) registered with The Depository Trust Company or any other securities depository. No offering document or official statement shall be prepared with respect to the Tax-Exempt Notes or the Taxable Notes.

(x) Each Bank shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement, the Notes and the other Related Documents as either Bank may reasonably request.

(b) *Conditions Precedent to Each Advance.* The obligation of each Bank to make an Advance on any date is subject to the conditions precedent that on the date of such Advance:

(i) The Administrative Agent shall have received a Request for Advance as provided in Section 2.3(c) hereof specifying whether such Advance will be a Tax-Exempt Loan or a Taxable Loan;

(ii) All representations and warranties of the Authority as set forth in Article VII hereof shall be true and correct as though made on the date of such Request for Advance and on the date of the proposed Advance, no Default or Event of Default shall have occurred and be continuing; and

(iii) The Commitment and the obligation of each Bank to make an Advance hereunder shall not have terminated pursuant to Section 9.2 hereof or pursuant to Section 2.7 hereof.

Unless the Authority shall have otherwise previously advised the Administrative Agent in writing, delivery to the Administrative Agent of a Request for Advance shall be deemed to constitute a representation and warranty by the Authority that on the date of such Request for Advance and on the date of the proposed Advance that all representations and warranties of the Authority as set forth in Article VII hereof is true and correct as though made on the date of such Request for Advance and on the date of the proposed Advance and no Default or Event of Default shall have occurred and be continuing on the date of such Request for Advance or on the date of the proposed Advance.

Section 2.5. Interest Rate Determinations. The Administrative Agent shall promptly notify the Authority and the Banks of the interest rate applicable to any Loan upon determination of such interest rate; *provided, however,* that the failure by the Administrative Agent to provide notice of the applicable interest rate shall not relieve the Authority of its obligation to make payment of amounts as and when due hereunder. At any time that a Term Loan is outstanding, the Administrative Agent shall notify the Authority and the Banks of any change in the Base Rate promptly following the establishment of such change; *provided, however,* that the failure by the Administrative Agent to provide notice of such change shall not relieve the Authority of its obligation to make payment of amounts as and when due hereunder. Each determination by the Administrative Agent of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

Section 2.6. Fees. (a) *Commitment Fees.* The Authority agrees to pay to the Administrative Agent, for the account of the Banks, a nonrefundable annual fee (the "*Commitment Fee*") initially accruing at a rate of 20 basis points (0.20%) per annum multiplied by the daily unused Commitment of the Banks, which is subject to maintenance of the current Authority Rating. Such Commitment Fee shall be distributed by the Administrative Agent to the Banks pro rata in accordance with such Banks' respective Commitment Percentages. In the event of a change in the Authority Rating, the Commitment Fee shall be calculated based on the number of basis points set forth in the Level as described below (the "*Commitment Fee Rate*"):

	Authority Rating			Commitment Fee Rate
	Moody's	S&P	Fitch	basis points (%)
Level I	Aa2 or above	AA or above	AA or above	20 bps (0.20%)

Level II	Aa3	AA-	AA-	30 bps (0.30%)
Level III	A1	A+	A+	50 bps (0.50%)
Level IV	A2	A	A	80 bps (0.80%)
Level V	A3	A-	A-	120 bps (1.20%)

In the event Authority Ratings are assigned by all three Rating Agencies, and only two of such Authority Ratings are equivalent, the two equivalent Authority Ratings shall be used for purposes of determining the Commitment Fee Rate. In the event Authority Ratings are assigned by all three Rating Agencies, and no two such Authority Ratings are equivalent, the middle Authority Rating shall be used for purposes of determining the Commitment Fee Rate. In the event Authority Ratings are assigned by only two Rating Agencies, and such Authority Ratings are not equivalent, the lower Rating shall be used for purposes of determining the Commitment Fee Rate. Any change in the Commitment Fee resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. The Commitment Fee shall be payable quarterly in arrears on the fifteenth (15) day of each January, April, July and October of each calendar year (and if such day is not a New York Banking Day, the next succeeding New York Banking Day) (beginning on the first such date to occur after the Effective Date) and on the Commitment Expiration Date, or such earlier date on which the Commitment may be terminated in accordance with the terms of this Agreement. The Commitment Fee shall be calculated on the basis of 360-day year and actual days elapsed. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a “global” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced below “A3,” “A-” or “A-” by any of Moody’s, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, in each such case the Commitment Fee Rate shall increase automatically to 1.0% above the Commitment Fee Rate otherwise in effect without notice to the Authority. The Authority acknowledges that as of the Effective Date the Commitment Fee Rate is that specified above for Level 1.

(b) *Termination or Reduction Fee.* The Authority shall pay to the Administrative Agent, for the account of the Banks, a Reduction Fee or Termination Fee, as applicable, in connection with each permanent reduction or termination of the Commitment pursuant to Section 2.7 hereof prior to the first anniversary of the Effective Date, in an amount equal to the Reduction Fee or Termination Fee, as applicable, payable on the date of such termination or each such reduction; *provided, however*, that no Termination Fee or Reduction Fee shall be due and payable to either Bank if a Bank has requested compensation from the Authority pursuant to Section 5.2 hereof.

(c) *Amendment, Consent or Waiver Fee.* Upon each amendment hereof, consent or waiver hereunder or under any Related Document, the Authority shall pay or cause to be paid to the Administrative Agent, for the account of the Banks, attorneys' fees and expenses, if any, incurred by the Banks in processing such amendment, consent or waiver and a fee in a minimum amount of \$2,500 for each Bank.

(d) *Draw Fee.* On the fifteenth (15th) day of each month (and if such day is not a New York Banking Day, the next succeeding New York Banking Day), the Authority shall pay to the Administrative Agent, for the account of the Banks, a draw fee in an amount equal to the product of (x) the number of Advances made during the immediately preceding calendar month and (y) \$300 per Bank; *provided, however,* that in the event that the Authority pays to either Bank a draw fee and such Bank fails to advance the related Loan hereunder, such Bank shall promptly refund to the Authority the draw fee actually paid to such Bank.

(e) *Costs, Expenses and Taxes.* The Authority will promptly pay on demand (i) the reasonable fees, costs and expenses of the Administrative Agent and either Bank incurred in connection with the preparation, negotiation, execution and delivery of this Agreement, the Notes and the other Related Documents, (ii) the reasonable fees and disbursements of Chapman and Cutler LLP, special counsel to the Administrative Agent and the Banks, incurred in connection with the preparation, execution, filing and administration and delivery of this Agreement and the other Related Documents (in an amount not to exceed \$45,000 plus disbursements), (iii) the fees and disbursements of counsel or other reasonably required consultants to the Administrative Agent and either Bank with respect to advising such Persons as to the rights and responsibilities under this Agreement and the other Related Documents after the occurrence of any Default or alleged Default hereunder, or an Event of Default hereunder, (iv) all costs and expenses, if any, in connection with any waiver or amendment of, or the giving of any approval or consent under, or any response thereto or the enforcement of this Agreement, the Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Administrative Agent and the Banks or other reasonably required consultants and (v) any amounts advanced by or on behalf of the Administrative Agent and/or the Banks to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate. In addition, the Authority shall pay any and all stamp taxes, transfer taxes, documentary taxes, and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Related Documents (other than taxes based on the net income of either Bank) and agrees to indemnify and hold each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such taxes and fees, including interest and penalties thereon. In addition, the Authority agrees to pay, after the occurrence of a Default, alleged Default or an Event of Default hereunder, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Administrative Agent or either Bank in enforcing any obligations or in collecting any payments due from the Authority hereunder by reason of such Default, alleged Default or Event of Default hereunder or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any collection, insolvency, bankruptcy proceedings or other enforcement proceedings resulting therefrom.

(f) *Margin Rate Amount.* For each day from and after the Margin Rate Amount Effective Date in which Tax-Exempt Loans are outstanding and the Margin Rate Factor is greater than 1.0, the Authority shall be obligated to pay to the Administrative Agent, for the account of each Bank, an amount equal to the Margin Rate Amount for such day. Any Margin Rate Amount payable to the Administrative Agent, for the account of each Bank, shall be payable as a fee (which shall not be treated as interest on the Tax-Exempt Loans) in arrears on the Interest Payment Date immediately following each demand.

(g) If the Authority shall fail to pay any amount payable under this Section 2.6 as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The obligations of the Authority under this Section 2.6 shall survive the termination of this Agreement.

Section 2.7. Reduction and Termination. (a) Subject to the provisions of Section 2.6(b) hereof, the Commitment shall be reduced from time to time as requested by the Authority within three (3) days of the Authority's written notice to the Administrative Agent requesting such reduction in the form of Exhibit C hereto; *provided*, that each such reduction amount shall be in an amount equal to \$5,000,000 or an integral multiple thereof. Any Reduction of the Commitment shall be applied to the Commitment of each Bank according to its Commitment Percentage.

(b) Subject to the provisions of Section 2.6(b) hereof, the Authority may at any time and at its sole option terminate the Commitment upon three (3) New York Banking Days' prior written notice to the Administrative Agent. As a condition to any such termination, the Authority shall pay or cause to be paid to the Administrative Agent, on behalf of the Banks, all Obligations owed to each Bank (other than Term Loans which shall be payable pursuant to the terms of Section 4.5 hereof).

(c) Each permanent reduction permitted pursuant to this Section shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Revolving Loans after such reduction to the Commitment as so reduced. Any reduction of the Commitment to zero shall be accompanied by payment of all outstanding Revolving Loans (subject to the right to have the Revolving Loans converted to Term Loan in accordance with Article IV hereof) and shall result in the termination of the Commitment. Any reduction of the Commitment that requires the repayment of any Revolving Loan shall be accompanied by any amount required to be paid pursuant to Section 2.9 hereof.

Section 2.8. Obligations of Banks. (a) *Funding by Banks.* The Administrative Agent shall only make available to the Authority on an Advance Date such amounts as actually received by the Administrative Agent from the Banks for the purpose of making the related Advance. Notwithstanding the foregoing, in the event either Bank has not in fact made its share of the applicable Advance available to the Administrative Agent and the Administrative Agent shall have nonetheless made such Advance available to the Authority, then the applicable Bank agrees to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Authority to but excluding the date of payment to the Administrative Agent, at the greater of the

daily average Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Once such Bank pays its share of the applicable Advance to the Administrative Agent, then the amount so paid shall constitute such Bank's Loan included in such Advance.

(b) *Nature of Obligations of Banks Regarding Extensions of Credit.* The obligations of the Banks under this Agreement to make the Loans are several and are not joint or joint and several. The failure of either Bank to make available its Commitment Percentage of any Loan requested by the Authority shall not relieve it or the other Bank of its obligation, if any, hereunder to make its Commitment Percentage of such Loan available on the Advance Date, but neither Bank shall be responsible for the failure of the other Bank to make its Commitment Percentage of such Loan available on the Advance Date.

Section 2.9. Break Funding Reimbursements. In the event either Bank shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by such Bank to make any Advance, Revolving Loan or Term Loan or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to such Bank) as a result of (i) any failure by the Authority to borrow any Advance or Revolving Loan on any Advance Date following a Request for Advance for any reason, including without limitation, any termination of the Commitment prior to the related Advance Date pursuant to the terms hereof or (ii) any optional payment or prepayment of any Advance or Revolving Loan on a date other than the first New York Banking Day of a calendar month (subject to the notice requirements set forth in Sections 3.5 and 4.6 hereof) for any reason, whether before or after default, then upon the demand of the Administrative Agent, the Authority shall pay to the Administrative Agent, on behalf of such Bank, a payment or prepayment premium, as applicable in such amount as will reimburse such Bank for such loss, cost, or expense. If the Administrative Agent requests such payment or prepayment premium, as applicable, it shall provide to the Authority a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such payment or prepayment premium, as applicable in reasonable detail and such certificate shall be conclusive if reasonably determined.

Section 2.10. Payments. Each payment by the Authority on account of the principal of or interest on the Notes or the Loans or of any fee, commission or other amounts (including the Reimbursement Obligation) payable to the Banks under this Agreement shall be made not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Banks entitled to such payment in Dollars, in immediately available funds and shall be made without any set off, counterclaim or deduction whatsoever. Any payment received after 1:00 p.m. shall be deemed to have been made on the next succeeding New York Banking Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each such Bank at its address for notices set forth herein its Commitment Percentage (or other applicable share as provided herein) of such payment and shall wire advice of the amount of such credit to each Bank. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent and any amount payable to either Bank under Sections 2.6(e), 2.9, 5.1, 5.2 or 5.3 hereof shall be paid to the

Administrative Agent for the account of the applicable Bank. If any payment under this Agreement shall be specified to be made upon a day which is not a New York Banking Day, it shall be made on the next succeeding day which is a New York Banking Day and such extension of time shall in such case be included in computing any interest if payable along with such payment.

Section 2.11. Extension of the Commitment Expiration Date. No later than ninety (90) days prior to the Commitment Expiration Date then in effect, the Authority may request the Banks in writing to extend the Commitment Expiration Date for purposes of this Agreement for a period to be agreed upon by the Authority and the Banks. The Banks shall have sixty (60) days to respond to any request by the Authority to extend the Commitment Expiration Date. Any decision by the Banks to extend the Commitment Expiration Date shall be in the Banks' sole discretion. If the Banks elect to extend the Commitment Expiration Date, the Banks will notify the Authority of such extension and the conditions of such extension (including conditions relating to legal documentation and pricing, such fees for renewal and Advances). If the Banks do not notify the Authority prior to sixtieth (60th) day following a request by the Authority to the Banks to extend the Commitment Expiration Date, the Banks shall be deemed to have not consented to such request. The Banks may, in their sole discretion, accept or reject any proposed extensions. Notwithstanding the foregoing and to the extent an Advance, Revolving Loan or Term Loan is outstanding on the date the Commitment Expiration Date is extended, in no event shall the Commitment Expiration Date be extended to a date that exceeds the eighth (8th) anniversary of the date any such Advance related to any outstanding Advance, Revolving Loan or Term Loan was originally made.

ARTICLE III

REVOLVING LOANS

Section 3.1. Making of Revolving Loans. Each Advance shall constitute a loan made by a Bank to the Authority on the date of such Advance (individually, a "Revolving Loan" and collectively, the "Revolving Loans").

Section 3.2. Revolving Loans Evidenced by Notes. (a) The Tax-Exempt Revolving Loans shall be evidenced by a promissory note of the Authority to each Bank in substantially the form set forth in Exhibit A-1 hereto (as amended, supplemented, modified or restated from time to time, the "Tax-Exempt Note") to be issued on the Effective Date, payable to the respective Bank in a principal amount up to such Bank's Commitment on the Effective Date and otherwise duly completed. All Tax-Exempt Revolving Loans made by a Bank and all payments and prepayments made on account of principal thereof shall be recorded by such Bank on the schedule (or a continuation thereof) attached to its Tax-Exempt Note, it being understood, however, that failure by such Bank to make any such endorsement shall not affect the obligations of the Authority hereunder or under such Tax-Exempt Note in respect of unpaid principal and interest on any Tax-Exempt Revolving Loan. Each entry on a Tax-Exempt Note with respect to a Tax-Exempt Revolving Loan schedule shall reflect the applicable principal amount and the applicable Tax-Exempt Applicable Spread.

(b) The Taxable Revolving Loans shall be evidenced by a promissory note of the Authority to each Bank in substantially the form set forth in Exhibit A-2 hereto (as amended or supplemented from time to time, the "*Taxable Note*") to be issued on the Effective Date, payable to such Bank in a principal amount up to its Commitment on the Effective Date and otherwise duly completed. All Taxable Revolving Loans made by such Bank and all payments and prepayments made on account of principal thereof shall be recorded by such Bank on the schedule (or a continuation thereof) attached to its Taxable Note, it being understood, however, that failure by such Bank to make any such endorsement shall not affect the obligations of the Authority hereunder or under such Taxable Note in respect of unpaid principal and interest on any Taxable Revolving Loan. Each entry on a Taxable Note with respect to a Taxable Revolving Loan schedule shall reflect the applicable principal amount and the then applicable Taxable Applicable Spread.

Section 3.3. Interest on Revolving Loans. Each Revolving Loan made or maintained by either Bank shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof at a rate per annum equal to the Tax-Exempt Rate, with respect to Tax-Exempt Revolving Loans, or the Taxable LIBOR Rate, with respect to Taxable Revolving Loans, as applicable, for such Interest Period; *provided that*, the initial Tax-Exempt Rate or the initial Taxable LIBOR Rate, as applicable, for a particular Revolving Loan shall be determined by the Administrative Agent two New York Banking Days prior to the related Advance Date; *provided that*, thereafter the succeeding Tax-Exempt Rates or Taxable LIBOR Rates, as applicable, for any such Revolving Loan shall be determined by the Administrative Agent on the Computation Date to be effective on the Rate Reset Date immediately succeeding the Computation Date. Interest on each Revolving Loan shall be payable by the Authority to the Administrative Agent, on behalf of the Banks, on each Interest Payment Date and on the Revolving Loan Maturity Date.

Section 3.4. Repayment of Revolving Loans. The principal of each Revolving Loan shall be repaid by the Authority to the Administrative Agent, on behalf of the Banks, in full on the Revolving Loan Maturity Date; *provided*, that if the conditions to the making of the Term Loan set forth in Section 4.2 hereof are satisfied on the Revolving Loan Maturity Date, the principal of all Revolving Loans shall be paid from the proceeds of the applicable Term Loan.

Section 3.5. Prepayment of Revolving Loans. The Authority may prepay any Revolving Loan, in whole or in part, on any date, provided at least three (3) New York Banking Days' written notice is provided by the Authority to the Administrative Agent. Each such notice of optional prepayment shall be irrevocable and shall bind the Authority to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement, including, without limitation, Section 2.9 hereof.

ARTICLE IV

THE TERM LOAN

Section 4.1. Term Loan. The Authority shall have the option to convert (a) the unpaid principal amount of any Taxable Revolving Loan to a Taxable Term Loan and (b) the unpaid principal amount of any Tax-Exempt Revolving Loan to a Tax-Exempt Term Loan, in each case on the Revolving Loan Maturity Date, if the conditions set forth in Section 4.2 hereof are satisfied on the Revolving Loan Maturity Date.

Section 4.2. Conditions Precedent to Term Loan. The obligation of the Banks to convert the principal amount owed for all Revolving Loans to a Taxable Term Loan or a Tax-Exempt Term Loan, as applicable, shall be subject to the fulfillment of each of the following conditions precedent on or before the Revolving Loan Maturity Date in a manner satisfactory to the Administrative Agent and each Bank:

(a) The following statements shall be true and correct on the Conversion Date, and the Administrative Agent shall have received a certificate incorporating by reference the definitions of the capitalized terms defined in this Agreement, signed by an Authorized Representative and dated the Conversion Date, stating that:

(i) the representations and warranties of the Authority contained herein and in each of the other Related Documents and each certificate, letter, other writing or instrument delivered by the Authority to the Administrative Agent or either Bank pursuant hereto or thereto are true and correct on and as of the Conversion Date as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing as of such Conversion Date or would result from converting the Revolving Loans to a Term Loan as requested; and

(b) In the case of the conversion to a Tax-Exempt Term Loan, (A)(i) the Administrative Agent and each Bank shall be satisfied that the opinion of Bond Counsel delivered pursuant to Section 2.4(a)(v) hereof remains in full force and effect with respect to such Tax-Exempt Term Loan or (ii) the Banks shall have received an opinion from Bond Counsel dated the date of such Term Loan as to the exclusion of interest on the Tax-Exempt Term Loans from gross income for federal income tax purposes, in form and substance satisfactory to each Bank and (B) the Banks shall have received an opinion of Bond Counsel in form and substance satisfactory to each Bank that such conversion will not adversely affect the tax exempt status of the interest on the Tax-Exempt Loans.

Section 4.3. Term Loans Evidenced by Notes. (a) The principal amount of each Tax-Exempt Term Loan shall also be evidenced by the Tax-Exempt Note. Each Tax-Exempt Term Loan made by either Bank and all payments and prepayments on the account of the principal and interest of each Tax-Exempt Term Loan shall be recorded by such Bank on the schedule attached to the Tax-Exempt Note; *provided, however*, that the failure of such Bank to make any such

endorsement or any error therein shall not affect the obligations of the Authority hereunder or under such Tax-Exempt Note in respect of unpaid principal and interest on each Tax-Exempt Term Loan.

(b) The principal amount of each Taxable Term Loan shall also be evidenced by a Taxable Note. Each Taxable Term Loan made by either Bank and all payments and prepayments on the account of the principal and interest of each Taxable Term Loan shall be recorded by such Bank on the schedule attached to such Taxable Note; *provided, however*, that the failure of such Bank to make any such endorsement or any error therein shall not affect the obligations of the Authority hereunder or under such Taxable Note in respect of unpaid principal and interest on each Taxable Term Loan.

Section 4.4. Interest on Term Loan. The Taxable Term Loan shall bear interest from the Conversion Date to the date such Taxable Term Loan is paid in full at a rate per annum equal to the Term Loan Rate as determined by the Administrative Agent pursuant to Section 2.5 hereof. The Tax-Exempt Term Loan shall bear interest from the Conversion Date to the date such Tax-Exempt Term Loan is paid in full at a rate per annum equal to the Term Loan Rate as determined by the Administrative Agent pursuant to Section 2.5 hereof. Interest on each Term Loan shall be paid to the Administrative Agent, for the account of the Banks, monthly in arrears on each Interest Payment Date. Interest on each Term Loan shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

Section 4.5. Repayment of Term Loan. The principal of each Term Loan shall be paid in installments payable on each Amortization Payment Date (each such payment, an “*Amortization Payment*”), with the final installment in an amount equal to the entire then-outstanding principal amount of such Term Loan to be paid in full on the Amortization End Date (the period commencing on the Conversion Date and ending on the Amortization End Date is herein referred to as the “*Amortization Period*”). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) Amortization Payments over the Amortization Period.

Section 4.6. Prepayment of Term Loan. The Authority may prepay each Term Loan, in whole or in part, on any New York Banking Day, without cost, penalty or premium, provided at least three (3) New York Banking Days’ written notice is provided by the Authority to the Administrative Agent. Each such notice of optional prepayment shall be irrevocable and shall bind the Authority to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement, including, without limitation, Section 2.9 hereof.

ARTICLE V

LIABILITY, INDEMNITY AND PAYMENT

Section 5.1. Indemnification by the Authority. (a) The Authority shall indemnify the Administrative Agent (and any sub-agent thereof), each Bank, and each Related Party of any of

the foregoing Persons (each such Person being called an “*Indemnatee*”) against, and hold each Indemnatee harmless from, and shall pay or reimburse any such Indemnatee for, any and all losses, claims (including, without limitation, any environmental claims), damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnatee), and shall indemnify and hold harmless, each Indemnatee from, and shall pay or reimburse any such Indemnatee for, all fees and time charges and disbursements for attorneys who may be employees of any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the Authority), other than such Indemnatee and its Related Parties, arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any of the Notes or any Loan or Advance or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of hazardous materials on or from any property owned or operated by the Authority, or any environmental claim related in any way to the Authority, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Authority, and regardless of whether any Indemnatee is a party thereto, or (v) any claim, investigation, litigation or other proceeding (whether or not the Administrative Agent or either Bank is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with the Notes, the Loans, this Agreement, any other Related Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby, including without limitation, reasonable attorneys and consultant’s fees, *provided* that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses that are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee.

(b) *Reimbursement by Banks.* To the extent that the Authority for any reason fails to indefeasibly pay any amount required under Section 2.6(e) hereof or clause (a) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), each Bank severally agrees to pay to the Administrative Agent (or any such sub-agent) such Bank’s *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Bank’s Commitment Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Bank).

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by Applicable Law, the Authority shall not assert, and hereby waives, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Notes, any Loan or Advance or the use of the proceeds thereof. No Indemnatee above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby.

(d) *Payments.* All amounts due under this Section shall be payable promptly after demand therefor.

Section 5.2. Increased Costs. (a) If either Bank shall determine that any Change in Law now existing or hereafter adopted shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, or other acquisitions of funds by, such Bank, any Participant or any Noteholder;

(ii) subject any Recipient to any Tax (other than (A) Indemnified Taxes and (B) Excluded Taxes described in clause (b) through (d) of the definition of Excluded Taxes) of any kind whatsoever with respect to this Agreement, the Notes, the Advances, the Revolving Loans or the Term Loans or change the basis of taxation of payments to such Recipient in respect thereof;

(iii) impose upon such Bank, any Participant or any Noteholder any other condition, cost or expense with respect to this Agreement, the Commitment, the Notes, the Advances, the Revolving Loans, or the Term Loans;

and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon such Bank, such Participant or such Noteholder with respect to this Agreement, the Notes, the Advances, the Revolving Loans or the Term Loans (or in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on such Bank's, any Participant's or any Noteholder's capital),

then the Administrative Agent shall from time to time notify, or cause to be notified, the Authority of the amount determined in good faith by such Bank, such Participant or such Noteholder, as applicable (which determination shall be conclusive absent manifest error) to be necessary to compensate such Bank, such Participant or such Noteholder, as applicable, for such increase, reduction or imposition.

(b) *Capital Requirements.* If either Bank, any Participant or any Noteholder determines that any Change in Law affecting such Bank, such Participant or such Noteholder, as applicable, or any of their parent or holding companies, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Bank, such Participant or such Noteholder, or any of their parent or holding companies, capital, if any, as a consequence of this Agreement, or making, maintenance or funding of, any Loan hereunder, to a level below that which such Bank, such Participant or such Noteholder, or their respective parent or holding companies could have achieved but for such Change in Law (taking into consideration such Bank's, such Participant's or such Noteholder's policies and the policies of their parent or holding companies with respect to capital adequacy, as applicable), then from time to time upon written request of such Bank as set forth in clause (c) of this Section, the Authority shall

promptly pay to such Bank, such Participant or such Noteholder, as the case may be, such additional amount or amounts as will compensate such Bank, such Participant or such Noteholder, or their parent or holding companies, as applicable, for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of a Bank, any Participant or any Noteholder setting forth the amount or amounts necessary to compensate such Bank, such Participant or such Noteholder, or their parent or holding companies, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Authority, shall be conclusive absent manifest error. The Authority shall pay such Bank, such Participant or such Noteholder, as the case may be, the amount shown as due on any such certificate within forty-five (45) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Administrative Agent, either Bank, such Participant or such Noteholder to demand compensation pursuant to this Section shall not constitute a waiver of such Bank's, such Participant's or such Noteholder's right to demand such compensation. Notwithstanding anything contained in paragraphs (a) or (b) of this Section, above, the Authority shall have no liability to the Banks for any increased costs, increased capital or reduction in return to the extent incurred by the Banks more than one hundred eighty (180) days prior to the date the above-described certificate is given to the Authority with respect thereto (the "*Cut-Off-Date*"), except where such increased costs apply to the applicable Bank retroactively to a date prior to the Cut-Off-Date.

(e) (i) In the event a Taxable Date occurs, the Authority hereby agrees to pay to each Bank, any Participant or the Noteholder on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Bank, such Participant or the Noteholder, as applicable, on any Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans during the period for which interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans, as applicable, is includable in the gross income of such Bank, such Participant or the Noteholder, as applicable, if such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to such Bank, such Participant or the Noteholder, as applicable, during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Bank, any Participant or a Noteholder, as applicable, as a result of interest on the Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans becoming includable in the gross income of such Bank, such Participant or such Noteholder, as applicable, together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by such Bank, such Participant or such Noteholder, as applicable, in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, such Bank shall afford the Authority the opportunity, at the Authority's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans to be includable in the gross income of such Bank, any Participant or the Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Tax-Exempt Revolving

Loans and/or Tax-Exempt Term Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

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

(iv) The obligations of the Authority under this Section 5.2 shall survive the termination of the Commitment and this Agreement.

Section 5.3. Taxes.

(a) *Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.* Any and all payments by or on account of any obligation of the Authority shall be made free and clear of and without reduction or withholding for any Taxes; provided that if the Authority shall be required by Applicable Law to deduct any Taxes from such payments, then (i) to the fullest extent permitted by Applicable Law, the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), each Bank, such Participant or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Other Taxes by the Authority.* The Authority shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) *Indemnification by the Authority.* The Authority shall indemnify the Administrative Agent, each Bank, each Participant and each Noteholder, within thirty (30) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Bank, such Participant or such Noteholder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate stating the amount of such payment or liability delivered to the Authority by the Administrative Agent or such Bank, as applicable, shall be conclusive absent manifest error. In addition, the Authority shall indemnify the Administrative Agent, such Bank, any Participant and the other Noteholder, within thirty (30) days after demand therefor, for any additional amounts that the Administrative Agent, such Bank, any Participant or any Noteholder is required to pay as a result of any failure of the

Authority to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Administrative Agent, such Bank, any Participant and the other holders of a Note, as applicable, pursuant to clause (d), documentation evidencing the payment of Taxes.

(d) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Authority to a Governmental Authority, the Authority shall deliver to the Administrative Agent, the applicable Bank, such Participant or such holder of the Note, as applicable, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent, such Bank, such Participant or such holder of the Note, as applicable.

(e) *Treatment of Certain Refunds.* If the Administrative Agent, either Bank, any Participant or any Noteholder determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified pursuant to this Section (including additional amounts paid by the Authority pursuant to this Section), it shall pay to the Authority an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Bank, such Participant or such Noteholder, as applicable, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Authority, upon the request of such Bank, such Participant or such holder of the Note, as applicable, agrees to repay the amount paid over pursuant to this Section (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Bank, such Participant or such holder of the Note, as applicable, in the event the Bank, such Participant or such holder of the Note, as applicable, is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will such Bank, such Participant or such holder of the Note, as applicable, be required to pay any amount to the Authority pursuant to this paragraph (e) the payment of which would place such Bank, such Participant or such holder of the Note, as applicable, in a less favorable net after-Tax position than such Bank, such Participant or such holder of the Note, as applicable, would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require such Bank, such Participant or such Noteholder, as applicable, to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Authority or any other Person.

(f) *Survival.* Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the Obligations of the Authority thereunder and hereunder.

(g) *Status of Banks; Tax Documentation.* (i) If either Bank, a Participant or a holder of the Note is entitled to an exemption from or reduction of withholding Taxes with respect to payments made hereunder or under any Related Document, such Bank, such Participant or such holder of the Note, as applicable, shall deliver to the Authority and the Administrative Agent at the time or times reasonably requested by the Authority or the Administrative Agent, such

properly completed and executed documentation reasonably requested by the Authority or as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, such Bank, such Participant or such holder of the Note if reasonably requested by the Authority, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Authority as will enable the Authority to determine whether or not such Bank, such Participant or such holder of the Note is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.3(g)(ii) below) shall not be required if, in such Bank's, such Participant's or such Noteholder's reasonable judgment, such completion, execution or submission would subject such Bank, such Participant or such holder of the Note to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Bank, such Participant or such holder of the Note.

(ii) Without limiting the generality of the foregoing, if the Authority is resident for tax purposes in the United States, such Bank, such Participant or such holder of the Note shall deliver to the Authority (and from time to time thereafter upon the reasonable request of the Authority), executed originals of IRS Form W-9 certifying that such Bank, such Participant or such holder of the Note, as applicable, is exempt from U.S. federal backup withholding tax.

Section 5.4. Calculation of Interest and Fees; Maximum Interest Rate; Default Rate.

(a) Interest on Tax-Exempt Loans, Tax-Exempt Term Loans, Taxable Loans, Taxable Term Loans and fees payable hereunder shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

(b) Any and all amounts remaining unpaid when due under this Agreement shall bear interest at the Default Rate until repaid and shall be payable upon demand. Any such amounts which constitute interest remaining unpaid when due shall be added to principal, and such interest shall, in turn, bear interest at the Default Rate until repaid and shall be payable upon demand. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the Authority to the Administrative Agent upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed.

(c) In the event that the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the "*Excess Interest Amount*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Authority shall pay to the Administrative Agent, with respect to amounts then payable to the Banks that are required to accrue interest hereunder, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Administrative Agent, to equal the Maximum Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest Amount is fully paid

to the Administrative Agent. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Loans remains unpaid, the Authority shall pay to the Administrative Agent, on behalf of the Banks, a fee equal to any accrued and unpaid Excess Interest Amount.

(d) All amounts paid pursuant to this Agreement shall be non-refundable and shall be paid in immediately available funds.

Section 5.5. Liability of the Bank. None of the Administrative Agent, either Bank or any of their officers, directors, employees, representatives or agents shall be liable or responsible for (i) the use which may be made of any Advances, any Loans or this Agreement or for any acts, omissions, errors, interruptions, delays in transmission, dispatch or delivery of any message or advice, however transmitted, of the Administrative Agent or either Bank in connection with this Agreement, any Advances, any Loans or the Notes, (ii) any action, inaction or omission which may be taken by the Administrative Agent or either Bank in connection with this Agreement, any Advances, any Loans or the Notes, (iii) the validity, sufficiency or genuineness of documents, or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iv) payment by the Administrative Agent against presentation of documents which do not comply with the terms of this Agreement or a Request for Advance, including failure of any documents to bear any reference or adequate reference to this Agreement, or (v) any other circumstances whatsoever in making or failing to make payment under this Agreement or pursuant to a Request for Advance, except for acts or events described in the immediately preceding clauses (i) through (iv), to the extent, but only to the extent, of any direct, as opposed to special, indirect, consequential or punitive, damages (the right to receive special, indirect, consequential or punitive damages being hereby waived) suffered by it which the Authority proves were caused by (y) the Administrative Agent's willful misconduct or gross negligence in determining whether documents presented under this Agreement comply with the terms of this Agreement or (z) the Administrative Agent's failure to pay hereunder after the presentation to it of a Request for Advance strictly complying with the terms and conditions of this Agreement. The Authority further agrees that any action taken or omitted by the Administrative Agent or either Bank under or in connection with this Agreement or the related draft or documents, if done without willful misconduct or gross negligence, shall be effective against the Authority as to the rights, duties and obligations of the Administrative Agent and such Bank and shall not place the Administrative Agent or any such Bank under any liability to the Authority. In furtherance and not in limitation of the foregoing, the Administrative Agent may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 5.6. Obligations Unconditional. The Authority's obligation to repay the Revolving Loans and the Term Loans and all of its other Obligations under this Agreement shall be absolute and unconditional under any and all circumstances, including without limitation: (a) any lack of validity or enforceability of this Agreement, the Notes or any of the other Related Documents; (b) any amendment or waiver of or any consent to departure from all or any of the Related Documents; (c) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Administrative Agent or either Bank or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or (d) any other

circumstance or happening whatsoever, whether or not similar to any of the foregoing; and irrespective of any setoff, counterclaim or defense to payment which the Authority may have against the Administrative Agent, either Bank, any Participant, or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of Advances hereunder, and irrespective of the legality, validity, regularity or enforceability of this Agreement, the Notes or any or all other Related Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Administrative Agent and the Banks explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, this Agreement, the Notes or any or all other Related Documents or any exchange, release, or nonperfection of any collateral securing the obligations of the Authority hereunder; *provided, however*, that nothing contained in this Section 5.6 shall abrogate or otherwise affect the rights of the Authority pursuant to Section 5.5 hereof.

Section 5.7. Survival. All of the Authority's obligations under this Article V shall survive the termination of the Related Documents and payment of the obligations hereunder.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.1. Representations and Warranties. In order to induce the Administrative Agent and each Bank to enter into this Agreement, the Authority makes the following representations and warranties to the Administrative Agent and each Bank:

(a) *Legal Existence.* The Authority (i) is a corporate governmental agency and instrumentality of the State, duly organized and validly existing under and pursuant to the Act and the laws of the State, and (ii) has the full legal right, power and authority to (A) own its properties and to carry on its business as now being and hereafter proposed to be conducted, (B) execute and deliver this Agreement and the Related Documents (including, without limitation, the Notes), (C) perform all its obligations and liabilities under this Agreement and the Related Documents, (D) receive Advances, Revolving Loans, Term Loans, and otherwise incur Debt in accordance with this Agreement and (E) pay, solely from the Pledged Collateral, the principal of and interest on the Loans, as evidenced by the Notes and all of its Obligations hereunder (including, without limitation, the obligation to repay all Advances, Revolving Loans and Term Loans, to pay all interest thereon, and to pay all fees and other amounts payable hereunder).

(b) *Compliance with Law and Contract.* The execution, delivery and performance by the Authority of this Agreement and the Related Documents in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of the Authority, and do not and will not (i) violate the authorizing legislation of the Authority, as amended, or any court order by which the Authority is bound, (ii) conflict with, violate or contravene any provision of existing law (including, without limitation, the Act) or regulation, or any order or decree of any court, tribunal, governmental authority, bureau or agency, or (iii) conflict with, violate or cause

a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the Authority is a party or that is binding upon it or any of its properties; and no consent of any Person and no license, approval or authorization of, or notice to or registration, filing or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Related Documents or for the Authority to receive Advances, Revolving Loans or Term Loans, to issue the Notes or otherwise incur indebtedness in accordance with this Agreement or, if required, the same has been obtained and is in full force and effect and true and complete copies thereof have been delivered to the Administrative Agent, on behalf of the Banks.

(c) *Authorization and Validity.* This Agreement constitutes a valid and binding agreement of the Authority enforceable in accordance with its terms. Each Note constitutes a valid and binding obligation of the Authority enforceable in accordance with its term. The State (including, for this purpose, the Authority) has not waived its sovereign immunity from suit or extended its consent to be sued with respect to this Agreement or the Notes except with respect to claims, suits or causes of action brought by the Administrative Agent or either Bank in accordance with TCA Section 49-3-1208. Accordingly, if TCA Section 49-3-1208 does not apply, monetary actions against the Authority for breach of contractual obligations relating to this Agreement and the Notes may be heard and determined under current law exclusively in the Tennessee Claims Commission, an administrative tribunal, where liability may be limited to actual damages and certain costs. The representations above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforceability is considered in a proceeding in equity or at law.

(d) *Litigation.* There are no actions, suits or proceedings at law or in equity pending or, to the knowledge of the Authority, threatened against or affecting it or its properties before any court or arbitrator or any governmental or nongovernmental body, agency or official in which an adverse decision could materially and adversely affect the financial position or operations of the Authority or which in any manner questions the validity of this Agreement or any Related Document or the Authority's ability to carry out the transactions contemplated hereby and thereby or which in any manner draws into question the validity or enforceability of this Agreement, the Notes, the Act or any other Related Document.

(e) *Related Documents.* The representations and warranties of the Authority in all of the Related Documents are true and correct in all material respects and are incorporated herein by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Authority in such Sections are hereby made for the benefit of the Banks. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated

by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Banks.

(f) *Regulation U.* The Authority is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and will not use the proceeds of any Advance made hereunder so as to violate Regulation U as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System. The Authority is not an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

(g) *Accuracy and Completeness of Information.* All information furnished to the Administrative Agent and to either Bank by the Authority or its duly authorized agents on or prior to the Effective Date in connection with the transactions contemplated hereby were, at the time same were so furnished, true and correct in all material respects to the extent necessary to give the Administrative Agent and the Banks true, complete and accurate knowledge of the subject matter thereof. The Authority has disclosed to the Administrative Agent in writing any and all facts known to it which materially and adversely affect or may (to the extent the Authority can now reasonably foresee) materially and adversely affect the ability of the Authority to receive the Pledged Collateral or the ability of the Authority to perform its obligations under this Agreement, the Notes or any other Related Document.

(h) *Trust Estate.* (i) The Resolution validly creates the pledge that it purports to make of the Pledged Collateral in favor of the Banks securing the Reimbursement Obligations hereunder and under the Notes. All documents or instruments required to be filed or recorded in any public office, and all notifications required to be given to any Person, in order to provide notice of such pledge to present and future creditors and otherwise protect the pledge in favor of the holders of the Notes and the Banks, have been filed, recorded or given, as the case may be. The Pledged Collateral has not been, and will not be, pledged by the Authority to the payment of any obligation senior to the Loans, other than as expressly permitted in the Resolution.

(ii) All Obligations (other than Reimbursement Obligations) are general, unsecured obligations of the Authority payable from all legally available funds of the Authority.

(i) *Legislation.* No legislation has been enacted by the General Assembly of the State which in any way materially adversely affects or which prohibits (i) the issuance or delivery of the Notes, (ii) the adoption of the Resolution, (iii) the execution and delivery of this Agreement or any of the Related Documents to which the Authority is a party, (iv) the creation, organization or existence of the Authority or the titles to office of any officers thereof, or (v) the power of the Authority to carry out its obligations under the

Resolution, this Agreement or any of the Related Documents to which the Authority is a party.

(j) *Accuracy of Financial Reports.* The most recent financial reports of the Authority at June 30, 2013, copies of which have been furnished to the Banks, fairly present the financial position and results of operations of the Authority, as of the dates and for the periods set forth therein. Since June 30, 2013, there has been no material adverse change in the financial condition or operations of the Authority.

(k) *No Tax or Fee.* None of the execution or delivery of this Agreement, the extension of the line of credit provided herein or the making of any Advance will give rise to any tax or fee imposed by any State local or state agency or governmental body.

(l) *No Event of Default.* No Event of Default or Default has occurred and is continuing hereunder. No default by the Authority has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Bonded Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the Authority or any agency or instrumentality of the Authority are pending or presently contemplated. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The Authority is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Authority is not in violation of any material term of the authorizing legislation applicable to the Authority or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.

(m) *Immunity and Tennessee Claims Commission.* The State (including, for this purpose, the Authority) has not waived its sovereign immunity from suit or extended its consent to be sued with respect to this Agreement or the Notes except with respect to claims, suits or causes of action brought by the Administrative Agent or either Bank in accordance with TCA Section 49-3-1208. Accordingly, if TCA Section 49-3-1208 does not apply, monetary actions against the State (including the Authority) for breach of contractual obligations relating to this Agreement and the Notes shall be heard and determined under current law exclusively in the Tennessee Claims Commission, an administrative tribunal, where liability may be limited to actual damages and certain costs and if any such action is brought in the Tennessee Claims Commission, the State and the Authority shall have no other claim of sovereign immunity with respect to such claim.

(n) *No Public Vote or Referendum.* There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.

(o) *Usury.* None of the Related Documents provide for any payments that would violate any applicable law regarding permissible maximum rates of interest.

(p) *Tax-Exempt Status.* The Authority has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Tax-Exempt Loans from gross income for federal income tax purposes.

(q) *Employee Benefit Plan Compliance.* The Authority has no funding liability or obligation currently due and payable with respect to any employee benefit plan, pension plan or other post-employment benefits plan which could reasonably be expected to result in a Material Adverse Effect. The Authority and each employee benefit plan, pension plan or other post-employment benefits plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto. Neither the Authority nor a member of the Controlled Group is subject to ERISA or maintains a Plan.

(r) *Anti-Terrorism Laws.* Neither the Authority nor any Affiliate thereof is in violation of any Laws relating to terrorism or money laundering ("*Anti-Terrorism Laws*"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "*Executive Order*"), and the Patriot Act;

(i) neither the Authority nor any Affiliate thereof is any of the following:

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

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

(C) a Person with which either Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

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

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

(ii) to the best of the Authority's knowledge neither the Authority nor any Affiliate thereof (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (i) above, (B) deals in, or otherwise engages in any

transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(s) *Swap Contracts.* The Authority is not party to any Swap Contract where any termination payment thereunder is secured by or payable from Available Revenues on a basis that is senior to or on a parity with the Loans and Notes.

Section 6.2. Survival of Representations and Warranties. All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of the Authority pursuant to or in connection with this Agreement (including, but not limited to, any such statement made in or in connection with any amendment hereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made and shall be true at and as of (a) the time of each Advance hereunder and (c) the Termination Date, except to the extent such representations and warranties relate solely to an earlier date.

ARTICLE VII

AFFIRMATIVE COVENANTS OF THE AUTHORITY

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

(a) *Compliance with Laws, Etc.* The Authority shall comply with all applicable laws, rules, regulations and orders of any governmental authority, except that this Section 7.1(a) shall not apply to noncompliance that, singly or in the aggregate, could not reasonably be expected to result in a material adverse effect on (i) the financial condition or operations of the Authority or (ii) the ability of the Authority to perform its obligations hereunder, including but not limited to the timely payment of the Loans or Obligations.

(b) *Available Revenues.* The Authority shall at all times keep the Available Revenues and every part thereof free and clear of all pledges and security interests except the pledges granted in the Resolution or permitted under the Related Documents, and shall maintain the pledge of the Available Revenues securing the Reimbursement Obligations hereunder and under the Notes as a fully perfected pledge of all right, title and interest of the Authority in the Available Revenues.

(c) *Accuracy of Information.* All information furnished by the Authority to the Administrative Agent or either Bank, whether pursuant to this Agreement, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement, shall, at the time the same are so furnished, be true, complete and correct in all

material respects to the extent necessary to give the Administrative Agent and either such Bank true and accurate knowledge of the subject matter thereof.

(d) *Additional Documents.* The Authority shall furnish to the Banks from time to time, at the Authority's expense, all further instruments and documents, duly executed and delivered by the Authority, and take all further action that may be reasonably necessary, or that either Bank may reasonably request, in order to (i) perfect and protect any security interest or other right or interest assigned, or purported to be assigned, to the Banks under or in connection with this Agreement, the Resolution or any other Related Document, or (ii) enable the Banks to exercise or enforce their respective rights or remedies under or in connection with this Agreement, the Resolution or any other Related Document.

(e) *Financial and Other Reports.* The Authority shall furnish the following reports to the Administrative Agent, on behalf of the Banks:

(i) As soon as available and in any event within 180 days after the end of each Fiscal Year of the Authority, the Administrative Agent shall have received audited financial statements of the Authority for such Fiscal Year;

(ii) As soon as available and in any event within 45 days after the end of each fiscal quarter of each Fiscal Year of the Authority, the Administrative Agent shall have received a report of the investments of the Authority with respect to the Higher Educational Facilities Program;

(iii) Simultaneously with the delivery of each set of financial statements and the report referred to in clause (i) and (ii) above, a certificate of Authorized Representative of the Authority, stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the Authority is taking or proposes to take with respect thereto;

(iv) Promptly upon the Authority learning thereof, (A) copies of any communications received by the Authority from any taxing authority or Rating Agency with respect to the transactions contemplated hereby and (B) notice of any change in the long-term ratings assigned to the Second Program Bonds of which the Authority has actual knowledge; and

(v) From time to time such additional information regarding the financial position or business of the Authority as the Administrative Agent may reasonably request.

(f) *Defaults.* The Authority will promptly (and in no event later than 3 New York Banking Days after having knowledge thereof) notify the Administrative Agent of the occurrence of any Default or Event of Default specifying the details of such Default

or Event of Default and the action that the Authority proposes to take with respect thereto.

(g) *Books, Records.* The Authority will permit, during normal business hours and from time to time, upon reasonable prior notice, the Administrative Agent, either Bank or any of their agents or representatives to examine and make copies of and abstracts from the records and books of account of the Authority, and to discuss the affairs, finances and accounts of the Authority with any representative or any other appropriate officer of the Authority or the Authority's auditors; *provided, however,* that upon the occurrence of any Event of Default or Default hereunder, all of the Administrative Agent's or either such Bank's reasonable costs associated with the inspection of property, books and records shall be for the account of the Authority.

(h) *Other Obligations.* The Authority will comply with and observe all other obligations and requirements set forth in the Resolution and each other Related Document to which it is a party (including, without limitation, all provisions therein for the benefit of the Banks) and in all statutes and regulations binding upon it relating to the Notes, this Agreement or any of the Related Documents, and shall take any and all actions necessary to ensure the timely payment of all of the Obligations hereunder and the principal of and interest on the Notes.

(i) *Activities of Authority.* The Authority will preserve, renew and maintain all licenses, approvals, authorizations, permits, rights, privileges and franchises it deems necessary or desirable in the normal conduct of its business.

(j) *Litigation; Material Change.* The Authority shall promptly notify the Administrative Agent of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, have a material adverse effect on (A) the financial condition or operations of the Authority, (B) the Available Revenues, (C) the Obligations, or (D) the enforceability or validity of any of the Related Documents, or (ii) any change in any material fact or circumstances represented or warranted in this Agreement or in any of the Related Documents.

(k) *Obligations under Related Documents.* The Authority shall take all actions as may be reasonably requested by the Administrative Agent to enforce the obligations under the Related Documents of each of the other parties thereto.

(l) *Other Agreements.* In the event that the Authority shall, directly or indirectly, enter into another Bank Agreement which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Banks in this Agreement, the Authority shall provide the Administrative Agent with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Banks shall have the benefits of such different or more restrictive covenants, different or additional events of default

and/or greater rights and remedies as if specifically set forth herein but only for so long as the Authority shall remain bound by such additional or different provisions of such Bank Agreement. The Authority shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Banks shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the Authority fails to provide such amendment.

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

(n) *Disclosure to Participants, Purchaser Transferees and Non-Purchaser Transferees.* The Authority shall permit the Banks to disclose the financial information received by each such Bank pursuant to this Agreement to each Participant, Bank Transferee and Non-Bank Transferee pursuant to Section 11.7 hereof, subject to confidentiality restrictions and use restrictions customary for financial institutions.

(o) *Legislation.* The Authority shall promptly notify the Administrative Agent of the enactment of all State of Tennessee legislation that, in any material way, relates to or impacts upon this Agreement or the Notes or the ability of the Authority to perform its obligations in connection herewith or therewith.

(p) *Incorporation of Covenants.* The Authority agrees that it will perform and observe each and every covenant and agreement required to be performed or observed by it in the Resolution, and said covenants and agreements are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety (without giving effect to any expiration, amendment, supplement or termination of or waiver of compliance with, the Resolution), and shall survive and be binding upon the Authority.

ARTICLE VIII

NEGATIVE COVENANTS OF THE AUTHORITY

Section 8.1. Negative Covenants of the Authority. So long as the Commitment is outstanding and available to the Authority and until all of the Obligations shall have been paid in full, the Authority hereby covenants and agrees that:

(a) *Amendments to Related Documents.* The Authority shall not enter into or consent to any amendments of or supplements to any Related Document or any waiver of

the requirements thereof that (i) does or could reasonably be determined to adversely affect the legality, validity, or enforceability of the Resolution or any of the other Related Documents or any of the rights or remedies of the Banks thereunder, and (ii) does or could reasonably be determined have an adverse effect on the rights, powers, security, privileges, or obligations of the Banks under any Related Document.

(b) *Liens.* (a) The Authority shall not create or assume any Lien on any part of the Pledged Collateral now owned or hereafter acquired by it, except the Liens created by the Related Documents and the Second Program Bond Resolution (as defined in the Resolution);

(c) The Authority shall not incur or suffer to exist any Lien on or with respect to any of the Pledged Collateral other than any Lien contemplated by the Resolution or any such Lien that the Authority contests in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or asset subject to such Lien.

(d) *Merger; Disposition of Assets.* The Authority shall not consolidate or merge with or into any Person or sell, lease or otherwise transfer all or substantially all of its assets to any Person except as may be provided pursuant to Section 49-3-1204(d), Tennessee Code Annotated.

(e) *Total Outstanding.* At no time shall the Authority permit the aggregate principal amount of all Loans to exceed the Commitment.

(f) *Preservation of Corporate Existence, Etc.* The Authority shall take no action to terminate its existence as a body politic and corporate governmental agency and instrumentality of the State, or its rights and privileges in the State.

(g) *Exempt Status.* The Authority shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Tax-Exempt Loans from the gross income of the holders thereof for purposes of Federal income taxation.

(h) *Application of Proceeds.* The Authority will not take or omit to take any action, which action or omission will in any way result in the proceeds from the Loans being applied in a manner other than as provided in the Resolution and this Agreement.

(i) *Immunity from Jurisdiction.* With respect to any claim under this Agreement and the Notes appropriately brought in the Tennessee Claims Community, to the fullest extent permitted by Applicable Law, the Authority will not assert any immunity it may have as a public entity under the laws of the State from lawsuits with respect to the Loans, the other Obligations, this Agreement or any other Related Document.

(j) *Swap Contracts*. Without the prior written consent of the Banks, the Authority will not enter into any Swap Contract relating to Debt (i) wherein any termination payments thereunder are senior to or on parity with the payment of the Loans or the other Obligations or (ii) which requires the Authority to post cash collateral to secure its obligations thereunder.

(k) *ERISA*. The Authority shall not be, and shall not permit a member of the Controlled Group to be, subject to ERISA and shall not maintain, nor permit a member of the Controlled Group to maintain, a Plan. The Authority and each employee benefit plan shall remain in compliance in all material respects with the terms of any such plan and applicable law related thereto.

(l) *Federal Reserve Board Regulations*. The Authority shall not use any portion of the proceeds of the proceeds of the Advances for the purpose of carrying or purchasing any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) and shall not incur any Debt which is to be reduced, retired or purchased by the Authority out of such proceeds.

ARTICLE IX

DEFAULTS AND REMEDIES

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

(a) (i) The Authority shall fail to pay any principal of or interest on any Loan when the same becomes due and payable; or (ii) the Authority shall fail to pay any other fee or amount payable under this Agreement and, for this clause (ii) only, such failure shall continue for three (3) New York Banking Days; or

(b) Any representation, warranty, certification or statement made by the Authority in this Agreement or in any Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any Related Document shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made; or

(c) The Authority shall default in the due performance or observance of any term, covenant or agreement contained in Sections 7.1(a), (b), (f), (g), (m) or Article VIII hereof; or

(d) The Authority shall default in the due performance or observance of any term, covenant or agreement contained in this Agreement (other than those covered by any other Subsection of this Section 9.1) and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier of (i) written notice thereof

shall have been given to the Authority by the Administrative Agent or either Bank or (ii) the date on which the Authority becomes aware of such default; or

(e) Any pledge or security interest created by the Resolution or this Agreement to secure any amount due under this Agreement or the Notes shall fail to be fully enforceable with the priority required under this Agreement and the Resolution; or

(f) The Authority shall default in the due performance or observance of any term, covenant or agreement contained in any of the Related Documents and the same shall not have been cured within any applicable cure period; or

(g) (i) (A) The Authority shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Debt (other than Bonded Debt) of the Authority in excess of \$5,000,000, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Debt; or (B) any other default under any indenture, contract or instrument providing for the creation of or concerning such Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to permit or cause the acceleration of the maturity of such Debt; or (C) pursuant to the provisions of any such indenture, contract or instrument the maturity of any Debt of the Authority in a principal amount in excess of \$5,000,000 is permitted to be or shall have been accelerated or shall have been required to be prepaid prior to the stated maturity thereof, or (ii) (A) the Authority shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Bonded Debt of the Authority, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Bonded Debt; or (B) any other default under any indenture, contract or instrument providing for the creation of or concerning such Bonded Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to permit or cause the acceleration of the maturity of such Bonded Debt; or (C) pursuant to the provisions of any such indenture, contract or instrument the maturity of any Bonded Debt of the Authority is permitted to be or shall have been accelerated or shall have been required to be prepaid prior to the stated maturity thereof; or

(h) The Authority shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of thirty (30) days; or the State or any other governmental authority having jurisdiction over the Authority imposes a debt moratorium, debt restructuring, or comparable restriction on repayment

when due and payable of the principal of or interest on any Debt or Bonded Debt by the Authority; or all, or any substantial part, of the property of the Authority shall be condemned, seized, or otherwise appropriated, or either Bankruptcy, reorganization, debt arrangement or other proceeding under either Bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the Authority (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of thirty (30) days; or

(i) This Agreement or the Resolution or any material provision hereof or thereof at any time after its execution and delivery, or any Note shall cease to be a valid contractual obligation of the Authority or in full force and effect, in each case, as a result of federal or state legislative or administrative action, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the Authority to be null and void, or the validity of this Agreement, the Resolution or any Note or any material provisions thereof shall be contested (i) by the Authority or (ii) by any governmental agency or authority having jurisdiction over the Authority; or the Authority shall deny in writing that it has any or further liability or obligation under this Agreement, the Resolution or any Note or any material provision thereof; or

(j) The obligation of the Authority to pay the principal of and interest on the Loans or the Notes shall at any time cease to exist or be adjudged unenforceable, in each case, pursuant to a final administrative determination or judicial decision or the Authority shall assert that such obligation ceases to exist or is unenforceable; or

(k) Moody's, S&P or Fitch shall have downgraded the long-term rating assigned to any Bonded Debt of the Authority below "A3" (or its equivalent) by Moody's, "A-" (or its equivalent) by S&P or "A-" (or its equivalent) by Fitch or any of Moody's, S&P or Fitch shall have suspended or withdrawn its long-term unenhanced rating assigned to any Bonded Debt of the Authority for credit related reasons; or

(l) A final and non-appealable judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$5,000,000 shall be rendered against the Authority and shall attach to the Pledged Collateral, and such judgment or court order shall continue unsatisfied and in effect for a period of sixty (60) consecutive days without being vacated, discharged, satisfied, or stayed;

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

(i) by written notice to the Authority, declare the outstanding amount of the Obligations under this Agreement and the Notes to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which

are hereby expressly waived, and an action therefor shall immediately accrue; *provided, however*, in the event of an Event of Default under Section 9.1(h) hereof, the Obligations and the Notes shall immediately become due and payable without notice or demand;

(ii) by written notice to the Authority, reduce the Commitment to zero and thereafter the Banks will have no further obligation to make Advances, Revolving Loans or Term Loans hereunder and/or terminate the Commitment; provided that the Commitment shall immediately reduce to zero and terminate without notice upon the occurrence of an Event of Default under Section 9.1(h) hereof;

(iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Related Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to the Banks in the Related Documents;

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

(vi) exercise, or cause to be exercised, any and all remedies as it or either Bank may have under the Related Documents and as otherwise available at law and at equity.

Section 9.3. Rights and Remedies Cumulative; Non-Waiver; etc. (a) The enumeration of the rights and remedies of the Administrative Agent and the Banks set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Banks of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Related Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or either Bank in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Authority, the Administrative Agent and the Banks or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Related Documents or to constitute a waiver of any Event of Default.

(b) Notwithstanding anything to the contrary contained herein or in any other Related Document, the authority to enforce rights and remedies hereunder and under the other Related Documents against the Authority shall be vested exclusively in, and all actions and proceedings

at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 9.2 hereof for the benefit of both of the Banks; *provided* that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Related Documents or (b) either Bank from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Authority under any Debtor Relief Law; and *provided, further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Related Documents, then (i) the Banks shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.2 hereof and (ii) in addition to the matters set forth in clause (b) of the preceding proviso and subject to the terms hereof, either Bank may, with the consent of the all of the Banks, enforce any rights and remedies available to it and as authorized by all of the Banks.

Section 9.4. Crediting of Payments and Proceed. In the event that the Obligations have been accelerated pursuant to Section 9.2 hereof or the Administrative Agent or either Bank has exercised any remedy set forth in this Agreement or any other Related Document, all payments received by the Banks upon the Obligations and all net proceeds from the enforcement of the Obligations shall be applied:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent and the Banks in its capacity as such, ratably among the Administrative Agent and the Banks in proportion to the respective amounts described in this clause First payable to them;

Second, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Banks in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting unpaid principal of the Loans, ratably among the Banks in proportion to the respective amounts described in this clause Third held by them;

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Authority or as otherwise required by Applicable Law.

Section 9.5. Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Authority, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Authority) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and

unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Banks and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Banks and the Administrative Agent and their respective agents and counsel and all other amounts due the Banks and the Administrative Agent hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under the terms hereof.

Section 9.6 Statutory Remedies. The Administrative Agent and the Bank acknowledge and agree that, notwithstanding any provisions of this Agreement, their remedies hereunder may not be in contravention of TCA Section 49-3-1208.

ARTICLE X

THE ADMINISTRATIVE AGENT

Section 10.1. Appointment and Authority. Each of the Banks hereby irrevocably designates and appoints U.S. Bank National Association to act on its behalf as the Administrative Agent hereunder and under the other Related Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Banks, and the Authority shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Related Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 10.2. Rights as a Bank. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Bank as either of the Banks and may exercise the same as though it were not the Administrative Agent and the term “Bank” or “Banks” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as

the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Authority or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Banks.

Section 10.3. Exculpatory Provisions. (a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Related Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Related Documents that the Administrative Agent is required to exercise as directed in writing by the Banks, *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Related Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Related Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Authority or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Banks or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Authority or a Bank.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Related Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Related Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 2.4 hereof or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.4. Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request,

certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the making of an Advance, that by its terms must be fulfilled to the satisfaction of a Bank, the Administrative Agent may presume that such condition is satisfactory to such Bank unless the Administrative Agent shall have received notice to the contrary from such Bank prior to the making of such Loan or the making of such Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Authority), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Related Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the Commitment as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 10.6. Resignation of Administrative Agent. (a) The Administrative Agent may at any time give notice of its resignation to the Banks and the Authority. Upon receipt of any such notice of resignation, the Banks shall have the right, in consultation with the Authority, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Banks) (the "*Resignation Closing Date*"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Banks, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Closing Date.

(b) With effect from the Resignation Closing Date, (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Related Documents and (2) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Bank directly, until such time, if any, as the Banks appoint a successor Administrative Agent as provided for above. Upon the

acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Related Documents. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Related Documents, the provisions of this Article and Sections 2.6(e) and 5.1 hereof shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 10.7. Non-Reliance on Administrative Agent and Other Banks. Each Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or the other Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or the other Bank or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Related Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.8. No Other Duties, etc. Anything herein to the contrary notwithstanding, the Administrative Agent shall promptly and, in any event within three (3) New York Banking Days, provide the Banks with copies of all notices, information, requests for consent and other information provided to the Administrative Agent by the Authority.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Evidence of Debt. The Administrative Agent and each Bank shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each Advance, each Revolving Loan and each Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

Section 11.2. Amendments and Waivers. Except as set forth below or as specifically provided in any Related Document, any term, covenant, agreement or condition of this Agreement or any of the other Related Documents may be amended or waived by the Banks, and any consent given by the Banks, if, but only if, such amendment, waiver or consent is in writing signed by all of the Banks and, in the case of an amendment, signed by the Authority:

Section 11.3. Addresses for Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be mailed by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid, or sent by email, telex, telegram, telecopy or other similar form of rapid transmission confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other parties.

The Authority:

Office of State and Local Finance
Tennessee State School Bond Authority
James K Polk State Office Building
505 Deaderick Street, Suite 1600
Nashville, Tennessee 37243
Telephone: (615) 747-5369
Facsimile: (615) 741-5986
Attention: Sandi Thompson
Email: Sandi.Thompson@cot.tn.gov

and

Office of State and Local Finance
Tennessee State School Bond Authority
James K Polk State Office Building
505 Deaderick Street, Suite 1600
Nashville, Tennessee 37243
Telephone: (615) 747-5373
Facsimile: (615) 741-5986
Attention: Jacqueline Felland
Email: Jacqueline.Felland@cot.tn.gov

The Administrative Agent: Wire Instructions:
U.S. Bank National Association
ABA Number: 091000022
Account Name: c/o Syndication Services
Account Number: 0006854-2160600
Reference: Tennessee State School Bond Authority

Notice Address:

U.S. Bank National Association
1420 Fifth Avenue
Seattle, WA 98101
Telephone: (206) 344-5417
Facsimile: (206) 587-7022
Attention: Pat Eells
Email: patricia.eells@usbank.com

With a copy to:

U.S. Bank, N.A.
425 Walnut Street, 11th Floor
Cincinnati, OH 45202
Telephone: (513) 632-3283
Facsimile: (513) 632-4362
Attention: Cameron M. Parker
Email Cameron.parker@usbank.com
and
ccsmilwaukeeinstalltion@usbank.com

To Wells Fargo:

Wire Instructions:

ABA #121000248

Name: Wells Fargo Bank

Account #00698314050720

Account Name: wires in Process

Address: Roanoke, VA

Originator to Beneficiary Info:

Cust Name: _____

OBGR: _____

OBGN: _____

Notice Information:

Wells Fargo Bank, National Association

408 Franklin Street

Huntsville, AL 35801

Telephone: (256) 551-4126

Attention: Ellie Sternberg

Email: Ellie.stemberg@wellsfargo.com

With a copy to:

Wells Fargo Bank, National Association

2660 Eastchase Lane

First Floor, Suite 102

Montgomery, AL 36117-7024

Telephone: (334) 309-3872

Attention: Valerie Matthews

Email: Valerie.matthews@wellsfargo.com

To U.S. Bank:

Wire Instructions:

Bank Name: U.S. Bank National Association

Bank ABA: 042 000 013

Bank Account #: 25199562160600

Account Name: Government Banking WIP Account

REF: Tennessee State School Bond Authority

Notice Address:

U.S. Bank, N.A.

425 Walnut Street, 11th Floor

Cincinnati, OH 45202

Telephone: (513) 632-3283

Facsimile: (513) 632-4362

Attention: Cameron M. Parker

Email Cameron.parker@usbank.com

Section 11.4. Survival of This Agreement. All covenants, agreements, representations and warranties made in this Agreement shall survive the extension by the Banks of the Commitment and shall continue in full force and effect so long as the Commitment shall be unexpired or any sums drawn or due thereunder or any other obligations shall be outstanding and unpaid, regardless of any investigation made by any Person and so long as any amount payable hereunder remains unpaid. The agreement of the Authority to indemnify the Administrative Agent and each Bank and each Indemnitee under Section 5.1 hereof shall continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. The obligations of the Authority under Sections 5.2, 5.3 and 2.6(e) hereof shall also continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. Whenever in this Agreement the Administrative Agent or either Bank is referred to, such reference shall be deemed to include the successors and assigns of the Administrative Agent and such Bank and all covenants, promises and agreements by or on behalf of the Authority which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Administrative Agent and such Bank. The rights and duties of the Authority may not be assigned or transferred without the prior written consent of the Administrative Agent and each Bank, and all obligations of the Authority hereunder shall continue in full force and effect notwithstanding any assignment by the Authority of any of its rights or obligations under any of the Related Documents or any entering into, or consent by the Authority to, any supplement or amendment to, or termination of, any of the Related Documents.

Section 11.5. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 11.6. Governing Law; Waiver of Jury Trial; Jurisdiction and Venue. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402); *PROVIDED, HOWEVER* THAT THE OBLIGATIONS OF THE AUTHORITY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

(c) THE AUTHORITY IS NOT ENTITLED TO CLAIM THE DEFENSE OF SOVEREIGN IMMUNITY OR STATUTORY IMMUNITY IN ANY PROCEEDING APPROPRIATELY ASSERTED AGAINST IT IN THE TENNESSEE CLAIMS COMMISSION, AN ADMINISTRATIVE TRIBUNAL, WHERE LIABILITY MAY BE LIMITED TO ACTUAL DAMAGES AND CERTAIN COSTS, AND ARISING OUT OF ITS OBLIGATIONS AS SET FORTH IN THIS AGREEMENT. EACH OF THE PARTIES HERETO AGREES THAT ALL CLAIMS IN RESPECT OF ANY PROCEEDING SHALL BE HEARD AND DETERMINED BY THE TENNESSEE CLAIMS COMMISSION, AS PROVIDED BY LAW. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER MANNER AS AND TO THE EXTENT PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT EITHER BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT AGAINST THE AUTHORITY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 11.7. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Authority, its successors, transferees and assigns and shall inure to the benefit of the Banks and their respective permitted successors, transferees and assigns. The Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, no Bank may assign its obligations to fund Advances and Loans pursuant to the terms of this Agreement without the prior written consent of the Authority (such consent not to be unreasonably withheld). Each Noteholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note(s) and the other Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Noteholder to a Bank Transferee.* Without limitation of the foregoing generality, either Bank may at any time sell or otherwise transfer to one or more

transferees all or a portion of the Note(s) to a Person that is (i) a Bank Affiliate or (ii) a trust or other custodial arrangement established by such Bank or a Bank Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Bank Transferee*”). From and after the date of such sale or transfer, such Bank (and its successors) shall continue to have all of the rights of a Bank hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of such Bank hereunder, (B) the Authority shall be required to deal only with such Bank with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only such Bank shall be entitled to enforce the provisions of this Agreement against the Authority.

(c) *Sales and Transfers by Noteholder to a Non-Bank Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or a portion of the Note(s) to one or more transferees which are not Bank Transferees but each of which constitutes (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Bank Transferee*”), if written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the Authority, the Administrative Agent and the Bank (if different than the Noteholder) by such selling Noteholder and Non-Bank Transferee.

From and after the date the Authority has received written notice, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder (other than its obligation to fund Advances and Loans, as more fully set forth in paragraph (a) of this Section 11.7) hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents (other than its obligation to fund Advances and Loans, as more fully set forth in paragraph (a) of this Section 11.7).

(d) *Participations.* Each Bank shall have the right to grant participations in all or a portion of its interest in the Notes, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (i) no such participation by any such participant shall in any way affect the obligations of such Bank hereunder and (ii) the Authority shall be required to deal only with such Bank, with respect to any matters under this Agreement, the Notes and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the Authority.

(e) *Certain Pledges.* Each Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the other Related Documents to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Bank from any of its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

Section 11.8. Setoffs. Upon the occurrence and during the continuance of any Event of Default hereunder, each Bank is hereby authorized at any time and from time to time without notice to the Authority (any such notice being expressly waived by the Authority), and, to the fullest extent permitted by Applicable Law, to setoff, to exercise any banker's lien or any right of attachment or garnishment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies consisting of Pledged Collateral at any time held and other indebtedness at any time owing by either Bank to or for the account of the Authority against any and all of the obligations of the Authority now or hereafter existing under or in connection with this Agreement or the related Note, whether or not the respective Bank shall have made any demand hereunder or thereunder. The rights of the Banks under this Section are in addition to, in augmentation of, and do not derogate from or impair other rights and remedies (including, without limitation, other rights of setoff) which the Banks may have.

Section 11.9. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 11.10. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, taken together, shall constitute but one and the same Agreement. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 11.11. Patriot Act. The Administrative Agent and the Banks hereby notifies the Authority that pursuant to the requirements of the Patriot Act it is required to obtain, verify and

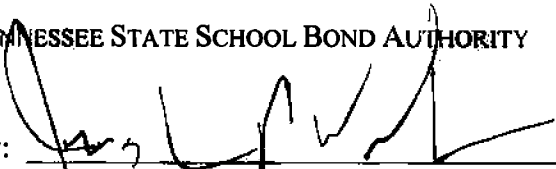
record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Administrative Agent and the Banks to identify the Authority in accordance with the Patriot Act. The Authority hereby agrees that it shall promptly provide such information upon request by the Administrative Agent.

Section 11.12. Limitation on Remedies. Any provisions of this Agreement in which the Authority purports to hold harmless, indemnify or limit its remedies in any manner shall be valid only the extent permitted by Applicable Law. The Authority makes no representation as to what extent any such provision is permitted by Applicable Law.


[The remainder of this page intentionally left blank]

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

TENNESSEE STATE SCHOOL BOND AUTHORITY

By: 
Name: Justin Wilson
Title: Comptroller of the Treasury, Secretary
to the Authority


U.S. BANK NATIONAL ASSOCIATION, as
Administrative Agent and Bank

By: 
Name: Cameron A. Parker
Title: VP

U.S. Bank Commitment - \$150,000,000

U.S. Bank Commitment Percentage - 50%

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Bank

By: 
Name: E. J. Stenberg
Title: VP

Wells Fargo Commitment - \$150,000,000

Wells Fargo Commitment Percentage - 50%

EXHIBIT A-1

[FORM OF TAX-EXEMPT NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENT OF THE SECURITIES ACT. IN ADDITION, THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SECTION 11.7 OF THE HEREINAFTER DEFINED REVOLVING CREDIT AGREEMENT.

UNITED STATES OF AMERICA

STATE OF TENNESSEE

**TENNESSEE STATE SCHOOL BOND AUTHORITY
HIGHER EDUCATIONAL FACILITIES TAX-EXEMPT
PROMISSORY NOTE**

Dated: _____, 2014

Maximum Principal Amount: One Hundred Fifty Million Dollars (\$150,000,000)

Registered Owner: [U.S. Bank National Association][Wells Fargo Bank, National Association] and its successors

KNOW ALL MEN BY THESE PRESENTS: That the Tennessee State School Bond Authority, a corporate governmental agency and instrumentality of the State of Tennessee (the “Authority”), hereby acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner set forth above, or registered assigns, so much of the Maximum Principal Amount stated above as shall have been loaned by the Registered Owner pursuant to the hereinafter defined Revolving Credit Agreement and not repaid or prepaid and which shall remain outstanding from time to time, and interest thereon, payable as provided herein and in such Revolving Credit Agreement. Terms used but not defined herein shall have the respective meanings given to them in such Revolving Credit Agreement.

This Note evidences Advances, Revolving Loans or Term Loans made by the Registered Owner to the Authority in the Maximum Principal Amount set forth above pursuant to the Revolving Credit Agreement dated as of March 20, 2014, as amended, supplemented, modified or restated from time to time (the “Revolving Credit Agreement”) among the Registered Owner and [Wells Fargo Bank, National Association][U.S. Bank National Association], as lenders, U.S. Bank National Association as Administrative Agent and the Authority. This Note shall mature

not later than the Revolving Loan Maturity Date or, if converted to a Term Loan, the Amortization End Date, subject to prepayment as provided in the Revolving Credit Agreement.

This Note shall bear interest on the outstanding principal amount hereof at the rate relating to the related Revolving Loan or Term Loan as provided in the Revolving Credit Agreement, and the principal of this Note shall be payable in the amounts and on the dates as provided in the Revolving Credit Agreement.

This Note is one of an issue of notes in an aggregate principal amount not to exceed \$150,000,000 issued and to be issued under the authority of and in full compliance with the Constitution and statutes of Tennessee, including Tennessee Code Annotated Sections 49-3-1201 *et seq.*, and a resolution duly adopted by the Authority on March 13, 2014 (the "Resolution"), which authorizes said Notes for the purposes authorized by the Resolution. This Note is a special obligation of the Authority, the principal of and interest on which shall be payable only from, and secured only by, the Pledged Collateral as provided in the Revolving Credit Agreement and the Resolution.

All sums becoming due on this Note for principal and interest shall be paid to the Administrative Agent for the account of the Bank as provided in the Revolving Credit Agreement, in lawful money of the United States, without the presentation or surrender of this Note or the making of any notation hereon, except as provided in the next paragraph and except that upon the written request of the Authority made concurrently with or reasonably promptly after prepayment in full of this Note, the Registered Owner of this Note shall surrender this Note for cancellation, reasonably promptly after any such request, to the Authority. Prior to any sale or other disposition of this Note, the Registered Owner of this Note shall endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon.

All payments of principal of this Note (whether at maturity or upon prepayment), including the date and amount of each payment, shall be endorsed by the Registered Owner of this Note on the Schedule of Prepayments attached to this Note; provided, however, that any failure by the Registered Owner of this Note to endorse such information on such Schedule or any error therein shall not in any manner affect the obligation of the Authority to make payments of principal and interest in accordance with the terms of this Note.

This Note is subject to prepayment on the dates and in the amounts, in whole or in part, of the outstanding principal of the related Revolving Loan or Term Loan evidenced and secured by this Note as provided in Section 3.5 and Section 4.6, respectively, of the Revolving Credit Agreement.

This Note is issued in fully registered form and is non-negotiable. This Note is transferable as permitted by Section 11.7 of the Revolving Credit Agreement by the Registered Owner hereof only upon the books of registry maintained by the Authority at the principal office of the Office of State and Local Finance of the State, upon surrender of this Note for cancellation together with a written instrument of transfer satisfactory to the Authority duly executed by the Registered Owner or such owner's duly authorized attorney. Upon such cancellation and registration of transfer, a new Note for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

TENNESSEE STATE SCHOOL
BOND AUTHORITY

[SEAL]

By: _____
Authorized Representative

ATTEST:

Authorized Representative

Assignment

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

Please insert Social Security or
Taxpayer Identification Number of Transferee

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

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

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT A-2

[FORM OF TAXABLE NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENT OF THE SECURITIES ACT. IN ADDITION, THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SECTION 11.7 OF THE HEREINAFTER DEFINED REVOLVING CREDIT AGREEMENT.

UNITED STATES OF AMERICA

STATE OF TENNESSEE

**TENNESSEE STATE SCHOOL BOND AUTHORITY
HIGHER EDUCATIONAL FACILITIES TAXABLE
PROMISSORY NOTE**

Dated: _____, 2014

Maximum Principal Amount: One Hundred Fifty Million Dollars (\$150,000,000)

Registered Owner: [U.S. Bank National Association][Wells Fargo Bank, National Association] and its successors

KNOW ALL MEN BY THESE PRESENTS: That the Tennessee State School Bond Authority, a corporate governmental agency and instrumentality of the State of Tennessee (the "Authority"), hereby acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner set forth above, or registered assigns, so much of the Maximum Principal Amount stated above as shall have been loaned by the Registered Owner pursuant to the hereinafter defined Revolving Credit Agreement and not repaid or prepaid and which shall remain outstanding from time to time, and interest thereon, payable as provided herein and in such Revolving Credit Agreement. Terms used but not defined herein shall have the respective meanings given to them in such Revolving Credit Agreement.

This Note evidences Advances, Revolving Loans or Term Loans made by the Registered Owner to the Authority in the Maximum Principal Amount set forth above pursuant to the Revolving Credit Agreement dated as of March 20, 2014, as amended, supplemented, modified or restated from time to time (the "Revolving Credit Agreement") among the Registered Owner and [Wells Fargo Bank, National Association][U.S. Bank National Association], as lenders, U.S. Bank National Association as Administrative Agent and the Authority. This Note shall mature

not later than the Revolving Loan Maturity Date or, if converted to a Term Loan, the Amortization End Date, subject to prepayment as provided in the Revolving Credit Agreement.

This Note shall bear interest on the outstanding principal amount hereof at the rate relating to the related Revolving Loan or Term Loan as provided in the Revolving Credit Agreement, and the principal of this Note shall be payable in the amounts and on the dates as provided in the Revolving Credit Agreement.

This Note is one of an issue of notes in an aggregate principal amount not to exceed \$150,000,000 issued and to be issued under the authority of and in full compliance with the Constitution and statutes of Tennessee, including Tennessee Code Annotated Sections 49-3-1201 *et seq.*, and a resolution duly adopted by the Authority on March 13, 2014 (the "Resolution"), which authorizes said Notes for the purposes authorized by the Resolution. This Note is a special obligation of the Authority, the principal of and interest on which shall be payable only from, and secured only by, the Pledged Collateral as provided in the Revolving Credit Agreement and the Resolution.

All sums becoming due on this Note for principal and interest shall be paid to the Administrative Agent for the account of the Bank as provided in the Revolving Credit Agreement, in lawful money of the United States, without the presentation or surrender of this Note or the making of any notation hereon, except as provided in the next paragraph and except that upon the written request of the Authority made concurrently with or reasonably promptly after prepayment in full of this Note, the Registered Owner of this Note shall surrender this Note for cancellation, reasonably promptly after any such request, to the Authority. Prior to any sale or other disposition of this Note, the Registered Owner of this Note shall endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon.

All payments of principal of this Note (whether at maturity or upon prepayment), including the date and amount of each payment, shall be endorsed by the Registered Owner of this Note on the Schedule of Prepayments attached to this Note; provided, however, that any failure by the Registered Owner of this Note to endorse such information on such Schedule or any error therein shall not in any manner affect the obligation of the Authority to make payments of principal and interest in accordance with the terms of this Note.

This Note is subject to prepayment on the dates and in the amounts, in whole or in part, of the outstanding principal of the related Revolving Loan or Term Loan evidenced and secured by this Note as provided in Section 3.5 and Section 4.6, respectively, of the Revolving Credit Agreement.

This Note is issued in fully registered form and is non-negotiable. This Note is transferable as permitted by Section 11.7 of the Revolving Credit Agreement by the Registered Owner hereof only upon the books of registry maintained by the Authority at the principal office of the Office of State and Local Finance of the State, upon surrender of this Note for cancellation together with a written instrument of transfer satisfactory to the Authority duly executed by the Registered Owner or such owner's duly authorized attorney. Upon such cancellation and registration of transfer, a new Note for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

TENNESSEE STATE SCHOOL
BOND AUTHORITY

[SEAL]

By: _____
Authorized Representative

ATTEST:

Authorized Representative

Assignment

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

Please insert Social Security or
Taxpayer Identification Number of Transferee

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

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

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT B

[FORM OF REQUEST FOR ADVANCE]

REQUEST FOR ADVANCE AND REVOLVING LOAN

U.S. Bank National Association
1420 Fifth Avenue
Seattle, WA 98101
Telephone: (206) 344-5417
Toll-Free Number: 1 (877) 53-3117
Facsimile: (206) 587-7022
Attention: Pat Eells
Email: patricia.eells@usbank.com
With a copy to each of:

Cameron.parker@usbank.com
ccsmilwaukeeinstall@usbank.com

Ladies and Gentlemen:

The undersigned, an Authorized Representative, refers to the Revolving Credit Agreement, dated as of March 20, 2014 (together with any amendments or supplements thereto, the "Agreement"), by and between the Tennessee State School Bond Authority (the "Authority"), the Banks from time to time party thereto (the "Banks") and U.S. Bank National Association, as Administrative Agent (the "Administrative Agent") and a Bank (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.3 of the Agreement, that the Bank make an Advance under the Agreement, and in that connection sets forth below the following information relating to such Advance (the "Proposed Advance"):

1. The New York Banking Day of the Proposed Advance is _____, 20__ (the "Advance Date"), which is at least three New York Banking Days after the date hereof.
2. The principal amount of the Proposed Advance is \$_____, which is not greater than the Commitment as of the Advance Date set forth in 1 above.
3. The aggregate amount of the Proposed Advance shall be used solely for the payment of **[Project Costs]** or **[to prepay Taxable Loans with proceeds of Tax-Exempt Loans]** or **[to prepay Tax-Exempt Loans with proceeds of Taxable Loans]** or **[principal of Commercial Paper outstanding on the Effective Date]** or **[costs of issuance in connection with the Agreement]** or **[any other purpose permitted under the Act and the Resolution]**.

4. The interest rate with respect to the Proposed Advance shall be **[the Tax-Exempt Rate] [the Taxable LIBOR Rate]**.

5. After giving effect to the Proposed Advance, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed the Commitment. After giving effect to the Proposed Advance.

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

(a) the undersigned is an Authorized Representative;

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

(c) no Default or Event of Default shall have occurred and be continuing on such Advance Date.

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

[Insert wire instructions]

Very truly yours,

TENNESSEE STATE SCHOOL BOND AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT C

[FORM OF NOTICE OF TERMINATION OR REDUCTION]

NOTICE OF TERMINATION OR REDUCTION

[Date]

U.S. Bank National Association
1420 Fifth Avenue
Seattle, WA 98101
Telephone: (206) 344-5417
Facsimile: (206) 587-7022
Attention: Pat Eells
Email: patricia.eells@usbank.com
With a copy to each of:

Cameron.parker@usbank.com
ccsmilwaukeeinstallment@usbank.com

Ladies and Gentlemen:

Re: Revolving Credit Agreement dated as of March 20, 2014

The Tennessee State School Bond Authority (the "*Authority*"), through its undersigned, an Authorized Representative, hereby certifies to U.S. Bank National Association (the "*Administrative Agent*"), with reference to the Revolving Credit Agreement dated as of March 20, 2014 (together with any amendments or supplements thereto, the "*Agreement*") by and between the Authority, the Banks from time to time party thereto (the "*Banks*") and U.S. Bank National Association, as Administrative Agent and a Bank (the terms defined therein and not otherwise defined herein being used herein as therein defined):

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

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

IN WITNESS WHEREOF, the Authority has executed and delivered this Notice this _____
day of _____, _____.

TENNESSEE STATE SCHOOL BOND AUTHORITY

By: _____

Name: _____

Title: _____