



JASON E. MUMPOWER  
*Comptroller*

## TENNESSEE STATE SCHOOL BOND AUTHORITY

**June 22, 2026**

### AGENDA

1. Call meeting to order, establish that there is a quorum, and receive public comment on actionable items in accordance with Tenn. Code Ann. §8-44-112 and Authority guidelines
2. Approval of the Minutes from the TSSBA meeting of May 20, 2026
3. Approval of the “Supplemental Resolution Authorizing and Providing for the Issuance and Sale of Higher Educational Facilities Second Program Bonds” for the 2026 Series Bonds and delegate the authority to the Comptroller to sell and fix the details of the bonds
4. Adjourn

The Board meeting will be held in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, TN. Board members are allowed to participate by electronic means. The public may attend in person or virtually by using the following link: <https://www.comptroller.tn.gov/office-functions/sgf/sgf-calendar/2026/6/22/tennessee-state-school-bond-authority-meeting.html>

## TENNESSEE STATE SCHOOL BOND AUTHORITY

May 20, 2026

The Tennessee State School Bond Authority (the “TSSBA”, or the “Authority”) met on May 20, 2026, at 2:15 p.m., CT, in the Volunteer Conference Center on the 2<sup>nd</sup> floor of the Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present virtually and presided over the meeting.

The following members were physically present:

Chris Mustain, Proxy for The Honorable Tre Hargett, Secretary of State  
Jamie Wayman, Proxy for The Honorable David H. Lillard, Jr., State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration  
Dr. Mariah Perry, proxy for Dr. Flora W. Tydings, Chancellor, Tennessee Board of Regents  
David Miller, proxy for Randy Boyd, President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Comptroller Mumpower recognized a physical quorum present with himself participating electronically, and asked Ms. Kayla Carr, Director of the Division of State Government Finance (SGF) and TSSBA Assistant Secretary, to call the roll:

Comptroller Mumpower – Present  
Mr. Miller – Present  
Dr. Perry – Present  
Commissioner Bryson – Present  
Mr. Wayman – Present  
Mr. Mustain – Present

Comptroller called the meeting to order. In accordance with Tenn. Code Ann. § 8-44-112 and Board Guidelines, Comptroller Mumpower asked Ms. Carr if any requests for public comment had been received. Ms. Carr responded that no requests for public comment had been received.

Comptroller Mumpower stated that the first item on the agenda was the consideration for approval of the minutes from March 23, 2026, meeting of the Authority. Comptroller Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Comptroller Mumpower moved approval of the minutes, Commissioner Bryson seconded the motion, and Ms. Carr took the roll:

Comptroller Mumpower – Aye  
Mr. Miller – Aye  
Dr. Perry – Aye  
Commissioner Bryson – Aye  
Mr. Wayman – Aye  
Mr. Mustain – Aye

The minutes were unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method by University of Tennessee, Health Science Center – Lease for 1589 Highway 128 with Bill and Carol Latimer Charitable Foundation. Comptroller Mumpower recognized Mr. Austin Oakes, Associate Vice President, Department of Capital Projects at the University of Tennessee (UT). Mr. Oakes stated the lease would

create a new dental clinic, expanding access to oral healthcare in rural communities and supporting the clinical education of the next generation of our dentists. Mr. Oakes stated the lease term is for 30 years and UT will pay rent of one dollar per year and be directly responsible for all operating expenses of the clinic. Comptroller Mumpower moved approval of the resolution. Mr. Miller seconded the motion., and Ms. Carr took the roll:

Comptroller Mumpower – Aye  
Mr. Miller – Aye  
Dr. Perry – Aye  
Commissioner Bryson – Aye  
Mr. Wayman – Aye  
Mr. Mustain – Aye

The motion was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method by University of Tennessee, Tennessee, Knoxville – Lease for Oak Ridge Enhanced Technology and Training Center with Roane County NSPC, LLC. Comptroller Mumpower recognized Mr. Oakes to present. Mr. Oakes stated that the firm that operates the Y-12 lab had been working for some time in collaboration to develop a National Security Prototype Center, or NSPC. Mr. Oakes stated the NSPC would provide solutions in nuclear deterrence, national security and nuclear energy sectors. Mr. Oakes stated that the Roan County NSPC, LLC. Entity will finance, construct, own, and then lease the space to other parties. Mr. Oakes stated that UT will lease one-third of the building. Mr. Oakes stated that CNS will lease one-third and the remaining third would be common space that both groups would use together for research. Mr. Oakes stated the lease would be for 20 years with a series of extension options to secure its interest in the NSPC building through 99 years. Mr. Oakes stated the anticipated annual effective cost would be \$4,093,244. Comptroller Mumpower moved approval of the resolution. Mr. Miller seconded the motion, and Ms. Carr took the roll:

Comptroller Mumpower – Aye  
Mr. Miller – Aye  
Dr. Perry – Aye  
Commissioner Bryson – Aye  
Mr. Wayman – Aye  
Mr. Mustain – Aye

The motion was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method by University of Tennessee, Tennessee, Knoxville – Loan for the purchase of 2200 Southerland Avenue with Regions Bank. Comptroller Mumpower recognized Mr. Oakes to present. Mr. Oakes stated the loan would allow UT to acquire the CM Complex building they are currently leasing. Mr. Oakes stated that the current lease included an early purchase option that stipulates that if UT acquires the building by the end of June 2026, it would be at a cost of \$23.1 million plus the reimbursement of up to \$2 million of capital improvements that the landlord has made. Mr. Oakes stated that UT anticipates closing at or below \$25.1 million. Mr. Oakes stated that the loan would be financed with an amount up to \$25 million with a ten-year maturity date and repayment based on a twenty-year amortization schedule with annual payments of \$1,897,948.13. Comptroller Mumpower moved approval of the resolution. Mr. Miller seconded the motion. Comptroller Mumpower asked if there were any questions. Commissioner Bryson asked if the loan would be under the new E&G change to the Debt Management Policy. Mr. Oakes stated that the ability to borrow outside the Authority was available before the change, but UT would count against their E&G. Comptroller Mumpower asked if there were any other questions or comments. Hearing none, Comptroller Mumpower asked Ms. Carr to take the roll:

Comptroller Mumpower – Aye  
Mr. Miller – Aye  
Dr. Perry – Aye  
Commissioner Bryson – Aye  
Mr. Wayman – Aye  
Mr. Mustain – Aye

The motion was unanimously approved.

Comptroller Mumpower stated that the next was the consideration and approval of a project for the University of Tennessee (UT). Treasurer Lillard recognized Mr. Austin Oakes, Assistant Vice President of the Department of Capital Projects at UT to present the request.

- University of Tennessee, Knoxville – UTK Neyland Entertainment District Parking Garage (A103); Cost: \$83,000,000 of which \$83,000,000 will be funded by TSSBA; Term of Financing: 30 years at an assumed taxable rate.

Mr. Oakes stated that the parking garage is part of their new entertainment district. Mr. Oakes stated the parking garage would be the foundation and the entertainment district would be built on top and a new hotel would be built immediately adjacent to it. Mr. Oakes stated that the entertainment district and hotel are entirely privately financed, while the replacement of UT's existing garage would be financed with TSSBA bonds and would be supported by revenues generated by the project. Comptroller Mumpower moved approval of the resolution. Commissioner Bryson seconded the motion. Comptroller Mumpower asked if there were any questions. Hearing none, Comptroller Mumpower asked Ms. Carr to take the roll:

Comptroller Mumpower – Aye  
Mr. Miller – Aye  
Dr. Perry – Aye  
Commissioner Bryson – Aye  
Mr. Wayman – Aye  
Mr. Mustain – Aye

The motion was unanimously approved.

Comptroller Mumpower stated the next item on the agenda was a report on the request to increase the revolving credit facility. Comptroller Mumpower recognized Ms. Carr to report. Ms. Carr stated that the item does not require action, but she wanted to report on the interest to increase the capacity of the Revolving Credit Agreement to \$300 million. Ms. Carr stated that the new agreement that was set in 2024 allowed the Authority to take the capacity down to \$200 million with an accordion feature to expand up to \$300 million. Ms. Carr stated that the current amount outstanding had gotten close to the \$200 million and staff is looking at selling bonds in the near future but would need to increase the capacity to \$300 to allow for continued spending until the bonds are sold. Comptroller Mumpower reminded the members that this was just a report item.

Comptroller Mumpower moved to adjourn, Mr. Mustain seconded the motion, and Ms. Carr took the roll:

Comptroller Mumpower – Aye  
Mr. Miller – Aye  
Dr. Perry – Aye  
Commissioner Bryson – Aye  
Mr. Wayman – Aye  
Mr. Mustain – Aye

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

Respectfully submitted,

Kayla Carr  
Assistant Secretary

**SUPPLEMENTAL RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF HIGHER EDUCATIONAL FACILITIES SECOND PROGRAM BONDS**

WHEREAS, the Authority and the Board of Trustees have entered into a certain Second Program Financing Agreement dated as of November 1, 1997 in order to provide for the financing and refinancing by the Authority of Projects of the Board of Trustees, and the Authority and the Board of Regents have entered into a certain Second Program Financing Agreement dated as of November 1, 1997 in order to provide for the financing and refinancing by the Authority of Projects of the Board of Regents (said Second Program Financing Agreements, as supplemented and amended from time to time, being herein collectively called the **“Second Program Financing Agreements”**);

WHEREAS, the members of the Authority duly adopted on April 27, 1998 a resolution entitled **“HIGHER EDUCATIONAL FACILITIES SECOND PROGRAM GENERAL BOND RESOLUTION”** (the **“Second Program General Bond Resolution”**) authorizing the issuance of Higher Educational Facilities Second Program Bonds (the **“Bonds”**) from time to time in Series for any purpose permitted under the Act, including to provide for the payment of Project Costs, and otherwise as provided in the Second Program General Bond Resolution;

WHEREAS, in order to provide interim financing of the cost of certain Projects, the Authority entered into a Revolving Credit Agreement dated as of May 1, 2024, as amended by the First Amendment to Revolving Credit Agreement dated June 3, 2026, with Bank of America, N.A. (the **“Revolving Credit Agreement”**), and has contracted Revolving Loans thereunder (the **“Revolving Loans”**); and

WHEREAS, it may be necessary or desirable to prepay Revolving Loans for certain Projects and to finance Project Costs of certain other Projects, and it is deemed necessary and desirable at this time to authorize the issuance of Bonds for such purposes as set forth and provided herein;

NOW, THEREFORE, BE IT RESOLVED by the members of the Tennessee State School Bond Authority:

SECTION 1. Definitions. Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Resolution which are defined in the Second Program General Bond Resolution (the Second Program General Bond Resolution and this Supplemental Resolution being herein collectively called the **“Resolutions”**) or in this Supplemental Resolution shall, for all purposes of this Supplemental Resolution (including the preambles hereto), for all purposes of any certificate, resolution or other instrument amendatory hereof or supplemental hereto and for all purposes of any opinion, instrument or other document herein or therein mentioned, have the respective meanings given to them in the Second Program General Bond Resolution or this Supplemental Resolution, as the case may be.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa.

The terms “hereby”, “hereof,” “hereto”, “herein,” “hereunder”, and any similar terms, as used in this Supplemental Resolution, refer to this Supplemental Resolution.

SECTION 2. Authorization of 2026 Bonds. (a) There is hereby authorized to be issued under the Act and the Second Program General Bond Resolution one or more Series of Bonds (individually and collectively herein called the “**2026 Bonds**”) designated “Higher Educational Facilities Second Program Bonds” and which may bear such further designation or designations as may be provided in the respective 2026 Bonds Series Certificate (as defined in Section 4(a) hereof). The 2026 Bonds shall be issued in an aggregate principal amount not to exceed \$300,000,000.

(b) The 2026 Bonds may be issued as bonds the interest on which is excluded from gross income for Federal income tax purposes (the “**Tax-Exempt 2026 Bonds**”), or as bonds the interest on which is included in gross income for Federal income tax purposes (the “**Taxable 2026 Bonds**”), or in part as Tax-Exempt 2026 Bonds and in part as Taxable 2026 Bonds.

(c) The 2026 Bonds may be issued at one time or from time to time.

SECTION 3. Purposes. The 2026 Bonds may be issued (i) to provide for the prepayment of all or a portion of outstanding Revolving Loans contracted to finance all or a portion of the costs of the Projects identified pursuant to Section 4(a)(i) hereof, including funded interest, if any, (ii) to finance all or a portion of the costs of Projects identified pursuant to Section 4(a)(i) hereof, including funded interest, if any, and (iii) to provide for the payment of costs of issuance of the 2026 Bonds.

SECTION 4. Series Certificates. (a) Pursuant to Section 202(B) of the Second Program General Bond Resolution, there is hereby delegated to an Authorized Officer the power to determine, by means of a Series Certificate or Series Certificates (each, a “**2026 Bonds Series Certificate**”), the following:

(i) the Projects financed or refinanced by the 2026 Bonds authorized by clauses (i) and (ii) of Section 3 hereof, and the principal amount of 2026 Bonds issued for each such Project,

(ii) the principal amount of outstanding Revolving Loans for each Project to be prepaid with proceeds of the 2026 Bonds pursuant to subsection (a)(i) of this Section 4,

(iii) the Debt Service Reserve Requirement, if any, for the 2026 Bonds issued for each Project,

(iv) the matters provided in Sections 2, 5, 6, 7, 9, 10, 13 and 16 hereof and this Section 4, and

(v) any other matters and provisions deemed advisable by such Authorized Officer and not in conflict herewith or with the Second Program General Bond Resolution.

(b) No Series of such 2026 Bonds shall be issued unless (i) the issuance thereof is consistent with the Authority's Debt Management Policy, as certified to the Authority by the Financial Advisor to the Authority (the "**Financial Advisor**"), and (ii) an Authorized Officer, by execution of the 2026 Bonds Series Certificate, confirms the receipt of such certification of the Financial Advisor.

(c) Each 2026 Bonds Series Certificate shall be filed with the Trustee, whereupon it shall be deemed for all purposes of the Resolution to have been adopted by the Authority and to be a part of this Supplemental Resolution as if set forth in full herein.

SECTION 5. Details of 2026 Bonds. The following provisions set forth details of the 2026 Bonds, subject in each case (except subsection (a) of this Section) to any contrary specification in a 2026 Bonds Series Certificate.

(a) The 2026 Bonds shall (i) subject to Section 2 hereof, be in such aggregate principal amount, (ii) be dated and bear interest from such date or dates, (iii) be issuable in such form, (iv) be of such denominations, (v) be numbered and bear such other designations, (vi) mature on the dates (which shall not be later than 30 years after the date of issuance) and in the principal amounts, (vii) bear interest at the rates and be payable on the dates and in the manner, (viii) be Serial Bonds or Term Bonds, (ix) if Term Bonds, be subject to retirement from mandatory Sinking Fund Installments, and (x) be subject to redemption prior to maturity at the times and Redemption Prices, subject to Section 7 hereof, in the case of clauses (i) through (x) above all as provided in the respective 2026 Bonds Series Certificate.

(b) The 2026 Bonds shall be payable as to principal, Sinking Fund Installments, if any, Redemption Price and interest in such coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal, Sinking Fund Installments, if any, and Redemption Price of the 2026 Bonds shall be payable upon presentation and surrender thereof to the Paying Agent appointed by subsection (f) of this Section at its designated office. Interest on the 2026 Bonds shall be paid by the Paying Agent by check mailed to the Owner at such Owner's address as it appears on the registration books of the Authority maintained by the Registrar as of the fifteenth day (whether or not a Business Day) of the calendar month next preceding the respective due date. Notwithstanding the foregoing, payment of principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the 2026 Bonds may be made in any manner agreed to by the Authority and the Paying Agent for so long as DTC (as defined in subsection (c) of this Section) or its nominee (or any substitute depository, or successor) is the Owner thereof as Securities Depository (as defined in subsection (c) of this Section).

(c) The 2026 Bonds when initially issued shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC is hereby designated the securities depository for the 2026 Bonds (the "**Securities Depository**"), except as provided in subsection (d) of this Section. So long as DTC or its nominee is the Owner of the 2026 Bonds as Securities Depository, individual purchases of

beneficial ownership interests in 2026 Bonds may be made only in book-entry form by or through DTC participants, and purchasers of such beneficial ownership interests in 2026 Bonds will not receive physical delivery of 2026 Bond certificates representing the beneficial ownership interest purchased.

The Authority shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the 2026 Bonds or nominees thereof.

(d) The Authority shall issue 2026 Bond certificates (the “**Replacement Bonds**”) directly to beneficial owners of the 2026 Bonds or to DTC, as specified by DTC procedures, but only in the event that (i) DTC determines to discontinue providing its services with respect to the 2026 Bonds, or (ii) the Authority discontinues use of DTC (or any substitute depository, or successor), subject to DTC procedures. The Authority, the Trustee and the Registrar shall be fully protected in relying upon information provided by DTC, DTC participants or other nominees of beneficial owners, or beneficial owners with respect to the names, addresses and amounts owned by the beneficial owners and other information supplied by them for the purpose of delivering Replacement Bonds.

(e) Provisions similar to those contained in subsections (c) and (d) of this Section may be made by the Authority in connection with the appointment by the Authority of a substitute Securities Depository for the 2026 Bonds, or in the event of a successor to DTC or to any substitute or successor of any thereof.

(f) Regions Bank, Nashville, Tennessee is the successor Trustee under the General Bond Resolution and Registrar and Paying Agent for all Bonds.

**SECTION 6. Separate Reserve Account for 2026 Bonds.** (a) Pursuant to paragraph (C) of Section 1001 of the Second Program General Bond Resolution, there is hereby established for the 2026 Bonds a separate Account in the Debt Service Reserve Fund which shall be applied solely to the payment of 2026 Bonds. The amount required to be on deposit in such separate Account initially shall be zero (\$0.00), but a different amount may be specified or calculated in a manner specified in a separate Supplemental Resolution, subject to the provisions of such paragraph (C), which such separate Supplemental Resolution also may make such other amendments, changes or modifications to the Resolutions as may be deemed necessary or desirable by the Authority to ensure that the Accounts in the Debt Service Reserve Fund function in the manner contemplated in the Second Program General Bond Resolution.

(b) Anything in the Second Program General Bond Resolution to the contrary notwithstanding, the 2026 Bonds shall have no claim or lien on nor shall any 2026 Bonds be payable from any amounts in the Debt Service Reserve Fund other than amounts in the Account therein established by subsection (a) above, and the 2026 Bonds shall be excluded from the calculation of the Debt Service Reserve Requirement for all other Outstanding Bonds.

**SECTION 7. Redemption.** (a) The 2026 Bonds may be subject to redemption prior to maturity as provided in 2026 Bonds Series Certificates pursuant to Section 5(a)(x) hereof; *provided, however*, that the Redemption Prices of Tax-Exempt 2026 Bonds shall be fixed

prices not to exceed 103% of the principal amount thereof to be redeemed, and of Taxable 2026 Bonds shall be fixed prices not to exceed 103% of the principal thereof to be redeemed or make-whole prices or a combination thereof, in each case together with the interest accrued on the principal amount to be redeemed to the date fixed for redemption; and *provided* further, however, that notwithstanding the foregoing, any 2026 Bonds may be made not redeemable prior to maturity.

Notice of such redemption shall be mailed to the Owners of the 2026 Bonds or portions thereof to be redeemed at the times and in the manner provided in Section 405 of the Second Program General Bond Resolution. Notwithstanding the foregoing, so long as DTC or its nominee, or any substitute depository, or successor, is the Owner of the 2026 Bonds as Securities Depository (as defined in Section 5(c) hereof), notice of redemption may be given in the manner, and presentation and surrender of the 2026 Bonds may be waived to the extent, agreed to by the Authority, the Registrar and DTC, or any substitute depository, or successor, as the case may be. Any failure of DTC or any substitute depository, or successor, or participant of any thereof, to notify a beneficial owner of a 2026 Bond of any redemption shall not affect the sufficiency or the validity of the redemption of such 2026 Bond.

SECTION 8. Findings and Determinations. The Authority hereby finds and determines that (i) the Second Program General Bond Resolution has not been amended, supplemented or repealed since the effective date thereof other than by (A) the Supplemental Resolutions adopted by the members of the Authority from time to time to authorize and provide for the issuance and sale of Higher Educational Facilities Second Program Bonds, (B) the Supplemental Resolution Amending General Bond Resolution adopted by the members of the Authority on July 26, 2004, and (C) the Supplemental Resolution Amending General Bond Resolution and Authorizing Amendment of Financing Agreements adopted by the members of the Authority on September 16, 2013, (ii) this Supplemental Resolution constitutes and is a “Supplemental Resolution” within the meaning of and as defined and used in the Second Program General Bond Resolution, (iii) the 2026 Bonds shall constitute and be “Bonds” within the meaning of and as defined and used in the Second Program General Bond Resolution and shall be entitled to the benefits, security and protection of the Second Program General Bond Resolution as set forth therein, and (iv) all Projects for which the 2026 Bonds are to be issued have been approved by the Authority and constitute “Projects” within the meaning of and as defined in the Second Program General Bond Resolution and the Agreements.

SECTION 9. Application of Proceeds of 2026 Bonds and Other Amounts; Project Construction Accounts. (a) (i) The accrued interest, if any, received from the Purchasers (as defined in Section 16(d)(1) hereof) as part of the purchase price of the 2026 Bonds shall be deposited in the Debt Service Fund and applied to the payment of a portion of the interest due on the 2026 Bonds on the first interest payment date therefor.

(ii) There is hereby created and established in the Construction Fund a separate Project Construction Account for each Project specified in a 2026 Bonds Series Certificate which is financed or refinanced by the 2026 Bonds for which Project Costs (other than costs of issuance of the 2026 Bonds) will be funded from proceeds of the sale of the 2026 Bonds and for which a Project Construction Account has not previously been established. There shall be paid from the proceeds of the sale of the 2026 Bonds into the Project Construction

Account for each such Project the amount of the proceeds of the 2026 Bonds allocable to such Project to be used to pay Project Costs of such Project which are not provided for in other subsections of this Section, which shall be used to pay such Project Costs.

(iii) There is hereby created and established in the Debt Service Fund a separate Capitalized Interest Account for, and designated by the name of, any Project financed by the 2026 Bonds for which interest will be paid from proceeds of the sale of the 2026 Bonds, as may be specified in the 2026 Bonds Series Certificates. There shall be deposited to each such Capitalized Interest Account the respective amount, if any, specified in the 2026 Bonds Series Certificates, which shall be used to pay interest on Series 2026 Bonds as specified in the 2026 Bonds Series Certificates.

(iv) The proceeds derived from the sale of the 2026 Bonds to be applied to the prepayment of outstanding Revolving Loans shall be deposited and applied as provided in Section 10 hereof.

(v) [Reserved].

(vi) There shall be paid from the proceeds of the sale of the 2026 Bonds into the General Fund the balance of the proceeds of the 2026 Bonds, which shall be used to pay costs of issuance of the 2026 Bonds or, subject to Section 15 hereof and after consultation with the Authority, for other purposes permitted by the Act (as defined in the Second Program General Bond Resolution), the Resolutions and the Second Program Financing Agreements.

(b) Additional deposits may be made into any Fund or Account as may be provided in 2026 Bonds Series Certificates.

SECTION 10. Prepayment of Outstanding Revolving Loans. The proceeds derived from the sale of the 2026 Bonds to be applied to the prepayment of outstanding Revolving Loans shall be applied as required by the Revolving Credit Agreement.

SECTION 11. [Reserved].

SECTION 12. Continuing Disclosure. Any officer, member or Assistant Secretary of the Authority is hereby authorized to execute and deliver a Continuing Disclosure Undertaking, substantially in the form of Continuing Disclosure Undertaking executed and delivered in connection with the issuance of the Authority's Higher Educational Facilities Second Program Bonds, 2025 Series A and 2025 Series B (Federally Taxable), with such variations as the signatory thereof, after consultation with counsel to the Authority, shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval and consultation. Execution of the Continuing Disclosure Undertaking as aforesaid and delivery of the same to the Purchasers (as defined in Section 16(d)(1) hereof) shall be a condition precedent to the obligation of the Purchasers to purchase the 2026 Bonds.

The Authority covenants with the holders from time to time of the 2026 Bonds that it will, and hereby authorizes the appropriate officers and employees of the Authority to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing Disclosure Undertaking as amended from time to time. Notwithstanding any other

provision of the Resolutions, failure of the Authority to perform in accordance with the Continuing Disclosure Undertaking shall not constitute a default or an event of default and shall not result in any acceleration of payment of any 2026 Bonds, and any rights and remedies provided by the Resolutions and applicable law upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Undertaking may be enforced only as provided therein.

SECTION 13. Execution and Authentication of 2026 Bonds; Form of Bonds.

(a) The 2026 Bonds shall be executed in the name of the Authority by the manual or facsimile signature of any Authorized Officer or Assistant Secretary of the Authority and the seal of the Authority shall be affixed thereto or impressed or imprinted thereon or a facsimile thereof affixed thereto or reproduced thereon, and attested by the manual signature of one other of such Authorized Officers or Assistant Secretaries of the Authority, or as otherwise required by law.

(b) The 2026 Bonds shall each have endorsed thereon a certificate of authentication executed by the Registrar either by manual or facsimile signature. Unless and until such certificate of authentication shall have been manually executed by an authorized officer of the Registrar, no 2026 Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under the Resolutions. Each certificate of authentication shall be dated as of the date of execution thereof.

(c) The 2026 Bonds of each Series shall be numbered from R-1 upwards and may contain such other number or letter designations as determined by the Registrar.

(d) The 2026 Bonds, including the aforesaid certificate of authentication, shall be of substantially the form and tenor as set forth in Exhibit A hereto, subject to change as provided in or to be consistent with any 2026 Bonds Series Certificates.

SECTION 14. CUSIP Numbers. CUSIP identification numbers shall be imprinted on the 2026 Bonds, but no such number shall constitute a part of the contract evidenced by the particular bond upon which it is imprinted, no liability shall attach to the Authority or any officer or agent thereof, including the Trustee, Paying Agent and Registrar for the 2026 Bonds, because of or on account of such numbers or any use made thereof including any use thereof made by the Authority or any such officer or agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use, and neither the failure to print any such number on any 2026 Bond nor any inaccuracy, error, or omission with respect thereto (including any failure to imprint such numbers on any 2026 Bonds) shall constitute cause for failure or refusal by the Purchasers (as defined in Section 16(d)(1) hereof) to accept delivery of and pay for the 2026 Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of such numbers on the 2026 Bonds will be paid by the Authority; *provided, however,* that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchasers. In addition, the Authority's Financial Advisor in the case of 2026 Bonds sold by competitive sale, or the Purchasers in the case of 2026 Bonds sold by negotiated sale, shall be responsible for timely applying for the CUSIP identification numbers as required by Rule G-34 promulgated by the Municipal Securities Rulemaking Board.

SECTION 15. Tax Covenants. The Authority hereby covenants that it will not use, or permit the use of, any proceeds of the Tax-Exempt 2026 Bonds in a manner that would cause the Tax-Exempt 2026 Bonds to be subjected to treatment under Section 148 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and applicable regulations thereunder, as each is then in effect, as an “arbitrage bond”, and to that end the Authority shall comply with applicable regulations under said Section 148. The Authority further covenants with the registered owners from time to time of the Tax-Exempt 2026 Bonds that it will throughout the term of the Tax-Exempt 2026 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Tax-Exempt 2026 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103.

SECTION 16. Sale and Issuance of 2026 Bonds; Preliminary Official Statement; Final Official Statement. (a) If the 2026 Bonds are divided pursuant to Section 2(a) hereof, the 2026 Bonds of more than one Series may be sold collectively or on a Series-by-Series basis.

(b) The 2026 Bonds of each Series may be sold at either a competitive or negotiated sale, the Bonds of any Series may be sold by any such method, and the Bonds of any other Series may be sold by any other such method, as determined in a 2026 Bonds Series Certificate.

(c) If Sold by Competitive Sale:

(1) There is hereby authorized a Notice of Sale relating to the 2026 Bonds sold at competitive sale, substantially in the form utilized in connection with the sale of the Authority’s Higher Educational Facilities Second Program Bonds, 2025 Series A and 2025 Series B (Federally Taxable), but reflecting details of the transactions contemplated by this Supplemental Resolution, with such variations, as any Authorized Officer, after consultation with counsel to the Authority, shall approve as necessary or appropriate (the “**Notice of Sale**”), the distribution of which as hereinafter authorized shall be conclusive evidence of such approval and consultation.

(2) Any Authorized Officer or Assistant Secretary of the Authority is hereby authorized to cause the Notice of Sale and Preliminary Official Statement (as defined in subsection (e) of this Section 15) to be distributed to prospective purchasers of such 2026 Bonds and/or published on any Internet platform. The use of any Internet platform as a communications medium to receive bids for the purchase of such 2026 Bonds, as may be provided in the Notice of Sale, also is hereby authorized.

(3) Any Authorized Officer may award the 2026 Bonds to the successful bidder or bidders therefor (the “**Competitive Sale Purchasers**”) determined in accordance with and otherwise complying with the Notice of Sale or, as permitted by the Notice of Sale, may reject any or all proposals received for the purchase of such 2026 Bonds or waive any irregularity in any proposal; *provided, however*, that the true interest cost of such 2026 Bonds, determined as provided in the Notice of Sale by the Authorized Officer executing the related

2026 Bonds Series Certificate, which determination shall be conclusive, shall not exceed 5.50% for Tax-Exempt 2026 Bonds of each Series and 6.50% for Taxable 2026 Bonds of each Series. Such awards and determinations shall be confirmed in the related 2026 Bonds Series Certificate.

(d) If Sold by Negotiated Sale:

(1) The 2026 Bonds sold at negotiated sale are hereby authorized to be sold to such managing underwriter and the other underwriters as may be selected by the Comptroller and named in the Bond Purchase Agreement authorized in paragraph (2) below (collectively, the “**Negotiated Sale Purchasers**” and, together with the Competitive Sale Purchasers, the “**Purchasers**”) upon the terms and conditions set forth in the Bond Purchase Agreement. In consideration of Section 4(b) hereof and paragraph (2) below, it is not necessary for the Authority to place any limitation on the purchase price payable by the Negotiated Sale Purchasers.

(2) Any officer, member or Assistant Secretary of the Authority is hereby authorized to execute and deliver a Bond Purchase Agreement or Agreements, substantially in the form executed and delivered in connection with the issuance of the Authority’s Higher Educational Facilities Second Program Bonds, 2021 Series A (Federally Taxable), with such variations as the officer, member or Assistant Secretary executing such agreements, after consultation with counsel to the Authority, shall approve as necessary or appropriate (each, a “**Bond Purchase Agreement**”), such execution and delivery to be conclusive evidence of such approval and consultation; *provided, however*, that the true interest cost of such 2026 Bonds, determined by a 2026 Bonds Series Certificate, which determination shall be conclusive, shall not exceed 5.50% for Tax-Exempt 2026 Bonds of each Series and 6.50% for Taxable 2026 Bonds of each Series.

(e) There is hereby authorized a Preliminary Official Statement relating to the 2026 Bonds, substantially in the form of the draft thereof presented to the Members of the Authority in advance of the meeting at which this Supplemental Resolution is adopted, with such variations, omissions and insertions as any Authorized Officer, after consultation with counsel to the Authority, shall approve as necessary or appropriate (the “**Preliminary Official Statement**”), the publication or distribution of which as hereinafter authorized shall be conclusive evidence of such approval and consultation; *provided, however*, that a draft thereof shall be distributed to the members of the Authority prior to publication and distribution as hereinafter authorized. Any Authorized Officer or Assistant Secretary of the Authority is hereby authorized to cause the Preliminary Official Statement to be distributed to prospective purchasers of the 2026 Bonds and/or published on the Internet via any Internet platform, substantially in such form, with such necessary or appropriate variations, omissions and insertions as determined by such officer after consultation with counsel to the Authority. Any Authorized Officer or Assistant Secretary of the Authority is authorized to (i) determine that the Preliminary Official Statement, as so modified, is “deemed final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (“**Rule 15c2-12**”) except for omissions permitted by such Rule, subject to revision, amendment and completion in the final Official Statement as defined in such Rule, (ii) include such determination in the Notice of Sale and/or Preliminary Official Statement, and (iii) confirm such determination in a 2026 Bonds Series Certificate or Certificates or Bond Purchase Agreement.

(f) Any Authorized Officer is hereby authorized and directed to prepare or cause to be prepared, and to execute and deliver by such time as may be required by Rule 15c2-12, an Official Statement relating to the 2026 Bonds substantially in the form of the Preliminary Official Statement, with such variations, omissions and insertions as such Authorized Officer, after consultation with counsel to the Authority, shall approve as necessary or appropriate (the “**Official Statement**”), the execution and delivery of which shall be conclusive evidence of such approval and consultation.

(g) The Authority hereby authorizes the use and distribution of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the 2026 Bonds.

(h) The Authorized Officers and other officers and employees of the Authority, and other officials and employees of the State, including those of the Division of State Government Finance of the State, are hereby authorized and directed to carry out or cause to be carried out all obligations of the Authority under each Bond Purchase Agreement and to execute and deliver all documents and to perform such other actions not otherwise provided for by this Section as they, in consultation with counsel to the Authority, shall consider necessary or advisable in connection with the issuance, sale and delivery of the 2026 Bonds.

(i) Without limiting the generality of subsection (h) of this Section, (1) if any commitment or commitments are obtained by the Authority for municipal bond insurance in connection with any or all of the 2026 Bonds, the procurement of such insurance, and the execution by any Authorized Officer of such commitment or commitments and such other documents as may be required thereby, is hereby authorized, and (2) if municipal bond insurance is specified by the Purchasers as part of their bid, or in the Bond Purchase Agreement, for the 2026 Bonds, the execution and delivery of any documents relating to such insurance is hereby authorized. Each 2026 Bonds Series Certificate relating to insured 2026 Bonds may include such matters pertaining to such insurance as may be necessary or desirable to satisfy the commitment therefor.

(j) All actions heretofore taken by the officers, employees and agents of the Authority in connection with the offering and sale of the 2026 Bonds are hereby ratified and confirmed.

SECTION 17. Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Second Program General Bond Resolution.

SECTION 18. Supplemental Resolution Constitutes Contract. In consideration of the purchase and acceptance of any and all of the 2026 Bonds issued hereunder by those who are Owners of the 2026 Bonds from time to time, this Supplemental Resolution shall be deemed to be and shall constitute a contract between the Authority and the Owners of the 2026 Bonds, and the pledges made in this Supplemental Resolution and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Owners of any and all of the 2026 Bonds, all of which, regardless of the time or times of their authentication, issuance or delivery, or maturity, shall be of equal rank without

preference, priority or distinction of any of the 2026 Bonds over any other thereof, except as expressly provided in or permitted by the Resolutions.

SECTION 19. Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Supplemental Resolution on the part of the Authority or any Fiduciary to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Supplemental Resolution.

SECTION 20. Headings of Sections. The headings of the sections of this Supplemental Resolution are for convenience of reference only, and shall not affect the meaning, construction or interpretation of this Supplemental Resolution.

SECTION 21. Effective Date. This Supplemental Resolution shall be in full force and effect from and after its adoption as provided by law.

ADOPTED: June 22, 2026.

EXHIBIT A

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE BOND TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

TENNESSEE STATE SCHOOL BOND AUTHORITY  
HIGHER EDUCATIONAL FACILITIES SECOND PROGRAM BOND  
2026 SERIES \_\_ [(FEDERALLY TAXABLE)]

<u>Date of Bond</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
_____, 2026	_____%	____ 1, ____	880558 ____

Registered Owner: Cede & Co.

Principal Amount:

THE TENNESSEE STATE SCHOOL BOND AUTHORITY (hereinafter called the "Authority"), a corporate governmental agency and instrumentality of the State of Tennessee, organized and existing under and by virtue of the laws of said State, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner hereof named above or registered assigns, but solely from the revenues and other moneys of the Authority hereinafter specified and not otherwise, the Principal Amount set forth above on the Maturity Date set forth above [(subject, if this Bond matures on or after \_\_\_\_ 1, 20\_\_, to prior redemption as hereinafter mentioned)], upon the presentation and surrender hereof at the corporate trust office of Regions Bank, Nashville, Tennessee, as successor Trustee and Paying Agent under the Higher Educational Facilities Second Program General Bond Resolution adopted by the Authority on April 27, 1998 (as the same has been and may be amended, herein called the "Second Program General Bond Resolution") and the Supplemental Resolution hereinafter referred to, or its successor or successors as Trustee (herein called the "Trustee") and as Paying Agent (herein called the "Paying Agent"), and to pay interest on such Principal Amount, but solely from such revenues and other moneys of the Authority hereinafter specified and not otherwise, from the date hereof until the payment of such Principal Amount in full, at the Interest Rate per annum set forth above, payable on \_\_\_\_\_ 1, 20\_\_, and semi-annually thereafter on \_\_\_\_ 1 and \_\_\_\_ 1, such interest to be paid to the Registered Owner as of the close of business on the fifteenth day (whether or not a Business Day) of the next preceding calendar month by check mailed by the Paying Agent to such Registered Owner at his address as it appears on the registration books of the Authority maintained by Regions Bank, Nashville,

Tennessee, as Registrar under the Second Program General Bond Resolution, or its successor or successors as Registrar (herein called the “Registrar”) except to the extent any other method of payment is permitted by the Supplemental Resolution hereinafter referred to and agreed to by the Authority and the Paying Agent. The offices of the Trustee, Paying Agent and Registrar shall be determined from time to time pursuant to the Second Program General Bond Resolution. Principal, Sinking Fund Installments, if any, and Redemption Price of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment thereof is legal tender for the payment of public and private debts. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the Authority designated “Higher Educational Facilities Second Program Bonds” (herein called the “Bonds”) issued and to be issued in various series under and pursuant to the Tennessee State School Bond Authority Act (Sections 49-3-1201 et seq., Tennessee Code Annotated, herein called the “Act”) and the Second Program General Bond Resolution. The Bonds constitute special obligations of the Authority the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on which shall be payable solely from and secured solely by the Annual Financing Charges, Legislative Appropriations and other moneys and securities held or set aside under the Second Program General Bond Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Second Program General Bond Resolution. Annual Financing Charges are payable by the Board of Trustees of the University of Tennessee and by the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee under the respective Second Program Financing Agreements dated as of November 1, 1997, each as amended and restated as of May 9, 2013, by and between the Authority and each such Board (as the same may be supplemented and amended from time to time, the “Second Program Financing Agreements”) and Legislative Appropriations are payable by said Boards pursuant to the Second Program Financing Agreements and the Act.

As provided in the Second Program General Bond Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series and in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the Second Program General Bond Resolution is not limited except as may be limited by law, and as provided in or permitted by the Resolution (as hereinafter defined), and all Bonds issued and to be issued under the Second Program General Bond Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided in or permitted by the Second Program General Bond Resolution.

This Bond is one of a Series of Bonds designated “Higher Educational Facilities Second Program Bonds, 2026 Series \_\_ [(Federally Taxable)]” (herein called the “2026 Bonds”) issued in the aggregate principal amount of \$ \_\_\_\_\_ under and pursuant to the Second Program General Bond Resolution and a Supplemental Resolution adopted by the Authority on June 22, 2026, including as a part thereof a Series Certificate of the Authority dated \_\_\_\_\_, 2026 (the “Series Certificate”) (together herein called the “Supplemental Resolution” and, collectively with the Second Program General Bond Resolution, the “Resolution”). Copies of the Resolution, including the Supplemental Resolution, are on file at the office of the Authority and at the designated office of the Trustee, and reference to the

Resolution and any and all supplements thereto and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Bonds, including the 2026 Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the Owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and definitions of certain terms used herein. To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution or any resolution amendatory thereto or supplemental thereof may be amended by the Authority, in some cases without the consent of any Owners of Bonds and in some cases with the consent of the Owners of at least fifty-one percent in principal amount of the Bonds then Outstanding, and, in case less than all of the several Series of Bonds would be affected thereby, with such consent of the Owners of at least fifty-one percent in principal amount of the Bonds of each Series so affected then Outstanding.

The principal of the Bonds may be declared due and payable before the maturity thereof as provided in the Resolution and the Act.

The 2026 Bonds maturing on or before \_\_\_\_\_, 20\_\_ shall not be subject to redemption prior to their stated maturities. The 2026 Bonds maturing on or after \_\_\_\_\_, 20\_\_ shall be subject to optional [and mandatory sinking fund] redemption prior to their stated maturities, and shall be selected for redemption, as set forth in the Series Certificate.

If this Bond (or a portion hereof in installments of \$5,000 or any integral multiple thereof) is redeemable and shall be called for redemption, notice of the redemption hereof shall be given not less than thirty (30) days prior to the redemption date, by mail to the Registered Owner of this Bond at the address of the Registered Owner as shown on the registration books of the Authority. Notice having been given in the manner provided, this Bond or the portion hereof so called for redemption shall become due and payable on the redemption date designated by the Authority, and the Redemption Price of and accrued interest, if any, on this Bond or portion hereof to be redeemed shall be paid upon presentation and surrender of this Bond at the office specified in such notice, together with, in the event this Bond is presented by other than the Registered Owner, a written instrument of transfer duly executed by the Registered Owner or the Registered Owner's duly authorized attorney; *provided, however*, that any notice of redemption may be made conditional upon the availability of sufficient moneys to pay the Redemption Price, plus interest accrued and unpaid to the redemption date. If less than the entire principal amount of this Bond shall be redeemed, the Registrar shall authenticate and deliver, upon the surrender of this Bond, without charge to the Registered Owner hereof, for the unredeemed balance of the principal amount of this Bond so surrendered, a new registered 2026 Bond or Bonds of like maturity in any authorized denomination.

Notice of redemption having been given as aforesaid, if on the date fixed for redemption of this Bond or any portion hereof, moneys for the Redemption Price of this Bond or such portion hereof to be redeemed, plus interest accrued and unpaid to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date, then this Bond or the portion hereof called for redemption shall become due and payable at the applicable Redemption Price herein provided, and from and after the redemption date, interest on this Bond or the portion hereof called for redemption shall cease to accrue.

This Bond is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the designated office of the Registrar, by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered 2026 Bond or Bonds of the same aggregate principal amount, tenor and maturity, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon the payment of the charges, if any, therein prescribed.

This Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution until the certificate of authentication hereon shall have been duly executed by the Registrar.

This Bond shall not be a debt of the State of Tennessee, and the State shall not be liable hereon.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Tennessee and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 2026 Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Tennessee State School Bond Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman, Secretary, Assistant Secretary or any other Authorized Officer and its seal to be affixed hereto or impressed or imprinted hereon or a facsimile thereof affixed hereto or reproduced hereon, and attested by the manual or facsimile signature of one other of such officers, or as otherwise required by law, all as of the date of this Bond set forth above.

TENNESSEE STATE SCHOOL  
BOND AUTHORITY

By: \_\_\_\_\_  
Authorized Signatory

(SEAL)

Attest:

By: \_\_\_\_\_  
Authorized Signatory

**CERTIFICATE OF AUTHENTICATION**

This will certify that this Bond is one of the 2026 Bonds described in the within-mentioned Resolution.

REGIONS BANK,  
as Registrar

Date of Authentication:

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

For value received, the undersigned hereby sell(s), assign(s) and transfer(s) unto

---

(Please print or type name and address, including postal zip code, of Assignee)

PLEASE INSERT SOCIAL SECURITY OR  
OTHER TAX IDENTIFYING NUMBER OF ASSIGNEE

the within Bond and all rights hereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer such Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

---

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange, Inc. or a commercial bank or trust company

---

(Signature of Registered Owner)  
NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

OFFICIAL STATEMENT  
 TENNESSEE STATE SCHOOL BOND AUTHORITY  
 HIGHER EDUCATIONAL FACILITIES  
 SECOND PROGRAM BONDS

\$ \_\_\_\_\_ \* 2026 SERIES A  
 \$ \_\_\_\_\_ \* 2026 SERIES B (FEDERALLY TAXABLE)

**Dated: Date of Delivery**

**Due: November 1 (as shown on inside front cover)**

This Official Statement has been prepared by the Tennessee State School Bond Authority (the “Authority”) to provide information relating to the Authority’s Higher Educational Facilities Second Program Bonds, 2026 Series A (the “2026A Bonds”) and 2026 Series B (Federally Taxable) (the “2026B Bonds”) (collectively, the “Offered Bonds”). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Offered Bonds, a prospective investor should read this Official Statement in its entirety.

<b>Security</b>	The Offered Bonds are special obligations of the Authority payable solely from and secured by Annual Financing Charges (as defined herein) payable to the Authority by the Board of Trustees of The University of Tennessee and the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee, Legislative Appropriations (as defined herein) payable to the Authority and other funds as more fully described herein. The Authority has no taxing power. (See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein).
<b>Purpose</b>	See “PURPOSES OF THE OFFERED BONDS” herein.
<b>Interest Payment Dates</b>	May 1 and November 1, beginning November 1, 2026.
<b>Interest Rates/Prices/Yields</b>	See inside front cover.
<b>Denominations</b>	\$5,000 or integral multiples thereof.
<b>No Debt Service Reserve</b>	The Offered Bonds currently will not be secured by any funded debt service reserve. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Debt Service Reserve Fund” herein.
<b>Book-Entry Only System</b>	The Depository Trust Company. See Appendix F.
<b>Redemption</b>	See “DESCRIPTION OF THE OFFERED BONDS – Redemption” herein.
<b>Tax Status</b>	In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel (“Bond Counsel”) to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2026A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the 2026A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the 2026A Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In the opinion of Bond Counsel, interest on the 2026B Bonds is not excludable from gross income for federal income tax purposes.  The Offered Bonds and the interest thereon are exempt from Tennessee taxes, subject to certain exceptions.  See “TAX MATTERS” herein.
<b>Ratings</b>	See “RATINGS” herein.
<b>Trustee/Paying Agent</b>	Regions Bank, Nashville, Tennessee.

*The Offered Bonds are offered when, as and if issued and received by the Initial Purchasers subject to certain conditions, including the approval of legality by Hawkins Delafield & Wood LLP, Bond Counsel to the Authority. Certain legal matters in connection with the Offered Bonds are subject to the approval of the Attorney General and Reporter of the State of Tennessee, as counsel to the Authority. The Offered Bonds are expected to be available through the facilities of The Depository Trust Company on or about \_\_\_\_\_, 2026.*

The Offered Bonds will be awarded pursuant to electronic competitive bidding to be held via IPREO LLC’s BiDCOMP™/PARITY® Competitive Bidding System on behalf of the Authority on \_\_\_\_\_, 2026, unless postponed or cancelled, as set forth in the Notice of Sale contained in Appendix I.

\* Preliminary; subject to change

**Dated: \_\_\_\_\_, 2026**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**Higher Educational Facilities Second Program Bonds**  
**Maturities, Amounts, Interest Rates, Yields, and CUSIP Numbers**

\$ \_\_\_\_\_ \* 2026 Series A

<u>Due</u> <u>Nov. 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u> <u>880558</u>	<u>Due</u> <u>Nov. 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u> <u>880558</u>
2027					2042				
2028					2043				
2029					2044				
2030					2045				
2031					2046				
2032					2047				
2033					2048				
2034					2049				
2035					2050				
2036					2051				
2037					2052				
2038					2053				
2039					2054				
2040					2055				
2041					2056				

\$ \_\_\_\_\_ \* 2026 Series B (Federally Taxable)

<u>Due</u> <u>Nov. 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u> <u>880558</u>	<u>Due</u> <u>Nov. 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u> <u>880558</u>
2027					2042				
2028					2043				
2029					2044				
2030					2045				
2031					2046				
2032					2047				
2033					2048				
2034					2049				
2035					2050				
2036					2051				
2037					2052				
2038					2053				
2039					2054				
2040					2055				
2041					2056				

\*Preliminary; subject to change. The 2026A Bonds and the 2026B Bonds may be structured as Term Bonds as and to the extent provided in the Notice of Sale attached hereto as Appendix I. See also "DESCRIPTION OF THE OFFERED BONDS – Redemption – *Mandatory Sinking Fund Redemption*".

†CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. The Authority is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Offered Bonds or as indicated herein.

## **TENNESSEE STATE SCHOOL BOND AUTHORITY**

Bill Lee, Governor, *Chairman*  
Jason E. Mumpower, Comptroller of the Treasury, *Secretary*  
Tre Hargett, Secretary of State  
David H. Lillard, Jr., State Treasurer  
Jim Bryson, Commissioner of Finance and Administration  
Randy Boyd, President of the University of Tennessee  
Dr. Flora Tydings, Chancellor of the Tennessee Board of Regents

### **STAFF**

Kayla Carr, Director, Division of State Government Finance, *Assistant Secretary*  
Mark Graubner, Manager, Division of State Government Finance  
Jacqueline Felland, Senior Program Accountant, Division of State Government Finance

### **BOND COUNSEL TO AUTHORITY**

Hawkins Delafield & Wood LLP, New York, New York

### **AUTHORITY'S COUNSEL**

Attorney General and Reporter of the State of Tennessee, Nashville, Tennessee

### **FINANCIAL ADVISOR**

PFM Financial Advisors LLC, Memphis, Tennessee

This Official Statement does not constitute an offering of any security other than the Offered Bonds specifically offered hereby. No dealer, broker or other person has been authorized by the Authority to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the Offered Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Certain information set forth herein has been provided by the Authority. Certain other information set forth herein has been obtained by the Authority from sources believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

This Preliminary Official Statement has been "deemed final" as of its date by the Authority, except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Offered Bonds depending on such matters, in accordance with Rule 15c2-12(b)(i) under the Securities Exchange Act of 1934, as amended.

The prices and other terms respecting the offering and sale of the Offered Bonds may be changed from time to time by the respective Initial Purchaser after such Offered Bonds are released for sale, and the Offered Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Offered Bonds into investment accounts.

**IN CONNECTION WITH THIS OFFERING, THE RESPECTIVE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OFFERED BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**NO REGISTRATION STATEMENT RELATING TO THE OFFERED BONDS HAS BEEN FILED WITH THE SECURITIES EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES AGENCY. THE OFFERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

In making an investment decision, investors must rely on their own examination of the Authority and the terms of the offering, including the merits and risks involved.

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**OFFICIAL STATEMENT**  
**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**HIGHER EDUCATIONAL FACILITIES**  
**SECOND PROGRAM BONDS**  
**\$ \_\_\_\_\_ \* 2026 SERIES A**  
**\$ \_\_\_\_\_ \* 2026 SERIES B (FEDERALLY TAXABLE)**

**INTRODUCTION**

The purpose of this Official Statement (including the cover and inside cover pages hereof and the Appendices hereto) is to set forth information concerning (i) the Tennessee State School Bond Authority (the “Authority”), (ii) the Board of Trustees of The University of Tennessee (the “Board of Trustees”), (iii) the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee (the “Board of Regents”), (iv) the Institutions (as defined below), and (v) the Authority’s \$ \_\_\_\_\_\* aggregate principal amount of Higher Educational Facilities Second Program Bonds, 2026 Series A (the “2026A Bonds” and \$ \_\_\_\_\_\* aggregate principal amount of Higher Educational Second Program Bonds, 2026 Series B (Federally Taxable) (the “2026B Bonds”). The 2026A Bonds and the 2026B Bonds are referred to herein collectively as the “Offered Bonds.” The Board of Trustees and the Board of Regents are referred to collectively as the “Boards.” “Institutions” consist of (i) the University of Tennessee system, including all of its branches and divisions wherever located, and the services, programs and activities provided therein, and the Board of Trustees, in the aggregate, and (ii) the State University and Community College System, including all of its constituent institutions, wherever located (whether or not conferring degrees), and the services, programs and activities proved therein, and the Board of Regents, in the aggregate. For further information regarding the Boards and Institutions see “TENNESSEE PUBLIC HIGHER EDUCATION – General.”

The capitalization of any word not conventionally capitalized and not otherwise defined herein indicates that such word is defined in the Glossary of Certain Terms attached hereto as Appendix C, in the Resolution (as defined herein), or in the Financing Agreements (as defined herein).

The Offered Bonds will be issued pursuant to the Tennessee State School Bond Authority Act, as amended, Sections 49-3-1201 *et seq.*, Tennessee Code Annotated (the “Act”); the Higher Educational Facilities Second Program General Bond Resolution adopted by the Authority on April 27, 1998, as amended July 26, 2004, and May 9, 2013, authorizing the issuance thereunder from time to time of Higher Educational Facilities Second Program Bonds (the “Bonds”); and a Supplemental Resolution adopted by the Authority on June 22, 2026, authorizing and providing for the issuance of the Offered Bonds (such General Bond Resolution as amended and supplemented from time to time, including by such Supplemental Resolution, the “Resolution”). For a “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION,” see Appendix E.

The Act empowers the Authority, among other things, to issue its bonds and notes to obtain funds, or to refund its bonds or notes issued to obtain funds, to finance higher education facilities (as defined in Appendix C, the “Projects”) for the purposes of the Institutions and the Boards.

A portion of the proceeds of the Offered Bonds will be used to prepay the principal (approximately \$ \_\_\_\_\_) of the loans outstanding under a Revolving Credit Agreement dated May 1, 2024 (the “Revolving Credit Agreement”), by and between the Authority and Bank of America, N.A. (the “Bank”) with respect to certain Projects and to finance additional costs of certain of such Projects and costs of other Projects. All loans under the Revolving Credit Agreement are referred to herein collectively as “Revolving Credit Loans.” For a description of the Revolving Credit Agreement, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Subordinated Obligations; Revolving Credit Agreement.” The remaining proceeds will be applied as described in “PURPOSES OF THE OFFERED BONDS –Application of the Offered Bond Proceeds.”

The Offered Bonds will be payable and secured under the Resolution on a parity with all other Bonds heretofore and hereafter issued pursuant to the Act and the Resolution, except as described herein with respect to the Debt Service Reserve Fund or otherwise as permitted by the Resolution. Currently, the aggregate principal amount of Bonds which may be issued under the Resolution is not limited by law or the Resolution. As of \_\_\_\_\_, 2026, \$1,716,985,000 (unaudited) aggregate principal amount of Bonds was outstanding, excluding the Offered Bonds. In addition, as of \_\_\_\_\_, 2026, the Authority had \$ \_\_\_\_\_ (unaudited) aggregate principal amount of the Revolving Credit Loans outstanding, which included \$ \_\_\_\_\_ not yet allocated to Institutions and the Revolving Credit Loans that will be prepaid by the Offered Bonds. See “THE AUTHORITY – Outstanding Indebtedness of the Authority.”

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\* Preliminary; subject to change

The Bonds, including the Offered Bonds, constitute special obligations of the Authority. The principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds shall be payable solely from and secured by the Annual Financing Charges, Legislative Appropriations, and other moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

The Authority and each Board have entered into a separate Second Program Financing Agreement dated as of November 1, 1997, as amended (each, a "Financing Agreement"). The Financing Agreements obligate the Authority to use its best efforts to finance Projects for the respective Boards under certain terms and conditions. Annual Financing Charges payable with respect to a Project (including debt service on the portion of the Bonds issued for that Project) are required under the Financing Agreements to be paid by the Boards, as and when the same become due, only from Fees and Charges collected by or on behalf of the Institution for which the project was financed and, if necessary, from Legislative Appropriations for the operation and maintenance of such Institution as described herein. See "SECURITY FOR THE PAYMENT OF THE BONDS – Annual Financing Charges; Fees and Charges" and "– Legislative Appropriations." Under each Financing Agreement, the relevant Board covenants and agrees to establish and collect Fees and Charges at each Institution at a level sufficient to produce in each Fiscal Year no less than two times the amount required for the payment of the aggregate (without duplication) of (i) all Annual Financing Charges in such Fiscal Year payable with respect to all Projects for the Institution, plus (ii) the aggregate of all prior charges, pledges, liens and claims on or payable from said Fees and Charges in such Fiscal Year with respect to the Institution.

The Offered Bonds are not currently secured by any debt service reserve and the Authority has no present intent to fund such a reserve at a later date. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Debt Service Reserve Fund."

The Financing Agreements and the Resolution constitute the second and only presently available Authority loan program for the Boards.

For a summary of the provisions of the Financing Agreements, see Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS." For a discussion regarding the security and sources of payment for the Offered Bonds, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

**PURPOSES OF THE OFFERED BONDS**

**Application of the Offered Bond Proceeds**

The Offered Bonds are being issued for the purposes of (i) prepaying the principal portion of the outstanding Revolving Credit Loans with respect to certain Projects identified below, (ii) financing additional costs of certain such Projects and costs of certain other Projects identified below, and (iii) funding costs of issuance of the Offered Bonds.

The following table shows the Projects to be financed and/or refinanced with the proceeds of the 2026A Bonds and the proceeds of the 2026A Bonds (excluding costs of issuance, original issue discount or premium, capitalized interest, and underwriters' discount) expected to be applied to each:

<u>Institution</u>	<u>Project</u>	<u>Amount</u>
Middle Tennessee State University	New Parking Structure	\$ 25,130,000
Middle Tennessee State University	Floyd Stadium Renovations	16,000,000
Tennessee Technical University	J.J. Oakley Innovation Center Residence Hall	56,000,000
University of Tennessee- Knoxville	Haslam Field Expansion	20,100,000
University of Tennessee - Knoxville	Neyland Stadium South Renovations	48,133,595
<b>Total</b>		<b>\$ 165,363,595</b>

The following table show the Projects to be financed and/or refinanced with the proceeds of the 2026B Bonds and the proceeds of the 2026B Bonds (excluding costs of issuance, original issue discount or premium, capitalized interest, and underwriters' discount) expected to be applied to each:

<u>Institution</u>	<u>Project</u>	<u>Amount</u>
University of Tennessee - Chattanooga	University Center Renovations	\$ 30,200,000
University of Tennessee - Knoxville	Lindsey Nelson Stadium Renovations	85,000,000
<b>Total</b>		<b>\$ 115,200,000</b>

## Sources and Uses of Funds for the Offered Bonds

The sources and application of funds in connection with the issuance of the Offered Bonds are as follows:

	<u>2026A Bonds</u>	<u>2026B Bonds</u>	<u>Total</u>
<b>Sources of Funds:</b>			
Par Amount of Bonds			\$ -
Original Issue Premium (Discount)			-
<b>Total</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Uses of Funds:</b>			
Project Construction Account (approx)			\$ -
Loan Principal Prepayment (approx)			-
Capitalized Interest			-
Underwriters' Discount			-
Costs of Issuance			-
<b>Total</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## DESCRIPTION OF THE OFFERED BONDS

### General

The Offered Bonds will be dated the date of their delivery and will mature at the times and in the principal amounts as set forth on the inside cover page hereof. Interest on the Offered Bonds will be payable semi-annually on May 1 and November 1, commencing May 1, 2027. The Offered Bonds will be offered in authorized denominations of \$5,000 or integral multiples thereof.

Interest on the Offered Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Interest will be payable to the registered owners of the Offered Bonds as of the fifteenth day of the April and October (whether or not a Business Day) preceding each interest payment date.

Upon initial issuance, the Offered Bonds will be available only in book-entry form. The Depository Trust Company, New York, New York ("DTC") will act as initial securities depository for the Offered Bonds and the ownership of one fully registered bond for each maturity of the Offered Bonds in the aggregate principal amount of that maturity will be registered in the name of Cede & Co., as nominee of DTC, and deposited with DTC. Beneficial owners of Offered Bonds will not receive physical delivery of bond certificates except under limited circumstances. See Appendix F - "BOOK-ENTRY ONLY SYSTEM" for a description of DTC and its book-entry only system.

### Fiduciaries

Regions Bank, Nashville, Tennessee, is the Trustee under the Resolution and the Paying Agent and Registrar for the Offered Bonds.

### Redemption

*Optional Redemption – 2026A Bonds.* The 2026A Bonds maturing on or before November 1, \_\_\_\_, are not subject to optional redemption prior to maturity. The 2026A Bonds maturing on or after November 1, \_\_\_\_, are subject to redemption prior to their stated maturities from any available moneys, at any time on and after November 1, \_\_\_\_, as a whole, or in part from time to time in any order of maturity determined by the Authority, at a Redemption Price equal to the principal amount of such 2026A Bonds or portions thereof to be redeemed, together with the interest accrued on such principal amount to the date fixed for redemption.

*Optional Redemption – 2026B Bonds.* The 2026B Bonds maturing on or after November 1, \_\_\_\_, are subject to optional redemption prior to their stated maturities from any available moneys, at any time on and after November 1, \_\_\_\_, as a whole, or in part from time to time in any order of maturity determined by the Authority, at a Redemption Price equal to the principal amount of such 2026B Bonds or portions thereof to be redeemed, together with the interest accrued on such principal amount to the date fixed for redemption.

Prior to November 1, \_\_\_\_, the 2026B Bonds may be redeemed prior to their respective maturity dates, at the option of the Authority, in whole or in part (and if in part, on a pro rata basis with respect to the 2026B Bonds to be redeemed), at any time, at a Make-Whole Redemption Price equal to the greater of:

- (i) 100% of the principal amount of such 2026B Bonds to be redeemed or
- (ii) The sum of the present values of the remaining scheduled payments of principal and interest on the 2026B Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of 12 30-day months) at the Treasury Rate (defined below) plus 10 basis points plus, accrued and unpaid interest on the 2026B Bonds being redeemed to the date fixed for redemption..

“Treasury Rate” means, with respect to any redemption date for a particular 2026B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2026B Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The redemption price of such 2026B Bonds to be redeemed will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority to calculate such redemption price. The Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

*Mandatory Sinking Fund Redemption.* The 2026A Bonds maturing on November 1, \_\_\_\_\*, are Term Bonds subject to redemption in part on November 1 in each of the years and in the respective principal amounts set forth below at a Redemption Price equal to the principal amount or portion thereof to be redeemed, together with the interest accrued thereon to the date fixed for redemption, from Sinking Fund Installments which are required to be accumulated in the Debt Service Fund in amounts sufficient to redeem on November 1 of each year shown below the principal amount of such 2026A Bonds specified for such year:

<u>Nov. 1, 20</u> <u>Maturity</u>	
<u>Year</u>	<u>Principal Amount</u>

The 2026B Bonds maturing on November 1, \_\_\_\_\*, are Term Bonds subject to redemption in part on November 1 in each of the years and in the respective principal amounts set forth below at a Redemption Price equal to the principal amount or portion thereof to be redeemed, together with the interest accrued thereon to the date fixed for redemption, from Sinking Fund Installments which are required to be accumulated in the Debt Service Fund in amounts sufficient to redeem on November 1 of each year shown below the principal amount of such 2026B Bonds specified for such year:

<u>Nov. 1, 20</u> <u>Maturity</u>	
<u>Year</u>	<u>Principal Amount</u>

*Selection of the 2026A Bonds to be Redeemed.* If less than all of the 2026A Bonds of a maturity are to be redeemed, the particular 2026A Bonds or portions thereof of such maturity to be redeemed shall be selected by the Registrar in any manner which it deems fair and appropriate. For so long as a book-entry only system is in effect with respect to the 2026A Bonds and DTC or a successor securities repository is the sole registered owner of such 2026A Bonds, in the event of a redemption of less than all of the 2026A Bonds of a maturity, the particular ownership interests of the 2026A Bonds of such maturity to be redeemed shall be selected by DTC and Direct DTC Participants and Indirect DTC Participants, or by any such successor securities depository or any other intermediary, in accordance with their respective operating rules and procedures. In the event of a partial redemption, DTC’s rules and procedures currently provide for the redemption to be processed by random lottery. Any failure of DTC or its successor, or of a Direct DTC Participant or Indirect DTC Participant, or any other intermediary, to make such selection, or to make or fail to make any such selection in any particular manner, will not affect the sufficiency or the validity of the redemption of the 2026A Bonds. See Appendix F- “BOOK-ENTRY ONLY SYSTEM.”

*Selection of the 2026B Bonds to be Redeemed.* If less than all of the 2026B Bonds of a maturity are to be redeemed, the 2026B Bonds of such maturity shall be redeemed pro rata as nearly as practicable (in integral multiples of \$5,000) in the proportion that the principal amount of the outstanding 2026B Bonds of such maturity owned by each registered owner bears to the aggregate principal amount of the outstanding 2026B Bonds of such maturity. For so long as a book-entry only system is in effect and DTC or a successor securities repository is the sole registered owner of the 2026B Bonds, in the event of a redemption of less than all of the 2026B Bonds of a maturity, the particular

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\* Preliminary; subject to change

ownership interests of the 2026B Bonds of such maturity to be redeemed shall be selected by DTC and Direct DTC Participants and Indirect DTC Participants, or by any such successor repository or any other intermediary, in accordance with their respective operating rules and procedures. To the extent practicable, the Paying Agent will request that DTC select the amount of such interests of 2026B Bonds to be redeemed on a pro rata pass-through distribution of principal basis in integral multiples of \$5,000 in accordance with DTC procedures then in effect. The Authority can provide no assurance that DTC or its successor, Direct DTC Participants and Indirect DTC Participants, or any successor repository or any other intermediary will allocate the redemption of 2026B Bonds on such basis. If, at the time of redemption of the 2026B Bonds, either (i) the operational arrangements of DTC do not allow for the redemption of the 2026B Bonds on a pro rata pass-through distribution of principal basis, or (ii) the Paying Agent has failed to notify DTC that the 2026B Bonds to be redeemed are to be redeemed pursuant to DTC's pro rata pass-through distribution of principal procedures, or has failed to furnish to DTC the factor to be applied by it in determining the pro rata allocation of the principal to be redeemed, then in each such case the 2026B Bonds of such maturity to be redeemed may be selected in accordance with DTC operating rules and procedures, which currently provide for the redemption to be processed by random lottery. Any failure of DTC or its successor, or of a Direct DTC Participant or Indirect DTC Participant, or of any other intermediary, to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency or the validity of the redemption of 2026B Bonds. See Appendix F- "BOOK-ENTRY ONLY SYSTEM."

*Notice of Redemption.* Notice of redemption is to be mailed not less than 30 days prior to the redemption date, to the Owner of each Offered Bond to be redeemed at the address that appears on the registration books, but failure to receive any such notice shall not affect the validity of the redemption proceedings. Any notice of redemption may provide that such redemption is conditional on the availability of sufficient moneys to pay the Redemption Price, plus interest accrued and unpaid to the redemption date.

For so long as a book-entry only system is in effect with respect to the Offered Bonds, the Registrar will give notice of redemption to DTC or its nominee or its successor. See Appendix F- "BOOK-ENTRY ONLY SYSTEM." Any failure of DTC or its successor, or of a Direct DTC Participant or Indirect DTC Participant, or any other intermediary, to notify a beneficial owner of an Offered Bond of any redemption will not affect the sufficiency or the validity of the redemption of such Offered Bond. Neither the Authority, nor the Trustee or Registrar, can give any assurance that DTC or its successor, the Direct DTC Participants or the Indirect DTC Participants, or any other intermediary, will distribute such redemption notices to the beneficial owners of the Offered Bonds, or that they will do so on a timely basis.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds, including the Offered Bonds, constitute special obligations of the Authority. The principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds shall be payable solely from the Annual Financing Charges, Legislative Appropriations and other moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution. The Annual Financing Charges and Legislative Appropriations, and all rights under the Financing Agreements or otherwise to receive the same, and all moneys and Investment Obligations credited to the Funds and Accounts established by the Resolution, are pledged for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds in accordance with the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. All covenants and agreements set forth in the Resolution to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Owners of all of the Bonds, except as expressly provided in or permitted by the Resolution. **The Authority has elected to establish a separate account in the Debt Service Reserve Fund solely for the Offered Bonds, but with no current funding requirement. Accordingly, the Offered Bonds will not be secured by a funded debt service reserve. See "Debt Service Reserve Fund" below.**

The definition of "Institution" contained in the Act was amended by Chapter 174, Public Laws of 2013 and, the definitions of "Institution" contained in the Resolution and in the Financing Agreements with the Board of Regents and the Board of Trustees, respectively, relating to that definition, have been amended accordingly. These amendments apply to all of the Authority's currently outstanding Higher Educational Facilities Second Program Bonds as well as those to be issued (including the Offered Bonds). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - 2013 Amendments to the Act, the Resolution and the Financing Agreements", Appendix C - "GLOSSARY OF CERTAIN TERMS", Appendix D - "SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS - Amendment", and Appendix E - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION - Supplemental Resolution; Amendments" (clause (8) of the first paragraph).

**THE OFFERED BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE RESOLUTION AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, ANY POLITICAL SUBDIVISION OF THE STATE OR THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE OFFERED BONDS.**

**THE AUTHORITY HAS NO TAXING POWER.**

## **Financing Agreements**

The Authority and each Board have entered into a Financing Agreement. The Financing Agreements obligate the Authority to use its best efforts to finance Projects for the respective Boards under certain terms and conditions. The Financing Agreements also obligate the Boards to pay to the Authority Annual Financing Charges sufficient, among other things, to provide for the payment of debt service on the Bonds. Annual Financing Charges payable with respect to a Project are required to be paid by the Board only from Fees and Charges of the Institution for which the project was financed. The Boards are required to establish and collect fees and charges at the Institution at a level sufficient to produce in each Fiscal Year not less than two times the amount required for the payment of, among other things, all Annual Financing Charges payable in such Fiscal Year with respect to all Projects for the Institution. The Annual Financing Charges required of the Institution also are payable, if necessary, from Legislative Appropriations for the operation and maintenance of the Institution. See “Legislative Appropriations” below.

## **Annual Financing Charges; Fees and Charges**

The Financing Agreements require that as long as any Debt (including the Offered Bonds) remains outstanding for any Project, Annual Financing Charges shall be established and revised by the Authority from time to time in such amounts, payable at such times, as shall at all times be sufficient to enable the Authority to (i) pay the principal of and premium, if any, and interest on such Debt as and when the same become due and payable, (ii) pay or replenish reserves therefor as and when required by the Resolution, and (iii) make any other payments required to be made by or on behalf of the Authority under or pursuant to the Resolution.

The Boards are required by the Financing Agreements to pay to the Authority all Annual Financing Charges in such amounts, at such times, in such manner and at such places as shall be specified in writing from time to time by the Authority. It is the current policy of the Authority that the Boards make payments to the Authority at least 5 days prior to their respective due dates. This policy may be changed by the Authority in a manner consistent with the immediately preceding sentence and paragraph. Under the Financing Agreements, the obligation of the Boards to pay Annual Financing Charges is absolute and unconditional, and Annual Financing Charges are required to be paid in full without set-off or counterclaim.

The Boards covenant and agree in the Financing Agreements to establish and collect Fees and Charges at each Institution at a level sufficient to produce in each Fiscal Year no less than two times the amount required for the payment of the aggregate (without duplication) of (i) all Annual Financing Charges in such Fiscal Year payable with respect to all Projects for the Institution, plus (ii) the aggregate of all prior charges, pledges, liens and claims on or payable from said Fees and Charges in such Fiscal Year with respect to the Institution.

Annual Financing Charges payable with respect to a Project (including debt service on the portion of the Bonds issued for that Project) are required under the Financing Agreements to be paid by the Boards, as and when the same become due, only from Fees and Charges of the Institution. “Fees and Charges” means all revenues, fees, rentals and other charges received by or on behalf of an Institution which are available to pay Annual Financing Charges. See Appendix B – “TSSBA SELECTED STATISTICAL INFORMATION” for a description of the Institutions for which Projects are being financed with the proceeds of the Offered Bonds and for detail regarding each Institution’s historical statement of collection of Fees and Charges, as well as the debt service on Bonds attributable to such Institution.

Each Institution’s total Fees and Charges and Legislative Appropriations (see “Legislative Appropriations” below) may be used to pay costs of operating and maintaining such Institution as well as the Annual Financing Charges. Each Board may pledge, assign or otherwise use or encumber any Fees and Charges relating to an Institution to obligations of the Institution or of the Board in addition to the Bonds if the aggregate of the Fees and Charges collected by the Institution in the preceding Fiscal Year is no less than two times the amount required for the payment of the aggregate (without duplication) of (i) the maximum amount of the Annual Financing Charges payable and projected to be payable with respect to all Projects for the Institution in any succeeding Fiscal Year, plus (ii) the aggregate of all prior charges, pledges, liens and claims on or payable from said Fees and Charges with respect to the Institution in any succeeding Fiscal Year.

The Financing Agreements also require that, in addition to Annual Financing Charges, the Authority may establish and revise from time to time, and the Boards shall apply Fees and Charges from their respective Institutions to pay fees (“Administrative Fees”) to compensate the Authority for costs relating to (i) the issuance and payment of Debt and (ii) the administration of the Financing Agreements and the Resolution.

## **Legislative Appropriations**

In accordance with the Act, the Financing Agreements provide that if any Annual Financing Charges or Administrative Fees shall not be paid by a Board when due and payable with respect to a Project, or if the Board shall notify the Authority of any inability to make such payment from Fees and Charges, then the Board shall deduct from the amounts appropriated by the General Assembly of the State of Tennessee (the “General Assembly”) for the operation and maintenance of the respective Institution and pay to the Authority such amount or

amounts as may be required to make the Board current with respect to the unpaid Annual Financing Charges and Administrative Fees. The Boards also agree in the Financing Agreements that the Commissioner of Finance and Administration, or his successor, after notice from the Authority that the respective Board has failed to pay Annual Financing Charges or Administrative Fees due and payable with respect to a Project, shall, to the extent permitted by law, deduct from the amounts appropriated by the General Assembly for the operation and maintenance of the respective Institution the amount or amounts as may be required to make the Board current with respect to the unpaid Annual Financing Charges and Administrative Fees. The Authority has established and tested detailed procedures for ensuring that these deductions will be made in a manner that ensures the timely payment of debt service. It has not been necessary, to date, to utilize these procedures.

A significant source of funding for the State's public institutions of higher education has been and continues to be annual appropriations made by the General Assembly. See "Statement of Fees/Charges, Legislative Appropriations and Debt Service for the Last Ten Years" in Appendix B and "TENNESSEE PUBLIC HIGHER EDUCATION." However, the General Assembly is under no obligation to continue to make appropriations for the operation and maintenance of any Institution or of the Institutions generally, or to do so in any particular amount. See, however, "Statutory Covenant" and "Additional Bonds" below. The State of Tennessee (or "State") is not liable on the Bonds and the Bonds are not a debt of the State.

Under the State Constitution, public money may be expended only pursuant to an appropriation made by law. Such expenditures include, but are not limited to, funding any judgment in the Tennessee Claims Commission as discussed below under - "Certain State Law Bondowner Remedies." The General Assembly in 2001 confirmed that the earnings, revenues, and assets of the Authority are continuously appropriated for expenditures authorized by or pursuant to the Act, which includes debt service on Second Program Bonds and Revolving Credit Loans. That legislation also confirmed that the earnings, revenues or other assets of any public higher education entity whose contracts or agreements support the payment of the Authority's debt service are continuously appropriated for expenditures in accordance with or pursuant to such contracts or agreements which include the Financing Agreements. The Authority can provide no assurance as to the continuation of these continuing appropriations.

### **Statutory Covenant**

In accordance with the provisions of the Act, the Authority, on behalf of the State, in the Resolution pledges to and agrees with the Owners of the Bonds that the State will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with Bondowners, or in any way impair the rights and remedies of such Bondowners until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Bondowners, are fully met and discharged.

### **Flow of Funds**

All Annual Financing Charges and Legislative Appropriations held or collected by the Authority are required by the Resolution to be deposited to the General Fund established under the Resolution, which shall be held by the State Treasurer or, at the direction of the State Treasurer, a separate custodian. However, in lieu of such deposit, the Authority may direct and cause any Board to transmit directly to the Trustee any amount of Annual Financing Charges and Legislative Appropriations payable by such Board that is required to be transferred by the Authority to the Trustee in the amounts and by the times required for purposes of the Debt Service Fund or Debt Service Reserve Fund.

All moneys credited to the General Fund shall be applied by the Authority in the following manner and order:

*First*, the Authority shall transfer to the Debt Service Fund such sums as are required to be deposited therein under the Resolution after giving effect to any such direct deposit; and

*Second*, the Authority shall transfer to the Debt Service Reserve Fund such sums as are required to be deposited therein pursuant to the Resolution after giving effect to any such direct deposit; provided, however, that no transfer shall be required prior to the date required, notwithstanding that as a result, lower priority transfers (described in the following paragraph) may be made at any time prior to higher priority transfers that could be but are not required to be made at the same time.

Any moneys credited to the General Fund in any month and not applied in such month, or required or otherwise expected to be applied thereafter in such month or in the next succeeding month, may be used for any lawful purpose of the Authority including, but not limited to, the payment of the principal of and premium, if any, and interest on Subordinated Obligations, the establishment of reserves for such payment, the payment or reimbursement of Administrative Expenses of the Authority, or the purchase or redemption of Bonds or Subordinated Obligations.

The Debt Service Fund shall be held by the Trustee or at the option of the Authority, unless there shall exist an Event of Default, by the State Treasurer or, at the direction of the State Treasurer, a separate custodian; it is currently being held by the Trustee. Moneys credited to the Debt Service Fund shall be deposited in the following amounts and order of priority, except that deposits from excess Construction Fund moneys shall be applied as directed by the Authority:

*First*, at least one Business Day prior to each interest payment date, there shall be deposited in the Debt Service Fund an amount equal to, and which shall be applied to the payment of, the interest becoming due on the Outstanding Bonds on such interest payment date;

*Second*, at least one Business Day prior to each principal payment date, there shall be deposited in the Debt Service Fund an amount equal to, and which shall be applied to the payment of, the principal amount of Bonds (including the principal amount of any Put Bonds tendered for payment by the Authority and not purchased in lieu of redemption prior to the redemption date thereof) of the Outstanding Serial Bonds becoming due on such principal payment date; and

*Third*, at least one Business Day prior to each Sinking Fund Payment Date for the Term Bonds, there shall be deposited in the Debt Service Fund an amount equal to, and which shall be applied to the payment of, the Sinking Fund Installments becoming due upon the redemption of such Term Bonds on such Sinking Fund Payment Date.

## **Debt Service Reserve Fund**

### *General*

The Resolution establishes a Debt Service Reserve Fund for the payment of all Series of Bonds, with a separate Debt Service Reserve Account therein for each Project financed, as described below. The Resolution also permits the Authority to establish a separate account in the Debt Service Reserve Fund to be applied solely to the payment of a particular Series of Bonds and to establish the requirements for that separate account; however, there is no requirement that such separate account in the Debt Service Reserve Fund be funded. Such separate account, if funded, would secure only the Series of Bonds for which it was created and the related Series of Bonds would not have access to any other accounts in the Debt Service Reserve Fund. The Debt Service Reserve Fund shall be held by the Trustee or, at the option of the Authority, unless there shall exist an Event of Default, by the State Treasurer or, at the direction of the State Treasurer, a separate custodian. It is currently being held by the Trustee.

### *No Debt Service Reserve for the Offered Bonds and Certain Other Bonds*

**The Authority has elected to establish a separate account in the Debt Service Reserve Fund solely for the Offered Bonds, but with no current funding requirement. Accordingly, the Offered Bonds do not have a funded debt service reserve account.** Specifically, the Offered Bonds shall have no claim or lien on, nor shall any Offered Bonds be payable from, any accounts in the Debt Service Reserve Fund, except from the separate account established for the Offered Bonds to the extent that such account may be funded in the future, although the Authority is under no obligation to fund the accounts and has no present intent to provide such funding. The Authority's currently outstanding Higher Educational Facilities Second Program Bonds similarly have no funded debt service reserve accounts and requirements and the provisions of the preceding sentence apply to them as well.

## **Additional Bonds**

Additional Bonds may be issued under the Resolution from time to time in Series, including refunding Outstanding Bonds, but only upon, among other things:

1. Receipt by the Trustee and the Registrar of a Counsel's Opinion to the effect that (i) the Authority has the right and power under the Act as amended to the date of such Opinion to adopt the Resolution (with such approvals as may be required by the Act as so amended), the Resolution has been duly and lawfully adopted by the Authority (and such approvals given), is in full force and effect and is valid and binding upon the Authority; (ii) the Resolution creates the valid pledge which it purports to create of the Annual Financing Charges, Legislative Appropriations, and all rights under the Agreements or otherwise to receive the same, moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution; and (iii) the Bonds of such Series are valid and binding obligations of the Authority as provided in the Resolution, entitled to the benefits of the Resolution and of the Act as amended to the date of such Counsel's Opinion, and such Bonds have been duly and validly authorized and issued in accordance with the law, including the Act as amended to the date of such Counsel's Opinion, and in accordance with the Resolution.

2. Receipt by the Trustee and the Registrar of a certificate of the Authority stating that:
  - (a) the principal amount of the Bonds then to be issued, together with the principal amount of the Bonds theretofore issued, will not exceed in aggregate principal amount any limitation thereon imposed by law;
  - (b) the Authority is not in default in the performance of any other covenants, conditions, agreements or provisions contained in the Resolution, including but not limited to that there is no deficiency in the amounts required by the Resolution to be paid into the Debt Service Fund except, in the case of Refunding Bonds, if, upon the application of the proceeds of such Bonds or upon the issuance and delivery of such Bonds, all such defaults shall be cured;
  - (c) the amount on deposit in the Debt Service Reserve Fund, upon the issuance and delivery of any such Series of Bonds, shall not be less than the Debt Service Reserve Requirement;
  - (d) the Financing Agreements obligate the Boards to pay, in the aggregate, Annual Financing Charges with respect to Projects for which Bonds have been issued and the additional Bonds being issued sufficient in amount, together with capitalized interest, to pay as the same shall become due the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, of and interest on the Bonds then Outstanding and the additional Bonds being issued; and
  - (e) the provisions of the Act authorizing the Boards to deduct from amounts appropriated by the General Assembly for the operation and maintenance of the Institution for which each Project is undertaken and pay to the Authority such amount or amounts as may be required to make up any deficiencies in the Fees and Charges and other moneys available for the purpose of paying Annual Financing Charges due the Authority have not been repealed or amended to the detriment of Bondowners.

Additional Bonds are required to be authorized by Supplemental Resolution, which may delegate to authorized officers the power to determine, supplement, modify or amend specified details of such Bonds by means of a Series Certificate, which shall be filed with the Trustee and deemed for all purposes of the Resolution to have been adopted by the Authority and to be a part of the Supplemental Resolution to which it relates.

Additional Bonds may take the form of and have features incident to, among other things, Capital Appreciation Bonds, Variable Interest Rate Bonds, or Put Bonds, and in connection with the issuance of any Bonds the Authority may enter into Credit Facilities and Qualified Swaps. For a description of certain related provisions that may be included in Supplemental Resolutions, see Appendix E - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION - Certain Provisions Relating to Credit Facilities, Qualified Swaps and Other Arrangements."

### **Qualified Swaps**

In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Authority may, to the extent from time to time permitted pursuant to law, enter into Qualified Swaps relating to such Bonds. The Authority's obligation to make any payment under any Qualified Swap may be secured by a pledge of, and a lien on, the items pledged in the Resolution for the security of the Bonds on a parity with the lien created by the Resolution or be payable from or secured by amounts on deposit in the Debt Service Fund or Debt Service Reserve Fund, or shall constitute Subordinated Obligations payable from the General Fund, as determined by the Authority; provided, however, that any optional or mandatory termination payments shall constitute Subordinated Obligations. If a Qualified Swap is payable from and/or secured by the Debt Service Fund and Debt Service Reserve Fund, the Authority may provide by Supplemental Resolution for a recalculation of the Debt Service Reserve Requirement for any Bonds to take into account the Authority's debt service payment obligations on such Bonds as affected by such Qualified Swap. The Authority has not entered into any Qualified Swaps and has no current plans to do so.

## **Subordinated Obligations; Revolving Credit Loans**

Revolving Credit Loans under the Revolving Credit Agreement constitute Subordinated Obligations under the Resolution.

The Revolving Credit Agreement permits Revolving Credit Loans thereunder from time to time (and prepayments and reborrowings) in an aggregate principal amount outstanding at any time not to exceed \$300,000,000 to fund Project Costs and certain other limited purposes; however as of April 1, 2024, the available amount is \$200,000,000 and is subject to increase or decrease up to the \$300,000,000 to fund Project Costs and certain other limited purposes. Generally, the Revolving Credit Agreement is intended to provide interim financing in anticipation of the issuance of Bonds, although in some cases the Authority may retire loans from other available sources. The commitment of the Banks under the Revolving Credit Agreement to fund Revolving Credit Loans expires May 28, 2027, unless that period is extended pursuant to the terms of the Revolving Credit Agreement (the “Commitment Expiration Date”). Revolving Credit Loans outstanding on the Commitment Expiration Date may be converted to term loans amortizing, in approximately equal principal installments, over a period ending with the earliest to occur of (i) the third anniversary of the conversion, (ii) the date other debt is issued to repay the term loans, and (iii) with respect to any loan that has been converted to a term loan, the eighth anniversary of the original loan. Revolving Credit Loans prior to conversion to term loans bear interest at 80% of one-month Term SOFR, plus a ratings-based spread, for tax-exempt loans, and at one-month TERM SOFR plus a ratings-based spread for taxable loans. Term loans initially bear interest at a fluctuating rate equal to the greatest of (i) the Bank’s prime rate plus 1%, (ii) the Federal Funds Rate plus 2% or (iii) 7% (the “Base Rate”), plus 1%. If the Authority’s long-term unenhanced Bond rating is reduced below the Baa1/BBB+, or in the event of an event of default, interest is payable at the Base Rate plus 4%. Interest on the loans is payable monthly. The Bank has several available remedies under the Revolving Credit Agreement upon an event of default thereunder, including acceleration of loans.

On \_\_\_\_\_, 2026, the Authority had \$ \_\_\_\_\_ (unaudited) aggregate principal amount of Revolving Credit Loans outstanding, which includes \$3,549,871 not yet allocated to Institutions, a portion of which will be prepaid with proceeds of the Offered Bonds as described in “PURPOSES OF THE OFFERED BONDS”.

## **Certain State Law Bondowner Remedies**

The State has waived the Authority’s immunity from suit and extended its consent to be sued for actions on the Bonds, but has not done so for other contractual obligations of either the Authority or the Boards, including the Financing Agreements. Current State law provides that monetary claims against the State (including, for this purpose, the Authority and the Boards) for breach of its contractual obligations and certain other causes where sovereign immunity has been waived may be heard and determined exclusively in the forum of the Tennessee Claims Commission, an administrative tribunal, where the Authority or the Boards may be liable only for actual damages and certain costs.

Under the State Constitution, public moneys may be expended only pursuant to an appropriation made by law. Sovereign immunity or other legal principles may bar actions to compel the General Assembly to appropriate moneys or to compel the payment of appropriated moneys.

For a description of remedies available to Bondowners under the Resolution, see Appendix E – “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Remedies.”

## **Termination of Existence**

The Governmental Entity Review Law provides for the termination of various governmental entities on specified dates, which in the case of the Authority is June 30, 2030, in the case of the Board of Regents is June 30, 2026, and in the case of the Board of Trustees is June 30, 2028. The law also provides that if the General Assembly does not extend the termination date of an entity, the existence of the entity will continue for an additional year without any diminution, reduction or limitation of its powers. However, the State is required to preserve the rights of the holders of any outstanding indebtedness of the entity at the time of termination and the obligations and rights of such entity shall accrue to the State.

## **2013 Amendments to the Act, the Resolution and the Financing Agreements**

Legislation was enacted by the General Assembly at its 2013 session and signed into law by the Governor (Chapter 174, Public Laws of 2013) to amend the definition of “Institution” in the Act from “the University of Tennessee, including all of its branches and divisions wherever located, and each constituent institution of the state university and community college system described in § 49-8-101(a). Each constituent institution of the state university and community college system, whether or not it confers degrees, shall be deemed an institution of higher education for purposes of this part;” to “(i) the University of Tennessee system, including all of its branches and divisions wherever located, and the services, programs and activities provided therein, and the board of trustees of the University of Tennessee, in the aggregate, and (ii) the state university and community college system, including all of its constituent institutions, wherever located (whether or not conferring degrees), and the services, programs and activities provided therein, and the Board of Regents of the state university and community

college system, in the aggregate.” This has the effect of the State University and Community College System being treated for purposes of the Act as a collective entity in the same way the University of Tennessee system previously was, and will continue to be, treated.

The definitions of “Institution” contained in the Resolution and in the Financing Agreement and other provisions of the Financing Agreement with the Board of Regents relating to that definition were amended accordingly, as permitted thereby, on May 9, 2013. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS – Amendment”; Appendix E – “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Supplemental Resolution; Amendments” (clause (8) of the first paragraph); and “ADDITIONAL INFORMATION; CONTINUING DISCLOSURE.”

The amendments described above apply to all of the Authority’s currently outstanding Higher Educational Facilities Second Program Bonds as well as those to be issued (including the Offered Bonds). One principal effect of the amendments is to allow the Board of Regents to satisfy its obligation to pay Annual Financing Charges to the Authority with respect to all Projects from the Fees and Charges imposed by all of its constituent institutions, in the aggregate, instead of on an institution-by-institution basis as was previously the case. Another is that the deductions and payments to the Authority from Legislative Appropriations for non-payment by the Board of Regents of Annual Financing Charges or Administrative Fees with respect to a Project could be made from appropriations made by the General Assembly for the operation and maintenance of all of the constituent institutions of the State University and Community College System, as was previously, and will continue to be, the case with respect to the University of Tennessee system, and not just from the appropriations for the operation and maintenance of the particular constituent institution for which such Project was undertaken or used. Similarly, amounts appropriated for certain other services, programs and activities of both the Board of Regents and the Board of Trustees, and for the two Boards themselves, may be deducted and paid to the Authority in the event of non-payment under the respective Financing Agreements. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Legislative Appropriations.” The amendments to the Financing Agreements also apply to the eligibility of Projects for financing by the Authority as described in Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS – Approval of Projects and Project Costs.”

Included in “Coverage of Annual Financing Charges and Administrative Fees for the Long-Term Debt Secured By Financing Agreements – College and University Funds – For the Last Ten Years” in Appendix B is a calculation of coverage consistent with the amendments described above.

## THE AUTHORITY

The Authority, created in 1965 under the Act, is a corporate governmental agency and instrumentality of the State. In addition to its authority to issue bonds and notes to finance Projects, the Authority in 1980 was empowered by the General Assembly to issue bonds or notes to provide funds for the making of student loans by the Tennessee Student Assistance Corporation. The principal amounts of such bonds or notes issued may not exceed \$5,000,000 and must be secured separate and apart from any bonds or notes of the Authority issued to provide funds to finance Projects. As of the date of this Official Statement, no bonds or notes have been issued for the making of student loans.

The Authority also is authorized to issue qualified school construction bonds (“QSCBs”), as defined in Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”). QSCBs are issued under the provisions of the Authority’s Qualified School Construction Bonds General Bond Resolution, which was adopted by the Authority on November 5, 2009, as supplemented (the “QSCB Resolution”), are not supported by either the First Program or Second Program Financing Agreements, and are not secured by either the First Program or Second Program General Bond Resolution. The proceeds of QSCBs are loaned to cities, counties and metropolitan governments in the State for construction, renovation and equipment of public school facilities. Under the QSCB program, each borrower executes a loan agreement pursuant to which it agrees to pay the principal of and interest on its loan and pledges to such payments its full faith and credit and unlimited taxing power and its Unobligated State-Shared Taxes in the event of non-payment by such borrower. For certain of the QSCBs, a Federal income tax credit is given to bondholders in lieu of the payment of interest on bonds, and in certain other QSCBs an election is made by the Authority to receive direct interest subsidy payments from the United States Treasury, which, if not needed to cure defaults under loan agreements with the borrowers, are transferred to them. As of \_\_\_\_\_, 2026, the total par amount of QSCBs outstanding was \$389,440,000 (unaudited), and the book value of pledged sinking fund accounts totaled **\$367,293,480.04** (unaudited).

The Authority is also required to approve any borrowings consummated by the Board of Trustees, by the Board of Regents or by any of the Institutions, whether such borrowings are made through the Authority or independently.

### Membership of the Authority

The powers of the Authority, as defined in the Act, are vested in and exercised by its members who consist of the Governor, the Comptroller of the Treasury, the Secretary of State, the State Treasurer, the Commissioner of Finance and Administration, the Chancellor of

the Board of Regents, and the President of The University of Tennessee. The Governor serves as Chairman of the Authority, and the Comptroller of the Treasury serves as the Secretary.

The Comptroller of the Treasury, the Secretary of State, and the State Treasurer are the Constitutional Officers of the State and are elected from time to time by the General Assembly. The Commissioner of Finance and Administration serves at the pleasure of the Governor. The Chancellor of the Board of Regents and the President of The University of Tennessee serve at the pleasure of their respective Boards.

**Outstanding Indebtedness of the Authority**

As of \_\_\_\_\_, 2026 (unaudited), the Authority had issued, and there was outstanding under the Resolution, Bonds (excluding the Offered Bonds) as follows:

<u>Higher Educational Facilities Second Program Bonds</u>	<b>Principal Outstanding (Unaudited)</b>
2012 Series B (Federally Taxable)	\$ 44,830,000
2014 Series A (Federally Taxable)	15,990,000
2015 Series A (Federally Taxable)	19,700,000
2015 Series B	52,135,000
2017 Series A	199,790,000
2017 Refunding Series B	90,115,000
2017 Refunding Series C (Federally Taxable)	8,995,000
2019 Series A	115,245,000
2019 Series B (Federally Taxable)	45,615,000
2021 Series A (Federally Taxable)	627,710,000
2022 Series A	270,965,000
2022 Series B (Federally Taxable)	8,420,000
2025 Series A	164,150,000
2025 Series B (Federally Taxable)	53,325,000
Total Outstanding Second Program Bonds	<u>\$ 1,716,985,000</u>

There also are outstanding Revolving Credit Loans as described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Subordinated Obligations; Revolving Credit Loans.”

The Authority continually monitors its debt structure and capital requirements, and depending on such requirements, financial market conditions and other factors, may issue additional bonds or notes and may refund (whether or not for savings) any of its outstanding bonds and notes. For additional financial information concerning the Authority, see Appendix A hereto.

**TENNESSEE PUBLIC HIGHER EDUCATION**

**General**

Public higher education in Tennessee is coordinated by the Tennessee Higher Education Commission (the “Commission”) and consists of eight boards: The University of Tennessee system governed by the Board of Trustees and the State University and Community College system comprised of six state universities – Austin Peay State University, East Tennessee State University, Middle Tennessee State University, Tennessee State University, Tennessee Technological University, and University of Memphis (the “State Universities”) – governed by individual State University boards (subject to certain financial controls by the Board of Regents as described below) and 35 community colleges and state colleges of applied technology (the “Community College System”) governed by the Board of Regents.

The Commission consists of the three Constitutional Officers (the Comptroller of the Treasury, Secretary of State, and State Treasurer), six lay members with six-year terms appointed by the Governor, one lay member with a six-year term appointed by the Speaker of the Tennessee House of Representatives, one lay member with a six-year term appointed by the Speaker of the Tennessee Senate, one lay member with a six-year term appointed jointly by the Speaker of the Tennessee House of Representatives and the Speaker of the Tennessee Senate, and two student members appointed by the Governor for two-year terms (one from The University of Tennessee system and one not from The University of Tennessee system; one voting each year). It develops a statewide Master Plan used in making policy recommendations concerning such matters as the need for existing degree programs, the development of new degree programs, and the review of tuition and

fees. The Commission is charged with conducting annual reviews and licensing non-accredited, degree-offering postsecondary educational institutions; has the responsibility for studying the use of public funds appropriated for higher education; and recommends the appropriation of state funds for public higher education institutions.

The Boards have entered into Second Program Financing Agreements, by which the Authority provides funding for Projects. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The University of Tennessee was founded in 1794 as Blount College. The University was designated in 1869 as the Federal land-grant institution in Tennessee. The Board of Trustees is the governing body of The University of Tennessee. The University has five main campuses (Knoxville, Martin, Chattanooga, Southern and Health Science Center), with 33 colleges, schools, and divisions, and together with the Board of Trustees constitute a single “Institution” under the Act and the Board of Trustees’ Second Program Financing Agreement. Pursuant to Tennessee Code Annotated Title 49, Chapter 9, Section 103, the University of Tennessee is authorized to borrow money, incur debt and issue bonds, notes or other evidence of indebtedness for specified purposes, with the prior approval of the Authority.

The Board of Regents was created by the General Assembly in 1972. The Board of Regents governs the Community College System, which currently includes 13 community colleges and 22 Tennessee colleges of applied technology (“TCATs”). Institutions governed by the Board of Regents are: Chattanooga State Community College, Cleveland State Community College, Columbia State Community College, Dyersburg State Community College, Jackson State Community College, Motlow State Community College, Nashville State Community College, Northeast State Community College, Pellissippi State Community College, Roane State Community College, Southwest Tennessee Community College, Volunteer State Community College, and Walters State Community College, as well as the TCATs located throughout the State. The State University and Community College System and the Board of Regents constitute a single “Institution” under the Act and the Board of Regents’ Second Program Financing Agreement. Pursuant to Tennessee Code Annotated Title 49, Chapter 8, Section 203, none of the State Universities, or the Board of Regents, are authorized to borrow any monies, whether by bonds or notes, without prior approval of the Authority.

Prior to the FOCUS Act, 2016 Public Chapter 869, each of the State Universities were governed solely by the Board of Regents. Pursuant to the FOCUS Act, the State Universities are now governed by their own individual State University boards subject to certain powers and duties of the Commission. In addition, the Board of Regents has authority over and must give final approval to the State Universities’ operating budget. Funds appropriated for the State Universities are first distributed to the Board of Regents, which then distributes the funds to the State Universities, minus any deductions required by the Second Program Financing Agreements. In addition, the Board of Regents retains all powers and duties with respect to the State Universities (as well as the Community College System), including any projects, which are necessary for the Board of Regents to fulfill its covenants, representations, agreements and obligations under the Second Program Financing Agreements. The Board of Regents retains sole governance of the Community College System.

For statements of outstanding debt by Institution, debt service coverage, fees and charges, appropriations and debt service by Institution, and certain other statistical information, see Appendix B hereto.

## Capital Projects

Capital projects that have been approved by the Authority (see “REVIEW AND APPROVAL PROCESS FOR FINANCING OF PROJECTS BY AUTHORITY” below) generally are funded initially by Revolving Credit Loans until they are at least approximately 75% complete, after which they are refinanced with Bonds, and occasionally are financed directly with Bonds. As of \_\_\_\_\_, 2026, projects authorized to be financed for the University of Tennessee system have a total cost of \$520,940,275, of which \$154,142,647 had been funded with Revolving Credit Loans, and for the Tennessee Board of Regents system have a total cost of \$ \_\_\_\_\_, of which \$ \_\_\_\_\_ had been funded with Revolving Credit Loans (all unaudited). The Governor’s budget for fiscal year 2026-2027, as amended by the Appropriations Bill (Public Chapter 966), includes capital projects to be funded by the Authority in the amount of \$260,800,000, of which \$161,300,000 is for the University of Tennessee system and \$99,500,000 is for the Tennessee Board of Regents system.

## Tennessee Promise

The Tennessee Promise is both a scholarship and mentoring program that began with the high-school graduating Class of 2015. The program provides two years of tuition-free education at a community college or technical school in Tennessee as a last-dollar scholarship, meaning the scholarship will provide funding to cover tuition and mandatory fees not covered by any Pell grant, TN Education Lottery Scholarship programs, or Tennessee Student Assistance Awards. Students may use the scholarship at any of the State’s community colleges, Tennessee Colleges of Applied Technology (TCATs), or other eligible institution offering an associate degree program. A critical component of Tennessee Promise is the individual guidance each participant will receive from a volunteer mentor who will assist the student as he or she navigates the college admissions process, regardless of the educational institution at which the student ultimately enrolls. Tennessee Promise

participants must complete eight hours of community service before the start of each semester in which they receive the scholarship, maintain satisfactory academic progress (2.0 GPA), and file the Free Application for Federal Student Aid (“FAFSA”).

Tennessee Promise is funded from interest earnings from the endowment’s corpus, which was established with approximately \$312.5 million from the Tennessee Education Lottery reserve and approximately \$48.8 million from Tennessee Student Assistance Corporation’s operating fund and from annual net lottery proceeds (lottery revenues less lottery expenditures) all of which are deposited into a special reserve. The endowment cannot be used to fund awards but any amount from the special reserve, including interest earnings, can be used to fund the scholarships. In part because of the program’s last-dollar nature and lottery source of funding, Tennessee Promise is not expected to result in a material financial burden to the State University and Community College System or to adversely affect the Board of Regents financing of its capital project program through the Authority.

**Tennessee Reconnect**

Like the Tennessee Promise program, Tennessee Reconnect is a last-dollar scholarship program which began with the 2018-2019 academic year. Tennessee Reconnect provides tuition-free education towards a certificate or associate degree at a community college or other eligible institution in Tennessee. Tennessee Reconnect also provides individual guidance for each participant through a college success program, which is designed to assist the student as he or she navigates the college admissions process, regardless of the educational institution at which the student ultimately enrolls. Participation in Tennessee Reconnect will be limited to students who, among other things, are Tennessee residents, are classified as independent students pursuant to FAFSA guidelines or at least 23 years of age on or before January 1 in the year of initial enrollment and who have not previously earned an associate or baccalaureate degree.

Tennessee Reconnect is funded from lottery proceeds. The program is not expected to result in a material financial burden to the State University and Community College System or to adversely affect the Board of Regents financing of its capital project program through the Authority.

**Outcomes-Based Funding**

Legislative appropriations for higher education institutions are based on an outcomes-based funding formula model that rewards institutions for the production of outcomes that further the educational attainment and productivity goals of the State’s Master Plan for the future development of public higher education that has been approved by the Commission. This model was effective beginning with fiscal year 2010-2011 and was phased in over a three year period. The model underwent a thorough review in the summer of 2015, culminating in the implementation of the 2015-2020 outcomes-based funding formula. Another thorough review of the formula and update was completed in 2022, for use through 2025, which is described below.

The outcomes were chosen to represent broad activities across institutions and are grouped into the categories of student progression, degree production, efficiency, and other important institutional functions. The outcomes are weighted according to institutional mission, reflecting an institution’s basic Carnegie Classification (a major national framework for describing how institutions are alike and different) as a core differentiation.

**Outcomes Included in the University Formula**

Students Accumulating 30hrs	Bachelor and Associate Degrees
Students Accumulating 60hrs	Masters and Ed Specialist Degrees
Students Accumulating 90hrs	Doctoral and Law Degrees
Research, Service and Sponsored Programs Expenditures	Degrees per 100 Full-time Equivalent (“FTE”) Six-Year Graduation Rate

**Outcomes Included in Community College Formula**

Students Accumulating 12hrs	Dual Enrollment Students
Students Accumulating 24hrs	Associate Degrees
Students Accumulating 36hrs	Short- and Long-term Certificates
Job Placements	Transfers Out with 12 credits
Work Force Training Hours	Awards per 100 FTE

The outcomes-based model does not specifically use enrollment to distribute funds. It instead utilizes a three-year average of outcome data. The outcome data is then weighted to reflect both the priority of that outcome at a particular institution and an institution’s Carnegie Classification. Institutions are also rewarded with a premium for the student progression and undergraduate award production data

attributable to low-income and/or adult students and universities and low-income, adult and/or academically underprepared students at community colleges. Additionally, students completing an undergraduate award in a high-need academic program also qualify for a premium. Student progression measures the accumulation of credit hours, thereby incorporating course completions.

The outcomes-based model provides more stability by spreading the financial incentives across more variables. Additionally, the institutional specific weights allow the State to be clear in its expectations, while not prescribing to institutions how to achieve higher levels of outcomes. Unlike performance funding, the outcomes based formula does not have annual targets or benchmarks. Therefore, institutions are not penalized for failure to achieve a predetermined annual target.

The Tennessee Higher Education Commission reviews the Outcomes-Based Funding formula with the Statutory Review Committee every five years. The formula is currently undergoing review and will be subject to change in 2026 and will be implemented for FY28.

## **Employee Retirement Benefits**

### *Tennessee Consolidated Retirement System - General*

Employees of the University of Tennessee and the Tennessee Board of Regents are authorized to participate in the Tennessee Consolidated Retirement System (“TCRS”), a defined benefit pension plan, pursuant to Tennessee Code Annotated Title 8, Chapter 35 except that employees exempt from the Federal Fair Labor Standards Act may waive membership in TCRS and elect to participate in the Optional Retirement Program (“ORP”), a defined contribution plan. The general administration and responsibility for the proper operation of TCRS are vested in a twenty member Board of Trustees. The Treasury Department, a constitutional office in the legislative branch of state government, is responsible for the administration of TCRS, including the investment of assets in the plan, in accordance with state statute and in accordance with the policies, rules, and regulations established by the Board of Trustees.

The TCRS covers three large groups of public employees; state employees and higher education employees, K-12 teachers, and employees of certain local governments. As of June 30, 2025, there were 62,697 active members in TCRS in the state and higher education employee group. This total includes 20,765 employees of the University of Tennessee and the Tennessee Board of Regents who are members of TCRS.

The State of Tennessee is ultimately responsible for the financial obligations of the benefits provided by TCRS to state employees and higher education employees hired on or before June 30, 2014, and participating in the Legacy Pension Plan to the extent such obligations are not covered by employee contributions and investments earnings. The obligation is funded by employer contributions as determined by an actuarial valuation. The Hybrid Retirement Plan provided to state employees and higher education employees hired after June 30, 2014, includes provisions to control employer contributions and unfunded liabilities. As such, plan provisions of the Hybrid Retirement Plan are automatically adjusted when employer contributions and/or unfunded liabilities exceed statutory limits. Employees hired on or before June 30, 2014, in the state and higher education group are noncontributory. New employees hired on or after July 1, 2014, contribute 5% of their salary.

By statute, an actuarial valuation of TCRS is to be conducted at least once in each two year period. The purpose of the actuarial valuation is to determine the financial position of the plan pursuant to Governmental Accounting Standards Board Statement No. 68 (“GASB 68”) and to determine the actuarially determined contributions (“ADC”). Effective June 30, 2015, the Board of Trustees adopted a funding policy whereby an actuarial valuation is conducted annually to determine the ADC rate for participating employers and to determine the information required by GASB 68 to be presented in financial statements. The actuarial valuation for June 30, 2015, and forward includes both the determination of employer contribution rates and accounting information.

The actuarially determined contribution rate includes funding for the normal cost, the accrued liability cost, and the TCRS administrative cost.

### *Tennessee Consolidated Retirement System - Actuarial Valuation GASB 68 Financial Status*

An actuarial valuation was performed to determine the TCRS financial position in order to provide information related to Governmental Accounting Standards Board (GASB) pronouncements. At June 30, 2025, (measurement date of June 30, 2024), the net pension liability in the closed plan for the state and higher education employee group was \$499 million, resulting in plan fiduciary net position as a percentage of total pension liability of 97.61%. For the same period, the net pension liability in the open plan for the state and higher education employee group was \$8.9 million, resulting in a funded ratio of 99.07%. A measurement date of the previous fiscal year end is used for GASB 68 purposes.

*Legacy Pension Plan for Employees Hired on or before June 30, 2014 (Closed Plan)*

Employees enrolled in the pension plan on or before June 30, 2014, do not make contributions to the plan. Eligibility to retire is age 60 or 30 years of service credit. Certain death and disability benefits are available. A member becomes vested after accruing 5 years of service credit. Retirees are eligible for automatic cost of living increases each July based on changes in the customer price index ("CPI") but capped at 3%.

Higher education institutions are required to contribute at an actuarially determined contribution rate. The employer contribution rates are developed with each actuarial valuation and are delayed by one year for budget purposes. The June 30, 2023, actuarial valuation provided the employer contribution rates for the period July 1, 2024, through June 30, 2025. For the employees of Tennessee's higher education institutions, the employer contribution rate for fiscal year 2025, stated as a percentage of salary, was 22.22%. For fiscal year 2026, the employer rate is 22.04%. Previously, actuarial valuations were performed every two years. Beginning June 30, 2015, the actuarial valuation is performed annually for both accounting purposes and funding purposes. The employer contribution requirements of the higher education institutions are established and may be amended by the TCRS Board of Trustees.

Employees enrolled in the ORP pension plan on or before June 30, 2014, do not make contributions to the plan. Employer contributions to the ORP are 10% of salary up to the social security wage base and 11% of salary above the social security wage base. Schedules of employer contribution rates and funding are shown below. Additionally, state and higher education employees may participate on a voluntary basis in the state's 401K deferred compensation plan. For fiscal year 2023 and fiscal year 2024, employees are eligible to receive up to a \$100 monthly match from the employer. For fiscal year 2025, employees are eligible to receive up to a \$50 monthly match from the employer.

*Hybrid Retirement Plan for Employees Hired on or after July 1, 2014*

As authorized by Public Chapter 259, Acts of 2013, employees first hired on or after July 1, 2014, participate in a hybrid pension plan consisting of a defined benefit plan and a defined contribution plan. Employees contribute at 5% of salary to the defined benefit plan. Employees contribute 2% of salary to the defined contribution plan unless the employee opts out of making such contribution. The total employer cost for the two plans is limited to 9% of salary with 4% targeted to the defined benefit plan and 5% to the defined contribution plan. Employees are also eligible to participate in the state's 401K deferred compensation plan. For fiscal year 2023 and fiscal year 2024, employees are eligible to receive up to a \$100 monthly match from the employer. For fiscal year 2025, employees are eligible to receive up to a \$50 monthly match from the employer.

The benefit accrual formula under the defined benefit plan is 1%. Eligibility to retire is age 65 or the rule of 90 (where age and service equals 90). Certain death and disability benefits are available. A member becomes vested after accruing 5 years of service credit. Retirees are eligible for automatic cost of living increases each July based on changes in the CPI but capped at 3%.

There is a stabilization reserve created for any employer contributions that exceed the ADC rate that will be utilized to control cost and unfunded liabilities. Federal government grant programs will only permit a reimbursement of the ADC.

The defined benefit component of the hybrid plan has automatic cost controls and automatic controls over unfunded accrued liability. The automatic controls are based on the results of the actuarial valuation. Control features include utilizing funds in the stabilization reserve (if any), limiting retiree cost of living adjustments, shifting future employer contributions from the defined contribution plan to the defined benefit plan, requiring additional employee contributions, and adjusting benefit accruals. The control features only apply to the new hybrid plan and do not apply to the closed pension plan.

Employees enrolled in the ORP pension plan on or after July 1, 2014, contribute 5% of salary with employers contributing 9% of salary.

Summary of Employer Contributions for All Plans

<b>Fiscal Year Ended 30-Jun</b>	<b>TCRS Employer Contributions</b>	<b>ORP Employer Contributions</b>	<b>DC Employer Contributions**</b>	<b>Total Employer Contributions</b>
2025	\$ 150,811,399	\$ 110,820,000	\$ 97,849,841	\$ 359,481,240
2024*	228,787,577	106,450,000	106,825,827	442,063,404
2023*	238,464,796	100,900,000	92,895,593	432,260,390
2022*	201,013,436	98,700,000	49,881,750	349,595,186
2021*	130,794,950	98,500,000	35,009,687	264,304,638
2020*	132,928,784	99,500,000	32,239,492	264,668,276
2019*	132,135,011	98,300,000	28,116,106	258,551,116
2018*	137,819,765	96,800,000	27,106,366	261,726,131
2017*	112,420,206	95,100,000	20,274,372	227,794,578
2016*	114,238,631	93,800,000	16,844,059	224,882,691
2015*	116,270,682	100,000,000	14,150,203	230,420,885

\*The amounts for DC Employer Contributions have been re-presented from prior years to include only the contributions for the University of Tennessee and the Tennessee Board of Regents.

\*\*DC Employer contributions include Hybrid contributions and a maximum \$50 monthly employer match. For FY 2023 and FY 2024, the monthly employer match was increased to a \$100 maximum. Information is unaudited.

For each year above, contributions made by the University of Tennessee and the Tennessee Board of Regents institutions equal the ADC.

### Other Post-Employment Benefits

GASB Statements (nos. 74 and 75) provide accounting and financial reporting requirements for retiree healthcare plans and employer participants, commonly known as Other Post-Employment Benefits (“OPEB”). The latest actuarial valuation of the employee group OPEB plan (EGOP) is as of July 1, 2023, and includes OPEB costs attributable to the State and, separately, for certain of its component units (including the Boards) that are required to participate in the State retirement and benefit plans. The study, which used the entry age normal actuarial cost method, indicates for the fiscal year ended June 30, 2024, the net OPEB liability of the University of Tennessee would be approximately \$64,689,382, while the net OPEB liability of the State University and Community College System would be approximately \$67,306,334. The report may be viewed at [Other Post-Employment Benefits \(tn.gov\)](#). Each participating employer in the plan, including the Boards, will be charged for their share of current and future OPEB costs through an actuarially determined contribution rate.

Prior to January 1, 2019, the State had not pre-funded any actuarially determined OPEB liability and instead used a pay-as-you-go funding arrangement for actual costs of OPEB liabilities incurred. However, pursuant to Sections 9-27-801, *et seq.* Tennessee Code Annotated, a trust (the “OPEB Trust”) was established and began operating effective January 1, 2019, whereby the State Employee Group Plan was converted to a prefunding arrangement where assets are accumulated in the OPEB Trust and benefit payments are made directly from the OPEB Trust. The State has the flexibility to adjust the benefits and premium sharing provisions provided by insurance plans and to adjust the various OPEB plan options and operations on an annual basis.

The trustees (the “Trustees”) of the OPEB Trust are the Commissioner of Finance and Administration, the chair of the Finance, Ways and Means Committee for the Senate, the chair of the Finance, Ways and Means Committee for the House of Representatives, and the State Treasurer, in his capacity as chair of the board of TCRS.

### Public Health Epidemics or Outbreaks

Public health epidemics or outbreaks, such as COVID-19, could adversely impact the world economy and the economies of the United States, the State of Tennessee, the Authority and the Institutions. The extent to which such public health epidemics or outbreaks may impact the State, State support for public higher education and the operations and financial condition of the Institutions will depend on future

developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak and the actions to contain the threat or treat its impact, among others.

## **Cybersecurity**

The Authority and the Institutions utilize various computer systems and network technology to perform many of their vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the Authority and/or the Institutions may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional user error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt State and/or campus services and operations and subject the Institutions and/or the State to legal action. Attempted cybersecurity attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or entities similar to the Authority and the Institutions. To mitigate against such risks, the State and its departments, agencies, and divisions, including Institutions, have instituted various technical controls, policies and procedures to protect their network infrastructure, including a cybersecurity training requirement for certain departments, as well as general cybersecurity training and awareness for all employees. The Strategic Technology Solutions Division of the State's Department of Finance and Administration works with various State departments, agencies and divisions, as necessary, to develop specific cybersecurity policies and procedures. Using a framework provided by the National Institute of Standards and Technology, each Institution has developed its own set of cybersecurity policies and procedures that are submitted to the State. The State also maintains third-party insurance against cybersecurity incidents, and such coverage includes the Institutions.

Certain of the Institutions have experienced varying levels of cyberattacks and unintentional network breaches, some of which have resulted in the inability to use certain computer systems, the misdirection of monies and the disclosure of personally identifiable information, including social security numbers. One university experienced a cyberattack that caused \$1.4 million intended for a vendor to be misdirected to another party. In response to such attacks and breaches, the Institutions have, where applicable, revised cybersecurity policies and procedures, increased cybersecurity training for employees, engaged third-party cyber incident responders, provided free credit report monitoring for affected individuals and, in the case of the misdirected vendor payment, submitted a claim to the insurance provider. Despite the State's, including the Institutions', measures to safeguard their network infrastructure from any future incidents, there are no guarantees that such measures will be successful.

## **Uncertainties of Federal Funding Legislation**

Federal policies on a range of matters involving or impacting institutions of higher education (directly or indirectly) can shift significantly from one administration to another. Such shifts can be accompanied by reductions and/or uncertainty in the level of federal funding available for various policy priorities. Levels of federal funding can be altered by legislative action, through the budget process and sequestration, but may also be affected by presidential executive actions, including recent actions and/or proposals seeking to freeze, reduce, eliminate or reallocate federal grant, loan and other financial assistance.

Proposed and potential federal actions and initiatives could negatively impact institutions of higher education, including the Institutions. Such actions include, among others, regulatory changes to programs administered by the U.S. Department of Education ("DOE") and others, substantial reduction of the DOE, cuts to federal spending on research and other programs, curtailments on tax-exempt financing, revocations of tax-exempt status, increases to the endowment tax, reductions in funding for financial aid programs, increased enforcement activities against institutions of higher education and restrictions on immigration that impact international student enrollment. The outcome of proposals such as those described above and other future legislative and executive actions, and their potential impact on institutions of higher education is uncertain. While current administration actions have not had a material impact on the Institutions, there is no assurance that these proposals, if implemented or extended, and/or other developments involving the federal government, will not have an adverse effect, directly or indirectly, on the future financial condition, operations and programs of the Institutions.

## **REVIEW AND APPROVAL PROCESS FOR FINANCING OF PROJECTS BY THE AUTHORITY**

For the purpose of carrying out the programs authorized by the Act and to permit the Authority to undertake the financing of Projects, the Authority's existing policy generally requires the review and approval of a project by different bodies of State government prior to the Authority's approval of a project undertaken for either the Board of Trustees or the Board of Regents.

The review and approval process is performed in the following sequence:

(1) A Project request is initiated by an Institution. Such Project is expected to relate to that Institution's five-year capital plan, if applicable.

(2) The Project is reviewed by the Board of Trustees or the Board of Regents, as the case may be, and, if approved, is forwarded to the Tennessee Higher Education Commission for review.

(3) The Tennessee Higher Education Commission reviews the Project to determine its educational need and compatibility with the Institution's master plan. The Commission then forwards its comments and recommendations to the Commissioner of Finance and Administration. If approved, the project will be disclosed in the State's Capital Budget.

(4) The Project is presented to the Authority for consideration and approval. The Project's funding and debt service coverage are analyzed and considered for inclusion under the Second Program Financing Agreement with the Board of Trustees or the Board of Regents, as the case may be.

(5) The Project is presented to the State Building Commission for approval of design, construction and funding. The State Building Commission is an agency of the State whose permanent members consist of the Governor, Lieutenant Governor, Speaker of the House of Representatives, Comptroller of the Treasury, Secretary of State, State Treasurer and Commissioner of Finance and Administration.

(6) Upon approval for funding by the Authority and State Building Commission, the Project moves through design and construction.

Institutions may bring requests to finance the purchase of large equipment and computer software directly to the Authority. These projects may be amortized, based on their useful life, under the Revolving Credit Agreement or through long-term or short-term fixed rate debt.

## RATINGS

Moody's Investors Service Inc. ("Moody's") has assigned the Offered Bonds an enhanced rating of "\_\_\_", with a stable outlook, based in part on its assignment to the Authority's Legislative Appropriations intercept program (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Legislative Appropriations") of a programmatic rating of "\_\_\_", with a stable outlook. S&P Global Ratings, a subsidiary of S&P Global Inc. ("S&P"), has assigned the Offered Bonds a rating of "\_\_\_", with a stable outlook. Fitch Ratings, Inc. ("Fitch") has assigned the Offered Bonds a rating of "\_\_\_", with a stable outlook. A rating is not a recommendation to buy, sell or hold the Offered Bonds and there is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such revision or withdrawal may have an adverse effect on the market price of the Offered Bonds.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. Such ratings are not a recommendation to buy, sell or hold the Offered Bonds and may be subject to revision or withdrawal at any time.

## LITIGATION

There is no controversy or litigation of any nature now pending or threatened against the Authority to restrain or enjoin the issuance, sale, execution or delivery of the Offered Bonds or the financing of the Projects or the application of the proceeds of the Offered Bonds, or in any way contesting or affecting the validity of the Offered Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, the Financing Agreements, or the pledge or application of any monies or security provided for the payment of the Offered Bonds or the existence powers of the Authority, the Board of Regents or the Board of Trustees.

The Board of Regents and the Board of Trustees become involved in litigation of various types from time to time (one example of currently pending litigation is set forth in the paragraph below). However, there is no litigation pending or threatened against the Board of Regents or the Board of Trustees to restrain or enjoin the financing of the Projects or contesting or affecting the validity of any proceedings of the Board of Regents or the Board of Trustees taken with respect to the Financing Agreements, or the pledge or application of any monies or security provided for the payment of the Annual Financing Charges.

Callier v. State of Tennessee, et al. (U.S. District Court, Middle District of Tennessee). This lawsuit was filed on February 3, 2025 as a pro se action by an ex-employee of Tennessee State University ("TSU"). The Board of Regents and TSU are among the defendants. The complaint has yet to be served, but it requests declaratory and injunctive relief. The complaint in its current form is unclear in many respects, as well as being subject to revision; and, therefore, it is difficult to evaluate what, if any, impact a successful claim would have on the finances of the Board of Regents and/or TSU. It is the view of the Office of the Tennessee Attorney General that, if and when the complaint as filed on

February 3, 2025 is properly served, there are numerous substantive defenses that may be asserted by TSU and the Board of Regents, including, but not limited to, standing.

## **TAX MATTERS**

### **Federal Tax Matters – 2026A Bonds**

#### *Opinion of Bond Counsel*

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2026A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the 2026A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however interest on the 2026A Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the Board of Trustees, the Board of Regents and others, in connection with the 2026A Bonds, and Bond Counsel has assumed compliance by the Authority, the Board of Trustees and the Board of Regents with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2026A Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the 2026A Bonds, or the ownership or disposition thereof, except as stated above and in “State of Tennessee Tax Matters – Offered Bonds” below. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the 2026A Bonds.

For the proposed form of opinion of Bond Counsel relating to federal tax matters, see Appendix H.

#### *Certain Ongoing Federal Tax Requirements and Covenants*

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2026A Bonds in order that interest on the 2026A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2026A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2026A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority, the Board of Trustees and the Board of Regents have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2026A Bonds from gross income under Section 103 of the Code.

#### *Certain Collateral Federal Tax Consequences*

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2026A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2026A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2026A Bonds.

Prospective owners of the 2026A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the 2026A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

#### *Original Issue Discount*

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a 2026A Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the 2026A Bonds. In general, the issue price for each maturity of 2026A Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any 2026A Bonds having OID (a “2026A Discount Bond”), OID that has accrued and is properly allocable to the owners of the 2026A Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2026A Bonds.

In general, under Section 1288 of the Code, OID on a 2026A Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that 2026A Discount Bond. An owner’s adjusted basis in a 2026A Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a 2026A Discount Bond even though there will not be a corresponding cash payment.

Owners of 2026A Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of 2026A Discount Bonds.

#### *Bond Premium*

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

#### *Information Reporting and Backup Withholding*

Information reporting requirements apply to interest paid on tax-exempt obligations, including the 2026A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2026A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2026A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

#### *Miscellaneous*

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2026A Bonds under federal or State law or otherwise prevent beneficial owners of the 2026A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2026A Bonds.

Prospective purchasers of the 2026A Bonds should consult their own tax advisors regarding the foregoing matters in this subsection “Federal Tax Matters – 2026A Bonds”.

## **Federal Tax Matters – 2026B Bonds**

### *Opinion of Bond Counsel*

In the opinion of Bond Counsel to the Authority, interest on the 2026B Bonds (the “Taxable Bonds”) is included in gross income for federal income tax purposes pursuant to the Code.

For the proposed form of opinion of Bond Counsel relating to federal tax matters, see Appendix H.

### *General*

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Taxable Bonds by original purchasers of the Taxable Bonds who are “U.S. Holders,” as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Taxable Bonds will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Bonds as a position in a “hedge” or “straddle,” U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Taxable Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers who are required to prepare certified financial statements and file such financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below. In addition, interest on the Taxable Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

U.S. Holders of Taxable Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

### *Original Issue Discount*

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined *de minimis* amount, a U.S. Holder of a Taxable Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Taxable Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price.” For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Taxable Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest,” provided by such Taxable Bond; “qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “*de minimis* amount” is an amount equal to 0.25 percent of the Taxable Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Taxable Bond using the constant-yield method, subject to certain modifications.

### *Acquisition Discount on Short-Term Taxable Bonds*

Each U.S. Holder of a Taxable Bond with a maturity not longer than one year (a “Short-Term Taxable Bond”) is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Taxable Bond is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible

for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Short-Term Taxable Bond accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant-interest-rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Taxable Bond at maturity over the U.S. Holder’s tax basis therefor.

A U.S. Holder of a Short-Term Taxable Bond not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder’s regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

#### *Bond Premium*

In general, if a Taxable Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Taxable Bond other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder’s basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder’s original acquisition cost.

#### *Disposition and Defeasance*

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Taxable Bond.

The Authority may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the Resolution (a “defeasance”). (See Appendix E, “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION-Defeasance” herein). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected.

#### *Information Reporting and Backup Withholding*

In general, information reporting requirements will apply to non-corporate U.S. Holders of the Taxable Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Bond and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Taxable Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the Internal Revenue Service.

#### *U.S. Holders*

The term “U.S. Holder” means a beneficial owner of a Taxable Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

#### *Miscellaneous*

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could affect the tax status of the Taxable Bonds under State law or the market price or marketability of the Taxable Bonds.

Prospective purchasers of the Taxable Bonds should consult their own tax advisors regarding the foregoing matters in this subsection “Federal Tax Matters – 2026B Bonds”.

### **State of Tennessee Tax Matters – Offered Bonds**

In addition, in the opinion of Bond Counsel to the Authority, under existing laws of the State, the Offered Bonds and the interest thereon are exempt from taxation by the State or any county, municipality or political subdivision of the State, except for estate and gift taxes and taxes on transfers, and except to the extent included within the measure of franchise and excise taxes.

Bond Counsel expresses no opinion as to any other state or local tax consequences arising with respect to the Offered Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel under state and local tax law.

For the proposed form of opinion of Bond Counsel relating to State tax matters, see Appendix H.

Prospective purchasers of the Offered Bonds should consult their own tax advisors regarding the foregoing matters in this subsection “State of Tennessee Tax Matters – Offered Bonds”.

## **FINANCIAL ADVISOR**

PFM Financial Advisors LLC (“PFM”) is employed by the Authority to perform professional services in the capacity of financial advisor. In its role as financial advisor to the Authority, PFM has provided advice on the plan of financing and structure of the Offered Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the Authority and other sources and the Authority’s certification as to the Official Statement.

## **LEGAL OPINIONS**

The validity of the Offered Bonds is subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. For the form of proposed Bond Counsel opinion relating to the Offered Bonds, see Appendix H. Certain legal matters will be passed upon by the Attorney General and Reporter of the State of Tennessee, as counsel to the Authority. No representation is made to the holders of the Offered Bonds that such counsel have verified the accuracy, completeness or fairness of the statements in this Official Statement, and such counsel assume no responsibility to the holders of the Offered Bonds except for the matters that will be set forth in their respective opinions.

## **CONTINUING DISCLOSURE**

The Authority has authorized a Continuing Disclosure Undertaking (the “Undertaking”) with respect to the Offered Bonds to assist the Underwriters in complying with U.S. Securities and Exchange Commission Rule 15c2-12(b)(5). The Undertaking is for the benefit of the holders of the Offered Bonds; beneficial owners of the Offered Bonds will be third-party beneficiaries of the Undertaking. In the Undertaking, the Authority will agree to provide certain financial information and operating data by specified dates, and to provide notice of certain enumerated events with respect to the Offered Bonds. The specific nature of the information to be provided and the notices of enumerated events, and where they will be filed, is described in the summary of certain provisions of the Undertaking, attached hereto as Appendix G.

## **ADDITIONAL INFORMATION**

Additional information relating to the Authority is contained in its audited financial statements. The audited financial statements of the Authority for fiscal years ended June 30, 2023, and 2024, are included herein as Appendix A. Audited financial statements for certain prior years are available on the website of the Tennessee Comptroller of the Treasury and have been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system.

Additional information relating to the Institutions is included in the audited financial statements of the State, including component unit reporting of The University of Tennessee system and the Board of Trustees of the University of Tennessee, and of the State University and Community College System of the State of Tennessee and the Tennessee Board of Regents, showing information of the type described in the Statement of Net Position, and Statement of Revenues, Expenditures and Changes in Net Position. Financial statements of the State for fiscal year ended June 30, 2024, and for certain prior years are available on the website of the Tennessee Comptroller of the Treasury and have been filed with EMMA.

## **SALE BY COMPETITIVE BIDDING**

The Offered Bonds will be awarded pursuant to electronic competitive bidding to be held via IPREO LLC's BiDCOMPTM/PARITY® Competitive Bidding System on behalf of the Authority on \_\_\_\_\_, 2026, unless postponed or cancelled, as set forth in the Notice of Sale contained in Appendix I.

The Offered Bonds are being offered for sale as provided in the Notice of Sale for the Offered Bonds. The Notice of Sale provides that the initial purchaser of each series of the Offered Bonds (each an "Initial Purchaser") shall purchase all Offered Bonds of that series, if any Offered Bonds of such series are purchased. The obligation to each such purchase is subject to certain conditions set forth in the Notice of Sale, the approval of certain legal matters by counsel and certain other conditions.

## **FORWARD-LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

## **MISCELLANEOUS**

All quotations from, and summaries and explanations of, the Act, the Financing Agreements, the Resolution, and the Undertaking contained herein do not purport to be complete and reference is made to each for full and complete statements of their provisions. The Appendices attached hereto are a part of this Official Statement. Any statements in this Official Statement involving matters of estimate or opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Offered Bonds.

**TENNESSEE STATE SCHOOL BOND AUTHORITY**

By: \_\_\_\_\_  
Comptroller of the Treasury;  
Secretary to the Authority

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## FINANCIAL STATEMENTS OF THE AUTHORITY

The Tennessee State School Bond Authority Annual Comprehensive Financial Report (“Authority ACFR”), including the audited Basic Financial Statements, for the fiscal year ended June 30, 2025, has been filed with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system (see “ADDITIONAL INFORMATION; CONTINUING DISCLOSURE” in the Official Statement) and is obtainable from the MSRB in accordance with its procedures. A printed version is also available upon request to the Tennessee State School Bond Authority, 425 Rep. John Lewis Way N, 4<sup>th</sup> Floor, Nashville, Tennessee 37243, telephone (615) 401-7872, fax (615) 741-5986. The 2025 Authority ACFR and certain prior year Authority ACFRs are posted on the Authority’s website at <https://www.comptroller.tn.gov/boards/tennessee-state-school-bond-authority/investor-information/tssba-financial-reports.html>.

The following reports, each of which are included in the ACFR and have been posted on the Authority’s website, are incorporated herein by reference:

Independent Auditor’s Report

Management’s Discussion and Analysis

Basic Financial Statements:

Statements of Net Position

Statements of Revenues, Expenses and Changes in Net Position

Statements of Cash Flows

Notes to the Financial Statements

Supplementary Schedules:

Supplementary Schedules of Net Position – Program Level

Supplementary Schedules of Revenues, Expenses, and Changes in Net Position – Program Level

Supplementary Schedules of Cash Flows – Program

Level <https://riseprodstorg02.blob.core.windows.net/prodrise/WebResources/EmployeePictures/ig01073.jpeg>

### Other Financial Statements

The State of Tennessee Annual Comprehensive Financial Report (“State ACFR”), including component unit reporting of The University of Tennessee system and the Board of Trustees of the University of Tennessee, and of the State University and Community College System of the State of Tennessee and the Tennessee Board of Regents, showing of the type described in the Statement of Net Position, Statement of Activities, and Statement of Revenues, Expenditures and Changes in Fund Balances, for the fiscal year ended June 30, 2024, has been filed with EMMA and is obtainable from the MSRB in accordance with its procedures. A printed version is also available upon request to the Authority, as described above. The 2025 State ACFR and certain prior year State ACFRs are posted on the website of the Tennessee Department of Finance and Administration at <https://www.tn.gov/finance/doa/fa-accfin-ar.html>. The State ACFR and such component unit reporting is required to be filed annually with EMMA pursuant to the Authority’s continuing disclosure obligations as described in this Official Statement under “ADDITIONAL INFORMATION; CONTINUING DISCLOSURE” and in APPENDIX G – “SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE UNDERTAKING.”

The most recent audited financial statements for the schools under the supervision of the Board of Trustees and Tennessee Board of Regents are posted on the website of the Comptroller of the Treasury of the State of Tennessee, Division of State Audit, at <https://www.comptroller.tn.gov/office-functions/state-audit.html>. Universities are audited on an annual basis and Community Colleges and TCATs are audited on a biennial basis. Audits are prepared on a rolling basis and are published as they become available. These financial statements are not required to be filed with EMMA as part of the Authority’s continuing disclosure obligations as described in this Official Statement under “ADDITIONAL INFORMATION; CONTINUING DISCLOSURE” and in APPENDIX G – “SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE UNDERTAKING.”

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**TENNESSEE STATE SCHOOL BOND AUTHORITY  
SELECTED STATISTICAL INFORMATION**

The information in this Appendix B includes selected statistical information relating to the Boards, the Institutions and their component institutions. For a discussion of certain impacts of public health epidemics, or outbreaks, such as COVID-19, see “TENNESSEE PUBLIC HIGHER EDUCATION – Public Health Epidemics or Outbreaks” in this Official Statement. No assurance can be provided that the results included in this Appendix B will be indicative of future results.

**Tennessee State School Bond Authority  
Requirements Secured by Financing Agreements  
(Excluding Revolving Credit Facility)  
(Expressed in Thousands)**

12 Months June 30	Bond Debt Service	Admin. Expense	Annual Debt Service and Admin. Expense <sup>1</sup>
2027	\$ 162,847	\$ 4,882	\$ 167,729
2028	160,260	4,556	164,816
2029	152,407	4,235	156,642
2030	149,392	3,931	153,323
2031	134,306	3,632	137,938
2032	132,988	3,363	136,351
2033	126,886	3,097	129,983
2034	124,002	2,843	126,845
2035	119,306	2,595	121,901
2036	119,309	2,357	121,666
2037	104,930	2,118	107,048
2038	102,786	1,908	104,694
2039	96,744	1,703	98,447
2040	94,931	1,509	96,440
2041	89,720	1,319	91,039
2042	87,497	1,140	88,637
2043	74,280	965	75,245
2044	69,351	816	70,167
2045	63,240	678	63,918
2046	55,556	551	56,107
2047	38,929	440	39,369
2048	38,921	362	39,283
2049	27,803	284	28,087
2050	27,805	229	28,034
2051	22,905	173	23,078
2052	22,423	127	22,550
2053	22,427	83	22,510
2054	6,293	38	6,331
2055	6,293	25	6,318
2056	6,294	13	6,307
	<u>\$ 2,440,831</u>	<u>\$ 49,972</u>	<u>\$ 2,490,803</u>

Source - TSSBA (Unaudited)

<sup>1</sup> Does not include the Offered Bonds. See "THE AUTHORITY - Outstanding Indebtedness of the Authority" for total outstanding Bonds.

<sup>2</sup> Admin. expense is a fee imposed by the Authority on the Institutions estimated at the rate of 20 bps on the outstanding indebtedness of the Authority. The Authority has the right to change the amount charged based on actual expenses.

**Principal Amount of Debt Outstanding by Institution**

**(Unaudited)**

**As of May 31, 2026**

<b>Institutions</b>	<b>Authority Debt</b>		<b>Total Debt</b>
	<b>Bonds<sup>1</sup></b>	<b>Revolving Credit Loans<sup>2</sup></b>	
University of Tennessee System	\$ 1,080,819,049	\$ 149,351,574	\$ 1,230,170,623
Tennessee Board of Regents System	636,165,951	31,302,666	667,468,618
<b>TOTAL</b>	<b>\$ 1,716,985,000</b>	<b>\$ 180,654,240</b>	<b>\$ 1,897,639,240</b>

Source - TSSBA (Unaudited)

<sup>1</sup> Does not include the Offered Bonds. See "THE AUTHORITY - Outstanding Indebtedness of the Authority" for additional information regarding the outstanding Bonds (unaudited).

<sup>2</sup> Outstanding Revolving Credit Loans balance is as of May 31, 2026, which excludes \$7,608,874 of Revolving Credit Loans not allocated to Institutions

**University and College Funds**  
**Statement of Fees/Charges, Legislative Appropriations**  
**And Debt Service for the Last Ten Years**

The Total Fees and Charges and Legislative Appropriations (in some cases, as amended by the General Assembly) set forth in the following tables are applied to pay the cost of operation and maintenance of the following Institutions as well as the Debt Service Requirements<sup>1</sup> (excluding Revolving Credit Loans and the Offered Bonds) listed below. (Fiscal Years ended June 30) (Dollar amounts are expressed in thousands).

**UNIVERSITY OF TENNESSEE SYSTEM**

Fiscal Year	Total Fees and Charges	Legislative Appropriations <sup>1</sup>	Prior and Subordinate Debt Service Requirements (Non Authority)	Debt Service Requirements <sup>2</sup> (Authority Bonds)
2025	\$ 1,252,270	\$ 885,663	\$ -	\$ 88,770
2024	1,110,400	849,639	-	89,487
2023	1,050,528	847,216	-	80,812
2022	940,588	690,956	-	71,606
2021	818,094	643,823	-	72,059
2020	817,336	636,000	-	84,562
2019	817,648	612,411	-	83,887
2018	802,063	572,915	-	76,662
2017	778,509	532,161	-	73,722
2016	746,986	503,606	-	70,543

**TENNESSEE BOARD OF REGENTS SYSTEM**

Fiscal Year	Total Fees and Charges	Legislative Appropriations <sup>1</sup>	Prior and Subordinate Debt Service Requirements (Non Authority)	Debt Service Requirements <sup>2</sup> (Authority Bonds)
2025	\$ 1,688,801	\$ 1,283,386	\$ -	\$ 69,538
2024	1,601,923	1,258,448	-	70,141
2023	1,605,143	1,221,794	-	68,378
2022	1,567,223	1,026,416	-	63,183
2021	1,390,548	916,824	-	64,832
2020	1,430,945	892,751	-	62,355
2019	1,467,540	840,812	-	57,292
2018	1,385,505	784,012	-	56,107
2017	1,131,352	720,388	-	57,511
2016	1,102,572	675,048	-	56,299

Source - TSSBA, Institutions, and the Tennessee Department of Finance & Administration (Unaudited)

<sup>1</sup> Appropriations for operation and maintenance, including employer social security and retirement contributions for the respective systems (including the respective schools and Boards).

<sup>2</sup> Debt Service Requirements consist only of principal and interest. Excludes the Offered Bonds.

**State of Tennessee**  
**Coverage of Annual Financing Charges and Administrative Fees for**  
**Long-Term Debt Secured by Financing Agreements<sup>1</sup>**  
**College and University Funds**  
**For the Last Ten Years**  
(Expressed in Thousands)

**UNIVERSITY OF TENNESSEE SYSTEM**

Fiscal Year	Total Fees and Charges	Legislative Appropriations <sup>2</sup>	Annual Financing Charges <sup>3</sup>	Coverage By:	
				Fees & Charges	Fees, Charges, & Appropriations
2025	\$ 1,252,270	\$ 885,663	\$ 98,276	12.74 X	21.75 X
2024	1,110,400	849,639	90,147	12.32 X	21.74 X
2023	1,050,528	847,216	81,516	12.89 X	23.28 X
2022	940,588	690,956	72,882	12.91 X	22.39 X
2021	818,094	643,823	73,384	11.15 X	19.92 X
2020	817,336	636,000	85,929	9.51 X	16.91 X
2019	817,348	612,411	85,606	9.55 X	16.70 X
2018	802,063	573,017	85,031	9.43 X	16.17 X
2017	780,867	527,569	74,793	10.44 X	17.49 X
2016	746,986	499,862	74,965	9.96 X	16.63 X

**TENNESSEE BOARD OF REGENTS SYSTEM**

Fiscal Year	Total Fees and Charges	Legislative Appropriations <sup>2</sup>	Annual Financing Charges <sup>3</sup>	Coverage By:	
				Fees & Charges	Fees, Charges, & Appropriations
2025	\$ 1,688,801	\$ 1,283,386	\$ 70,794	23.86 X	41.98 X
2024	1,601,923	1,258,448	70,935	22.58 X	40.32 X
2023	1,605,143	1,221,794	69,225	23.19 X	40.84 X
2022	1,567,223	1,026,416	64,318	24.37 X	40.33 X
2021	1,390,548	916,824	66,005	21.07 X	34.96 X
2020	1,430,945	892,751	63,716	22.46 X	36.47 X
2019	1,467,541	840,812	58,846	24.94 X	39.23 X
2018	1,385,505	687,307	58,271	23.78 X	35.57 X
2017	1,131,352	769,801	58,212	19.44 X	32.66 X
2016	1,102,572	660,789	58,754	18.77 X	30.01 X

Source - TSSBA, Institutions, and the Tennessee Department of Finance & Administration (Unaudited)

<sup>1</sup> Excludes Revolving Credit Loans

<sup>2</sup> Appropriations for operation and maintenance, including employer social security and retirement contributions for the respective systems (including the respective schools and Boards).

<sup>3</sup> Annual Financing Charges consist of principal, interest and administrative fees. Excludes the Offered Bonds.

**University and College**  
**Per Student Fees and Charges**  
**(2024-2025 Academic Year)**

Student Fees and Charges are the largest component of total Fees and Charges received by schools. Other Fees and Charges include rental revenue and other charges for use of certain Projects by faculty, administration, the public at large, and other users.

<b>Student Fees and Charges</b> <b>(2025-26 Academic Year)</b>					
<b>Institutions</b>	<b>Debt Service Fees<sup>1</sup></b>	<b>In-State Student Tuition &amp; Mandatory Fees</b>	<b>Non-Resident Student Tuition &amp; Mandatory Fees<sup>2</sup></b>	<b>Average Room Charge<sup>3</sup></b>	<b>Average Board Charge</b>
Austin Peay	\$274	\$9,852	\$15,612	\$8,230	\$5,540
East Tennessee	410	10,994	15,194	6,850	4,636
Middle Tennessee	388	11,071	33,931	5,984	6,362
Tennessee State	178	9,438	23,990	6,800	5,072
Tennessee Tech	258	11,926	16,126	6,672	6,654
University of Memphis	377	11,256	19,470	6,552	4,980
UT Chattanooga	504	10,762	19,068	4,218	2,478
UT Knoxville	438	13,876	33,336	8,608	4,986
UT Martin	460	10,824	16,864	5,440	4,144
UT Southern	-	11,264	11,264	5,720	4,680
Chattanooga State Community College	-	\$5,174	\$8,672	\$4,691	\$5,883
Cleveland State Community College	-	5,164	8,662	4,691	5,883
Columbia State Community College	44	5,190	8,688	4,691	5,883
Dyersburg State Community College	-	5,160	8,658	4,691	5,883
Jackson State Community College	-	5,152	8,650	4,691	5,883
Motlow State Community College	-	5,140	8,638	4,691	5,883
Nashville State Community College	-	5,134	8,632	4,691	5,883
Northeast State Technical Community College	-	5,184	8,682	4,691	5,883
Pellissippi State Technical Community College	30	5,188	8,686	4,691	5,883
Roane State Community College	-	5,160	8,658	4,691	5,883
Southwest Tennessee Community College	-	5,160	8,658	4,691	5,883
Volunteer State Community College	-	5,158	8,656	4,691	5,883
Walters State Community College	-	5,154	8,652	4,691	5,883

Source – Tennessee Higher Education Commission

<sup>1</sup> Debt Service Fees represent an additional charge by certain institutions to cover a portion of such Institution's debt service obligations on certain indebtedness, including Bonds. Institutions which do not impose a separate Debt Service Fee may include similar charges as a portion of a student's maintenance fees.

<sup>2</sup> Represents charges paid to domestic, non-resident students. For many institutions, students attending from border states and international students pay a different rate.

<sup>3</sup> Room and board provided for independent students at universities.

**Tennessee Higher Education Commission**  
**History of Fall Term Full-Time Equivalent Enrollment in Public Higher Education Schools**

Institution	2019	2020	2021	2022	2023	2024	% Change	
							2023 to 2024	2019 to 2024
<b>Four Year Institutions</b>								
APSU	8,620	8,151	7,487	7,217	7,652	8,293	8.4%	-3.8%
ETSU	11,924	11,526	11,128	11,255	11,403	11,538	1.2%	-3.2%
ETSU Medical <sup>1</sup>	291	292	295	299	300	314	4.7%	7.9%
ETSU Pharmacy <sup>1</sup>	310	281	258	210	175	187	6.9%	-39.7%
MTSU	17,817	17,954	16,861	16,124	16,224	16,470	1.5%	-7.6%
TSU	6,417	6,289	6,521	8,163	7,281	5,738	-21.2%	-10.6%
TTU	8,841	8,832	8,523	8,736	8,870	9,172	3.4%	3.7%
UM	16,479	16,726	16,459	16,645	16,268	15,137	-7.0%	-8.1%
<b>LGI Total</b>	<b>70,699</b>	<b>70,051</b>	<b>67,532</b>	<b>68,649</b>	<b>68,173</b>	<b>66,849</b>	<b>-1.9%</b>	<b>-5.4%</b>
UT Chattanooga	10,514	10,554	10,255	10,097	10,259	10,625	3.6%	1.1%
UT Knoxville	25,845	26,760	27,724	29,637	32,169	34,483	7.2%	33.4%
UT Veterinary <sup>1</sup>	370	380	380	396	402	405	0.7%	9.5%
UT Space Inst	41	40	41	41	34	30	-11.8%	-26.8%
UT Martin	5,647	5,620	5,209	5,179	5,228	5,546	6.1%	-1.8%
UT Health Science <sup>1</sup>	3,250	3,185	3,240	3,141	3,127	3,098	-0.9%	-4.7%
UT Southern	NA	NA	741	800	826	862	4.4%	NA
<b>UT Total</b>	<b>45,667</b>	<b>46,539</b>	<b>47,590</b>	<b>49,291</b>	<b>52,045</b>	<b>55,049</b>	<b>5.8%</b>	<b>20.5%</b>
<b>Total 4 Year</b>	<b>116,366</b>	<b>116,590</b>	<b>115,122</b>	<b>117,940</b>	<b>120,218</b>	<b>121,898</b>	<b>1.4%</b>	<b>4.8%</b>
<b>Two Year Institutions</b>								
Chattanooga	5,383	4,992	4,523	4,343	4,485	4,711	5.0%	-12.5%
Cleveland	2,341	2,155	2,012	2,109	2,097	2,087	-0.5%	-10.9%
Columbia	4,465	4,201	3,798	3,439	3,526	3,642	3.3%	-18.4%
Dyersburg	1,742	1,630	1,729	1,709	1,867	2,043	9.4%	17.3%
Jackson	3,135	2,655	2,426	2,035	2,119	2,372	11.9%	-24.3%
Motlow	4,571	4,156	3,771	3,786	4,078	4,106	0.7%	-10.2%
Nashville	4,984	4,421	4,143	4,063	4,202	4,761	13.3%	-4.5%
Northeast	4,176	3,712	3,567	3,389	3,579	3,783	5.7%	-9.4%
Pellissippi	6,972	6,110	5,641	5,364	5,603	5,915	5.6%	-15.2%
Roane	3,983	3,531	3,158	3,042	3,284	3,203	-2.5%	-19.6%
Southwest	6,049	4,865	4,343	3,917	4,152	4,130	-0.5%	-31.7%
Volunteer	6,148	5,801	4,869	4,587	4,464	4,603	3.1%	-25.1%
Walters	4,259	3,835	3,626	3,590	3,860	3,756	-2.7%	-11.8%
<b>Total 2 Year</b>	<b>58,208</b>	<b>52,064</b>	<b>47,606</b>	<b>45,373</b>	<b>47,316</b>	<b>49,112</b>	<b>3.8%</b>	<b>-15.6%</b>
<b>Grand Total</b>	<b>174,574</b>	<b>168,654</b>	<b>162,728</b>	<b>163,313</b>	<b>167,534</b>	<b>171,010</b>	<b>2.1%</b>	<b>-2.0%</b>

Note: Tennessee Higher Education experienced significant declines in enrollment during the Covid-19 pandemic. Since 2021, Tennessee public institutions have increased enrollment and continue to recover from pandemic enrollment challenges, with several Tennessee public institutions experiencing their highest enrollments ever.

Source - Tennessee Higher Education Commission (Unaudited)

LGI = Locally Governed Institutions, APSU = Austin Peay State University, ETSU = East Tennessee State University, MTSU = Middle Tennessee State University, TSU = Tennessee State University, TTU = Tennessee Technological University, UM = University of Memphis, UT = University of Tennessee

Two Year Schools = State Community Colleges

## GLOSSARY OF CERTAIN TERMS

The following terms, as used in this Official Statement including the Appendices hereto, have the respective meanings provided below. These summary definitions do not purport to be complete or definitive and are qualified in their entirety by reference to the Resolution and Financing Agreements, copies of which are on file at the offices of the Authority and the Trustee.

<b>Term</b>	<b>Definition</b>
<b>Account or Accounts</b>	Each account or all of the accounts established pursuant to the Resolution, as the case may be.
<b>Accreted Value</b>	With respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months or otherwise with respect to any Series of Bonds as may be provided by the Supplemental Resolution authorizing the issuance thereof.
<b>Act</b>	The Tennessee State School Bond Authority Act, Sections 49-3-1201 et seq., Tennessee Code Annotated, as amended from time to time.
<b>Administrative Expenses</b>	The Authority's expenses of carrying out and administering its powers, duties and functions in connection with the Agreements, the Projects and the Resolution, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant's services and expenses, the fees and expenses of the Trustee, Paying Agents and Registrar, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Authority under the provisions of the Act, the Financing Agreements or the Resolution or otherwise.
<b>Annual Financing Charges</b>	The amounts payable by the Boards to the Authority under the Financing Agreements for (i) the payment of principal of and premium, if any, and interest on Debt for all Projects and all Institutions, (ii) any payments to fund or replenish reserves therefor as may be required by the Resolution, regardless of Project or Institution, and (iii) any other payments required to be made by or on behalf of the Authority under or pursuant to the Resolution with respect to any Project, any Institution or the Board.
<b>Authenticating Agent</b>	An authenticating agent appointed pursuant to the Resolution.
<b>Authority</b>	The Tennessee State School Bond Authority, the corporate governmental agency and instrumentality created by the Act, or any body, agency or instrumentality of the State which shall succeed to the powers, duties and functions of the Authority.
<b>Authorized Officer</b>	Any member of the Authority, and any other officer or employee of the Authority authorized by law, by resolution of the Authority or by a certificate of the Secretary of the Authority to perform the act or sign the document in question.
<b>Bank Bonds</b>	Reimbursement Obligations under Credit Facilities represented by Bonds; provided, however, that Bank Bonds do not include any Bonds issued to or held by any party providing a Credit Facility or its designee in any other capacity.

<b>Board or Boards</b>	The Board of Regents or the Board of Trustees, or both such Boards, respectively.
<b>Board of Regents</b>	The Tennessee Board of Regents of the State University and Community College System of the State of Tennessee, and its successors.
<b>Board of Trustees</b>	The Board of Trustees of The University of Tennessee, and its successors.
<b>Bond or Bonds</b>	Any Bond or Bonds issued under the Resolution, including but not limited to Variable Interest Rate Bonds, Capital Appreciation Bonds and Refunding Bonds. Bonds shall not include Subordinated Obligations.
<b>Bond Year</b>	The twelve-month period commencing on May 1 of each calendar year and ending on April 30 of the next succeeding calendar year except that the first Bond Year shall begin on the date specified in the Supplemental Resolution authorizing the first Series of Bonds.
<b>Business Day</b>	Any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions located in the State or in any of the cities in which the principal office of the Trustee, any Paying Agent, the Registrar or the provider of a Reserve Fund Credit Facility are required or authorized by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed, and (iv) with respect to a particular Series of Bonds, a day on which any provider of a Credit Facility for such Series of Bonds is located is required or authorized by law or executive order to close or as may otherwise be provided by the Supplemental Resolution authorizing such Series of Bonds.
<b>Capital Appreciation Bonds</b>	Any Bonds as to which interest is payable only at the maturity or prior redemption of such Bonds or which bear a stated interest rate of zero. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or upon acceleration as provided in the Resolution, or (ii) computing the principal amount of Bonds held by the Owner of a Capital Appreciation Bond in giving to the Authority or any Fiduciary any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.
<b>Commercial Paper</b>	All Commercial Paper issued under the Commercial Paper Resolution.
<b>Commercial Paper Resolution</b>	The Commercial Paper Resolution adopted by the Authority on November 18, 1997, as supplemented and amended.
<b>Counsel's Opinion</b>	An opinion signed by an attorney or firm of attorneys selected by or satisfactory to the Authority (who may be counsel to the Authority) which attorney or firm of attorneys is of recognized standing in the field of law relating to municipal bonds; provided, however, that such Counsel's Opinion may take customary exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization, laws affecting creditors' rights, the exercise of judicial discretion and other matters, and may state that no opinion is being rendered as to the availability of any particular remedy or as to the limitation of remedies resulting from sovereign immunity or the partial waiver thereof, and may contain such other references and qualifications as are acceptable to the Fiduciary receiving the same.
<b>Credit Facility</b>	Any irrevocable letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond or agreement, guarantee or similar instrument which is obtained by the Authority and is issued by a financial, insurance or other institution, the State or any subdivision, department, instrumentality or agency thereof, and the Tennessee Consolidated Retirement System or any successor entity thereto then managing and investing the State retirement funds, and which provides credit enhancement, security or liquidity in respect of the Bonds (and which, with respect to a policy of bond insurance, guarantees the payment of principal of and interest on the Bonds), not including any Reserve Fund Credit Facility.
<b>Debt</b>	Any bonds, notes or other evidences of indebtedness issued by the Authority pursuant to the Act and the

Resolution for the purpose of financing or refinancing Project Costs. Without limiting the generality of the foregoing, Debt may include "long-term Debt" (i.e., with a term of more than one year unless issued in anticipation of the issuance of Debt with a longer term) or "short-term Debt" (i.e., with a term of one year or less or issued in anticipation of the issuance of Debt with a term of more than one year), and may take the form of commercial paper.

**Debt Service Reserve Requirement**

With respect to each Series of Bonds (other than Bonds as to which the Authority has elected to establish a separate account in the Debt Service Reserve Fund solely for such Bonds, as described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Debt Service Reserve Fund"), as of any date of calculation, (i) an amount equal to the aggregate of the greatest amount of Debt Service on all Outstanding Bonds of such Series issued for each Project (calculated separately for each Project and then aggregated) payable on any interest or Principal Installment date thereafter (except that for the first such date after the date of issuance of such Bonds, interest to accrue for greater than 6 months but less than 12 months shall not be taken into account), or (ii) such greater amount, which subsequently may be reduced to an amount not less than the amount required by clause (i) above, as may be determined from time to time by the Authority by Supplemental Resolution; provided, however, that as a result of the issuance of any Series of Bonds the interest on which is generally excluded from gross income for federal income tax purposes, the Debt Service Reserve Requirement with respect to such Series shall at no time exceed the lesser of (i) the amount that may be funded from the proceeds of such Bonds or (ii) the amount that constitutes a reasonably required reserve with respect to such Bonds. Each determination by the Authority of the Debt Service Reserve Requirement shall be conclusive. For purposes of this definition:

- (A) **"Debt Service"** for any date or period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) the interest payable on such date or accruing during such period on the Outstanding Bonds of such Series, and (ii) the Principal Installment for such Series payable on such date or accruing during such period on the Outstanding Bonds of such Series; provided, however, that in calculating Debt Service on any future date or for any future period: (x) any Variable Interest Rate Bonds shall be deemed to bear interest at all times prior to the maturity date thereof for which the interest rate payable thereon has not yet been determined at the Debt Service Determination Interest Rate applicable thereto and (y) any interest on any Bonds secured by a Credit Facility the related Reimbursement Obligation on which is evidenced by a Bank Bond shall be calculated at the higher of the actual interest rate or, if applicable, the Debt Service Determination Interest Rate applicable to such Bonds or the maximum rate of interest permitted for any such Reimbursement Obligation (whether or not any Reimbursement Obligation has yet accrued).
- (B) **"Debt Service Determination Interest Rate"** means, with respect to any particular Variable Interest Rate Bonds, any numerical rate or rates of interest set forth, or determined as set forth, in the Supplemental Resolution authorizing such Bonds; provided, however, that such rate shall not be less than the interest rate initially borne by such Bonds.
- (C) **"Proceeds"** and **"reasonably required reserve"** shall have the respective meanings given such terms, or any comparable terms, for purposes of Section 148(d) of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

**Defeasance Obligations**

Investment Obligations which are rated at the time of investment in any of the two highest Rating Categories by any Rating Agency, and which (i) shall not be subject to redemption prior to their maturity other than at the option of the holder thereof and (ii) shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior

to such specified date other than at the option of the holder thereof.

<b>Direct DTC Participant</b>	Shall have the meaning given to such term in Appendix F - "BOOK-ENTRY ONLY SYSTEM."
<b>Fees and Charges</b>	With respect to each Board, all revenues, fees, rentals and other charges and moneys received by or on behalf of the Board for the Institution, or received by or on behalf of the Institution, for which any Project is undertaken which may be available for the purpose of paying Annual Financing Charges.
<b>Fiduciary or Fiduciaries</b>	The Trustee (including, where appropriate, any co-Trustee or Authenticating Agent), any Paying Agent, the Registrar, or any or all of them, as may be appropriate, or any other Person appointed to act as a Fiduciary as provided in the Resolution.
<b>Financing Agreement or Financing Agreements</b>	The Second Program Financing Agreement dated as of November 1, 1997, by and between the Authority and the Board of Trustees, and the Second Program Financing Agreement dated as of November 1, 1997, by and between the Authority and the Board of Regents, as appropriate, in each case as supplemented and amended from time to time.
<b>First Program Financing Agreements</b>	The Amended and Restated Financing Agreement dated as of September 17, 1996, between the Authority and the Board of Trustees, and between the Authority and the Board of Regents. The following terms, when identified as related to the First Program, shall have the respective meanings given to them in the First Program Financing Agreements: administrative fees, Annual Financing Charges, Bonds, Fees and Charges, General Bond Resolution, Legislative Appropriations and Projects.
<b>Fiscal Year</b>	With respect to the Authority, currently the twelve-month period commencing on July 1 and ending on June 30 of the following year. In the event of any change in Fiscal Year resulting in an initial Fiscal Year or interim period of more or less than twelve months, Fiscal Year for purposes of the Financing Agreements shall mean the last twelve-month Fiscal Year.
<b>Fitch</b>	Fitch Ratings, Inc., or any successor then maintaining a rating on any Bonds at the request of the Authority.
<b>Fund or Funds</b>	Each fund or all of the funds established in the Resolution, as the case may be.
<b>Indirect DTC Participant</b>	Shall have the meaning given to such term in Appendix F - "BOOK-ENTRY ONLY SYSTEM."
<b>Institution</b>	As appropriate, (i) the University of Tennessee system, including all of its branches and divisions wherever located, and the services, programs and activities provided therein, and the Board of Trustees, in the aggregate, and (ii) the State University and Community College System, including all of its constituent institutions wherever located (whether or not conferring degrees), and the services, programs and activities provided therein, and the Board of Regents, in the aggregate.
<b>Investment Obligations</b>	Include any instruments, securities, certificates, obligations or the like if and to the extent the same are at the time permitted and legal for investment of the Authority's funds pursuant to the Act or in accordance with any other law, regulation, guideline or policy, as in effect from time to time, of or applicable to the Authority with respect to investments.
<b>Legislative Appropriations</b>	The amounts payable to the Authority from appropriations by the General Assembly of the State to an Institution for its operation and maintenance, under and pursuant to the Act and the Financing Agreements, including but not limited to amounts deductible, by Persons other than the Boards, from such appropriations for payment directly to the Authority.
<b>Moody's</b>	Moody's Investors Service, Inc., or any successor then maintaining a rating on any Bonds at the request of the Authority.

<b>Outstanding</b>	<p>When used with reference to Bonds, other than Bonds held by or for the account of the Authority or either of the Boards, means, as of any date, Bonds theretofore or then being delivered under the provisions of the Resolution, except:</p> <ul style="list-style-type: none"> <li>(A) Any Bonds cancelled at or prior to such date;</li> <li>(B) Any Bonds (or portions of Bonds) the principal or Redemption Price, if any, of, and interest on which shall have been paid in accordance with the terms thereof;</li> <li>(C) Any Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered upon exchange or transfer pursuant to the Resolution;</li> <li>(D) Bonds deemed to have been paid as provided in the Resolution; and</li> <li>(E) Put Bonds deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Bonds on the applicable tender date, if the purchase price thereof and interest thereon shall have been paid or amounts are available for such payment as provided in the Resolution, except to the extent such tendered Put Bonds thereafter may be resold pursuant to the terms thereof and of the Resolution;</li> </ul> <p>unless a Supplemental Resolution provides that Bonds of a Series having the benefit of a Credit Facility shall not thereby be deemed paid if payment is provided by the Credit Facility. If principal of a Bond is paid or redeemed by the provider of a Credit Facility, the related Reimbursement Obligation shall be treated as an Outstanding Bond (when such related Reimbursement Obligation is not evidenced by Bonds designated as Bank Bonds) in lieu of the Bond so paid or redeemed, but only to the extent that principal of the Bond was so paid or redeemed, bearing interest at the interest rate provided in the Credit Facility.</p>
<b>Owner or Bondowner</b>	Or any similar term when used with reference to Bonds, means any Person who shall be the registered owner of any Outstanding Bond.
<b>Paying Agent</b>	Any paying agent for the Bonds of any Series and its successor or successors and any other Person which may at any time be substituted in its place, pursuant to the Resolution.
<b>Person</b>	Any individual, corporation, partnership, limited partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability corporation or partnership, or government or any agency or subdivision thereof, or other legal entity or group of entities.
<b>Principal Installment</b>	As of any date of calculation with respect to any Series, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.
<b>Project</b>	A Project as such term is defined in the Financing Agreements. In the Financing Agreement with each Board, "Project" is defined as buildings, structures, improvements and equipment of every kind, nature and description which may be required by or convenient for the purposes of an Institution or other things which the Board is authorized by law (at the relevant time) to undertake or use, in each case if and to the extent (i) capitalizable by the Board, including but not limited to a capital lease, and (ii) approved by the Authority upon application therefor made by the Board in such form, substance and manner as may be prescribed by the Authority, all subject to any permissible amendment of the Financing Agreement. See Appendix D – "Summary of Certain Provisions of the Financing Agreements – Amendment." Pursuant to legislation adopted at the 2005 session of the General Assembly, computer software (whether acquired before, at the

same time as, or after the hardware needed for utilization of the software) to the extent accounted for as a capital asset shall constitute equipment for financing purposes, and projects may include agricultural land related to educational purposes of an Institution purchased from a governmental entity prior to October 1, 2005.

<b>Project Cost</b>	All direct capital costs and indirect capital costs of Projects, including but not limited to costs of construction and acquisition, costs of issuance of Debt, funded interest on Debt, and amounts to fund or replenish reserves as may be required by the Resolution, if and to the extent approved by the Authority upon application therefor made by the Board in such form, substance and manner as may be prescribed by the Authority.
<b>Put Bonds</b>	Bonds which by their terms may be tendered by and at the option of the Owner thereof for payment prior to the stated maturity or redemption date thereof either (i) by the Authority and by the Person and/or from the source specified in a Supplemental Resolution or (ii) without recourse to the Authority by the Person and/or from the source specified in a Supplemental Resolution.
<b>Qualified Swap</b>	To the extent from time to time permitted by law, any cap, floor or collar, forward rate, future rate, asset, swap or index, price or market linked transaction or agreement, other exchange or rate protection transaction or agreement, other similar transaction (however designated) or any combination thereof, or any option with respect thereto, executed by the Authority with or guaranteed by a qualified swap counterparty either for asset or liability management purposes or otherwise pursuant to the Act or other applicable law. For purposes of this definition, "qualified swap counterparty" means a bank, insurance company or financial institution rated, or whose long-term obligations of any nature or claims paying ability are rated, at the time of execution in one of the two highest Rating Categories of any Rating Agency.
<b>Rating Agency</b>	At any applicable time, Moody's, S&P, Fitch and any other nationally recognized rating agency, or any of them, as appropriate; provided, however, that the same maintains at such time a rating on the Bonds at the request of the Authority.
<b>Rating Category</b>	A generic rating category of an applicable Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.
<b>Redemption Price</b>	With respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon maturity or redemption thereof pursuant to the Resolution and the Supplemental Resolution pursuant to which the same was issued.
<b>Refunding Bonds</b>	All Bonds constituting the whole or a part of a Series of Bonds delivered on original issuance pursuant to the Resolution.
<b>Registrar</b>	The registrar for the Bonds of any Series, and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.
<b>Reimbursement Obligation</b>	Any obligation of the Authority to make payments to a provider of a Credit Facility in reimbursement of or as interest on (which interest may be higher than the interest rate on the related Bond) an advance, loan or other payment made by such provider for the purpose of paying (i) the principal, Sinking Fund Installment, if any, or Redemption Price of, or interest on, any Bonds, or (ii) the purchase price, plus accrued interest, if any, of any Bonds tendered pursuant to the provisions of the applicable Supplemental Resolution, but only to the extent the principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration. Reimbursement Obligations shall not include (a) any payments of any fees, expenses, or other similar obligations to any such provider, which payments shall be Administrative Expenses or (b) any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Bonds, which payments shall be Subordinated Obligations. Reimbursement Obligations may be evidenced by Bonds designated as Bank Bonds, which may bear a higher interest rate than the rate borne by the Bonds to which they relate.

<b>Reserve Fund Credit Facility</b>	(i) any irrevocable, unconditional letter of credit issued by a bank, national banking association or savings and loan association, (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, and (iii) any other similar financial arrangement as determined by Supplemental Resolution, and which is used to fund all or a portion of the Debt Service Reserve Requirement; provided, however, that at the time of acceptance by the Authority, the provider's long term obligations of any nature or claims paying ability are rated, by each Rating Agency then rating any Outstanding Bonds, no lower than the same Rating Category (for this purpose, taking into account refinements and gradations) as the Bonds are then rated by such Rating Agency.
<b>Revolving Credit Agreement</b>	The Revolving Credit Agreement dated as of May 1, 2024, by and between the Authority and Bank of America N.A.
<b>Revolving Credit Loans</b>	Loans made from time to time under the Revolving Credit Agreement.
<b>Resolution</b>	The Second Program General Bond Resolution adopted by the Authority on April 27, 1998, as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions thereof.
<b>S&amp;P</b>	S&P Global Ratings or any successor then maintaining a rating on any Bonds at the request of the Authority.
<b>Serial Bonds</b>	The Bonds which mature in annual or semi-annual installments of principal, which need not be equal and the first installment of which may be deferred, or Bonds so designated in a Supplemental Resolution.
<b>Series or Series of Bonds or Bonds of a Series or words of similar meaning</b>	The Series of Bonds authorized by a Supplemental Resolution.
<b>Series Certificate</b>	The certificate of determination of the Authority fixing terms, conditions and other details of a Series of Bonds in accordance with the delegation of power to do so under the General Bond Resolution and under an applicable Supplemental Resolution.
<b>Sinking Fund Installment</b>	As of any date of calculation and with respect to any Bonds of a Series, so long as any Bonds thereof are Outstanding, the amount of money required by the Resolution or the applicable Supplemental Resolution or Series Certificate to be paid on a single future date for the retirement of any Outstanding Bonds of said Series that mature after said future date and which is unsatisfied as determined pursuant to the Resolution, but does not include any amount payable by the Authority by reason only of the maturity of a Bond.
<b>Sinking Fund Payment Date</b>	Each date on which a Sinking Fund Installment is payable on the Bonds, provided that such date shall be a date on which a Sinking Fund Installment is payable as provided in or pursuant to each Supplemental Resolution.
<b>State</b>	The State of Tennessee.
<b>Subordinated Obligations</b>	Any evidence of indebtedness (including but not limited to commercial paper), other than Bonds or related Reimbursement Obligations, issued by the Authority to finance Project Costs of a Project or any other indebtedness issued, or other obligations entered into (including but not limited to Qualified Swaps not entered into on a parity with Bonds), pursuant to or as permitted by, and complying with, the provisions of the Resolution.
<b>Supplemental Resolution</b>	Any resolution adopted by the Authority pursuant to and in compliance with the provisions of the Resolution providing for the issuance of a Series of Bonds, and shall also mean any other resolution adopted pursuant to and in compliance with the provisions of the Resolution amending or supplementing the provisions of the

Resolution as originally adopted or as theretofore amended or supplemented.

<b>Term Bonds</b>	The Bonds so designated in a Supplemental Resolution and payable in part from Sinking Fund Installments.
<b>Trustee</b>	The bank, trust company or national banking association appointed pursuant to the Resolution to act as trustee under the Resolution, and its successor or successors and any other bank, trust company or national banking association at any time substituted in its place pursuant to the Resolution.
<b>Valuation Date</b>	With respect to any Capital Appreciation Bonds the date or dates set forth in the Supplemental Resolution authorizing such Bonds on which specific Accreted Values are assigned to the Capital Appreciation Bonds.
<b>Variable Interest Rate</b>	A variable interest rate or rates (or a multiple of a variable rate or rates of interest) to be borne by any Bond within a Series of Bonds. The method of computing such variable interest rate or rates shall be specified in the Supplemental Resolution authorizing such Series of Bonds. Such Supplemental Resolution shall also specify either (i) the particular period or periods of time for which such variable interest rate or rates (or a multiple of a variable rate or rates of interest) shall remain in effect or (ii) the time or times upon which any change in such variable interest rate or rates (or a multiple of a variable rate or rates of interest) shall become effective.
<b>Variable Interest Rate Bonds</b>	Bonds which bear a Variable Interest Rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate.

## SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS

The following is a brief summary of certain provisions of the Financing Agreements, summaries of certain other provisions of which are contained elsewhere in this Official Statement. This and such other summaries do not purport to be complete or definitive and are qualified in their entirety by reference to the Financing Agreements, copies of which are available at the offices of the Authority and the Trustee. For definitions of certain terms used herein, see Appendix C - "Glossary of Certain Terms"; provided, however, that for purposes of this summary, the term "Resolution" means, collectively or individually as the context may require, the resolutions of the Authority authorizing the issuance of Debt including, without limiting the generality of the foregoing, the Higher Educational Facilities Second Program General Bond Resolution and any resolutions authorizing the issuance of notes or other obligations (including but not limited to commercial paper), in each case as amended and supplemented pursuant to the provisions thereof.

### Approval of Projects and Project Costs

Each Project and Project Costs shall be subject to approval by the Authority upon application therefor made by the Board in such form, substance and manner as may be prescribed by the Authority.

A Project for an Institution shall be approved by the Authority only if the aggregate of the Fees and Charges collected by the Institution in the preceding Fiscal Year is no less than two times the amount required for the payment of the aggregate (without duplication) of (i) the maximum amount of the Annual Financing Charges payable and projected to be payable with respect to all Projects (including the Project to be approved) for the Institution in any succeeding Fiscal Year, plus (ii) the maximum amount payable by the Board as First Project Annual Financing Charges with respect to all First Program Projects for the Institution in any succeeding Fiscal Year, plus (iii) the aggregate of all prior charges, pledges, liens and claims on or payable from said Fees and Charges with respect to the Institution in any succeeding Fiscal Year, including but not limited to all prior charges, pledges, liens and claims on or payable from the First Program Fees and Charges with respect to the Institution.

### Project Funding

The Authority will use its best efforts to finance and refinance Project Costs by the issuance of Debt or from other available funds of the Authority, in a manner and under terms deemed by the Authority in its sole discretion to be in the best interests of the Institution for which the related Project is undertaken or used.

### Project Construction Accounts; Reallocation of Balances

The Authority will establish a separate account (a "Project Construction Account") for each Project prior to or simultaneously with the issuance of the first Debt to finance related Project Costs. All Bond proceeds determined by the Authority to be available for the payment of Project Costs, shall be deposited in the respective Project Construction Accounts unless and to the extent otherwise provided by the Resolution.

The Authority may reallocate funds in any Project Construction Account derived from the sale of short-term Debt to other Project Construction Accounts as deemed necessary or advisable by the Authority. If long-term Debt has been sold to finance or refinance a Project, and funds in the related Project Construction Account are determined by the Authority in its sole discretion to be in excess of the amount needed for completion of the Project, the Authority shall apply such excess funds to the payment of the next scheduled debt service on Debt for such Project, to the redemption or defeasance of such Debt, or otherwise as permitted by law to the extent permitted by the Resolution.

### Payment of Project Costs

Disbursement of funds on deposit in Project Construction Accounts will be made upon the submission of proper documentation from the Board approved by the Authority. Submission by the Board of a request for disbursement constitutes a representation by the Board that the expenses presented for payment constitute proper and valid charges related to the Project and constitute Project Costs, and that all covenants and representations made to the Authority with respect to the Project, whether in the Agreement or otherwise, continue to be true, complete and accurate.

## **Covenants and Representations**

The Board covenants and represents with respect to each Project, among other things, that: (a) all necessary approvals or authorizations by the State (or any agency, subdivision or subentity) with respect to the Project have been or will be obtained; (b) the Board will neither (i) permit any encumbrance which materially affects the Board's ability to honor its commitments under the Financing Agreement nor (ii) assign the Financing Agreement or the Board's rights, title or interest in or to any Project; (c) the Board will operate, maintain and keep, or cause the operation, maintenance and functioning of, the Project in good repair and condition, including the provision of and payment for necessary utilities and insurance coverage in accordance with State policy; (d) the Board will comply with all laws, rules and regulations governing the Institution and the Project; and (e) the Board will take no action, nor will it fail to take any action, which would cause the Authority to violate any tax covenant with respect to any Project.

## **Annual Financing Charges; Administrative Fees; and Legislative Appropriations**

For a summary of certain provisions of the Financing Agreements relating to the establishment, payment and subordination of Annual Financing Charges, Administrative Fees and Legislative Appropriations, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the Official Statement.

## **Interest of Debtholders**

The Authority and the Board acknowledge that the existence and terms and provisions of the Agreement serve as an inducement to Debtholders to purchase, and serve to secure, Debt. Accordingly, all covenants and agreements of the Authority and the Board under the Financing Agreement are declared therein to be for the benefit of such holders. Notwithstanding the foregoing, such holders shall have no right under the Financing Agreement to directly enforce the Financing Agreement, but may do so only to the extent permitted and as provided by the related Resolution.

## **Assignments**

The Board authorizes the Authority to pledge, assign, and transfer its right to receive and collect Annual Financing Charges, Administrative Fees, and Legislative Appropriations, together with its rights to enforce the Financing Agreement. The Authority has pledged and assigned the Annual Financing Charges and Legislative Appropriations to the Trustee for the benefit of the holders of the Bonds and for the application thereof in accordance with the provisions of the Resolution, and has granted the Trustee the legal right to enforce such pledge and assignment and the provisions of the Agreements providing for the payment thereof. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION - Pledge and Assignment of Annual Financing Charges and Legislative Appropriations" in the Official Statement.

## **Amendment**

Any provision of the Financing Agreement may be amended by agreement of the Authority and the Board; provided, however, that no such amendment shall adversely affect or impair in any way (i) the obligation of the Board to pay Annual Financing Charges or Administrative Fees, or (ii) the deduction from appropriations, and payment to the Authority, of Legislative Appropriations required to pay Annual Financing Charges, in the case of each of clauses (i) and (ii) at the times, in the manner and in the amounts provided in the Agreement, or (iii) any provision of the Agreement made or provided for the purpose of assuring payment of such Annual Financing Charges or Administrative Fees.

## **Additional Information**

The Board agrees to furnish to the Authority such additional information concerning the financial condition of the Board and any Institution as the Authority may from time to time reasonably request including, without limiting the generality of the foregoing, as and to the extent that the Authority shall determine that disclosure of such information is necessary in order to comply with any undertakings made by the Authority pursuant to Rule 15c2-12 of the Securities and Exchange Commission or with any other applicable legal requirements.

## SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution, summaries of certain other provisions of which are contained elsewhere in this Official Statement. This and such other summaries do not purport to be complete or definitive and are qualified in their entirety by reference to the Resolution, copies of which are available at the offices of the Authority and the Trustee. For definitions of certain terms used herein, see Appendix C - "Glossary of Certain Terms."

### **Authorization**

The Resolution authorizes the issuance of Bonds in Series pursuant to Supplemental Resolutions, for any purpose authorized by the Act. For a summary of the conditions for the issuance of Bonds and their security and sources of payment, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the Official Statement.

### **Pledge and Assignment of Annual Financing Charges and Legislative Appropriations**

The Annual Financing Charges and Legislative Appropriations, and all rights under the Financing Agreements or otherwise to receive the same, which are to be transferred to the Funds or Accounts held by the Trustee, if any, are pledged and assigned to the Trustee for the benefit of the Owners of the Bonds and for the application thereof in accordance with the provisions of the Resolution, and the Trustee shall have the legal right to enforce such assignment. Regardless of such pledge and assignment, the Trustee shall have the legal right to enforce the provisions of the Agreements providing for the payment thereof in the manner provided in the Financing Agreements and the Resolution.

The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Annual Financing Charges, Legislative Appropriations, and all rights under the Financing Agreements or otherwise to receive the same, the Financing Agreements, and other moneys, securities, funds and property pledged and assigned under the Resolution and all the rights of the Bondowners under the Resolution against all claims and demands of all Persons whomsoever.

### **Certain Provisions Relating to Credit Facilities, Qualified Swaps and Other Arrangements**

The Authority may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Bonds secured by a Credit Facility as the Authority deems appropriate, including but not limited to:

1. So long as the Credit Facility provides security and not merely liquidity, that the providers thereof shall have all or any of the rights and remedies of the Owners of the Bonds to which such Credit Facility relates and that the related Reimbursement Obligations shall have all or any of the payment, security and other rights applicable to the Bonds to which such Reimbursement Obligations relate.
2. In the event that the principal, Sinking Fund Installments, if any, and Redemption Price of and interest due on any Bonds Outstanding shall be paid under the provisions of a Credit Facility, the issuer of such Credit Facility shall be subrogated to the rights of such Bondowners in accordance with the terms of such Credit Facility.
3. Interest on any Reimbursement Obligation calculated at any rate, whether or not higher than the interest rate on the related Bond, and principal amortization requirements with respect to such Reimbursement Obligation, may be secured by a pledge of and a lien on any of the items pledged in the Resolution for the security of the Bonds on a parity with the lien created by the Resolution. A Reimbursement Obligation shall not be secured by the Debt Service Reserve Fund unless the Bonds to which it relates are so secured. Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification, or other obligations to any such provider, which payments shall be Subordinated Obligations payable from the General Fund. All Reimbursement Obligations shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Reimbursement Obligations relates. Reimbursement Obligations may be evidenced by Bonds designated as "Bank Bonds."

In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Authority may, to the extent from time to time permitted pursuant to law, enter into Qualified Swaps relating to such Bonds. The Authority's obligation to make any payment under any Qualified Swap may be secured by a pledge of, and a lien on, the items pledged in the Resolution for the security of the Bonds on a parity with the lien created by the Resolution or be payable from or secured by amounts on deposit in the Debt Service Fund or Debt Service Reserve Fund, or shall constitute Subordinated Obligations payable from the General Fund, as determined

by the Authority; provided, however, that any optional or mandatory termination payments shall constitute Subordinated Obligations. If a Qualified Swap is payable from and/or secured by the Debt Service Fund and Debt Service Reserve Fund, the Authority may provide by Supplemental Resolution for a recalculation of the Debt Service Reserve Requirement for any Bonds to take into account the Authority's debt service payment obligations on such Bonds as affected by such Qualified Swap.

### **Funds and Accounts**

For a description of the flow of funds under the Resolution and of the application of the Debt Service Fund and Debt Service Reserve Fund, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Flow of Funds" and "- Debt Service Reserve Fund" in the Official Statement.

### **Construction Fund**

The Authority shall establish in the Construction Fund, to be held by the State Treasurer or, at the direction of the State Treasurer, a separate custodian, a separate Account with respect to each Project. As promptly as practicable after the delivery of any Series of Bonds or Subordinated Obligations to pay Project Costs, the Authority shall deposit into each Project Construction Account the amount of the proceeds derived from the sale of such Series of Bonds or Subordinated Obligations, if any, as shall be directed by or pursuant to the Supplemental Resolution or other resolution or indenture authorizing the issuance thereof. Moneys on deposit in or credited to a Project Construction Account shall be used by the Authority for payment of the Project Costs of the Project to which the Project Construction Account relates. The Authority may transfer from a Project Construction Account to the General Fund such amounts as the Authority shall determine is necessary to pay Administrative Expenses of the Authority chargeable to the Project to which such Project Construction Account relates.

Upon completion of a Project the moneys, if any, remaining in the Project Construction Account for such Project, after making provision for the payment of allocable Administrative Expenses and Project Costs then unpaid, either shall be reallocated by the Authority to other Projects in accordance with the Financing Agreements or shall be applied (or, if the Debt Service Fund is then held by the Trustee, transferred by the State Treasurer to the Trustee and applied by the Trustee) as directed by the Authority to the payment of principal, Sinking Fund Installments, if any, or Redemption Price of or interest on Bonds issued for the related Project.

### **Capitalized Interest Accounts**

The Supplemental Resolution authorizing any Series of Bonds may establish a separate Account within the Debt Service Fund for each Project. Moneys in the Capitalized Interest Accounts shall be used, to the extent sufficient therefor, for the purpose of paying interest on the Series of Bonds in respect of which such moneys have been set aside, either directly therefrom or by transfer to the Debt Service Fund, prior to the payment of such interest from Annual Financing Charges.

### **Investment of Funds and Accounts**

Moneys in all Funds and Accounts shall be invested in Investment Obligations, except as may be otherwise limited by Supplemental Resolution.

Unexpended Bond proceeds and all Annual Financing Charges, Administrative Fees, and Legislative Appropriations, and investment earnings allocable thereto, held in Project Construction Accounts or in other Funds or Accounts, may be commingled for investment purposes either as a separate fund or as part of a common fund with other moneys of the Authority or the State, or otherwise; provided that (i) such investments and the income or interest earned, profits realized or losses suffered thereby shall be allocated and credited to the appropriate Funds or Accounts or otherwise in accordance with Authority and State policy, and (ii) all Funds and Accounts so commingled for investment purposes shall nevertheless be accounted for separately as required by the Resolution. Notwithstanding the foregoing, moneys on deposit with the State Treasurer (other than in connection with defeasance) may be invested at a rate or return fixed from time to time pursuant to State policy, without the necessity of allocating and crediting any particular investment (but only an amount invested) and without regard to actual investment, income, interest, profits or losses.

Except as otherwise provided in the Resolution, the Trustee or the State Treasurer, as the case may be, shall sell at the best price obtainable by the Trustee or the State Treasurer, as the case may be, through its ordinary and customary practices, or present for redemption or exchange, or as directed in writing by the Authority, any Investment Obligation held by it in any Fund or Account whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

### **Certain Covenants of the Authority**

For a description of the agreement of the Authority on behalf of the State, pursuant to the Act, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Statutory Covenant" in the Official Statement.

*Creation of Liens.* Until the pledge created in the Resolution shall be discharged and satisfied as provided therein, the Authority shall not issue any bonds or other evidences of indebtedness, other than the Bonds (or any related Reimbursement Obligations) secured by a prior or equal pledge of the Annual Financing Charges, Legislative Appropriations, and all rights under the Financing Agreements or otherwise to receive the same, the Financing Agreements, or any moneys and securities in the Debt Service Fund and Debt Service Reserve Fund, and shall not create or cause to be created any lien or charge equal or prior to the Bonds (or any related Reimbursement Obligations) on Annual Financing Charges Legislative Appropriations, and all rights under the Financing Agreements or otherwise to receive the same, the Financing Agreements, in each such case except as permitted by the Resolution, or on any moneys and securities in the Debt Service Fund and Debt Service Reserve Fund.

*Tax Exemption.* The Authority may include in the applicable Supplemental Resolution for any Series of Bonds any and all covenants necessary or appropriate to maintain the exclusion from gross income for purposes of federal income taxation of interest on such Bonds. See "TAX MATTERS" in the Official Statement. The Authority may issue Bonds the interest on which is not intended to be excluded from gross income, and therefore may be taxable, for purposes of federal income taxation.

*Compliance with and Amendment of Financing Agreements.* The Authority will at all times comply with the covenants, terms and conditions of the Financing Agreements and shall take all steps, actions and proceedings as may be necessary in order to require compliance by the Boards with the covenants, terms and conditions thereof, the breach of which would in any way materially adversely affect or impair the obligation of the Boards to pay Annual Financing Charges and Legislative Appropriations at the times and in the manner and amounts provided in the Financing Agreements.

The Authority will not amend any Financing Agreement in any manner that would materially adversely affect or impair the obligation of the applicable Board to pay Annual Financing Charges or Legislative Appropriations at such times, in such manner and in such amounts sufficient, together with other moneys available for the purpose, to pay the principal of and Sinking Fund Installments and interest on the Bonds as the same becomes due and payable, but reserves the right to amend the Financing Agreements in any other respect without the consent of any Fiduciary or any Bondowner.

### **Supplemental Resolutions; Amendments**

The Authority may at any time or from time to time adopt Supplemental Resolutions without the consent of Bondowners and, except as may be agreed to in or in connection with any Credit Facility or Qualified Swap, the provider of any Credit Facility or Qualified Swap, for any one or more of the following purposes: (1) to authorize Bonds of a Series and, in connection therewith, specify and determine any matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to establish for any Series of Bonds a separate Account in the Debt Service Reserve Fund which shall be permitted to be applied solely to the payment of Bonds of such Series, provided that (i) the Bonds of such Series shall have no claim or lien on nor be payable from any other amounts in the Debt Service Reserve Fund, (ii) the Bonds of such Series shall be excluded from the calculation of the Debt Service Reserve Requirement for all other Outstanding Bonds, and (iii) the amount required to be on deposit in such separate Accounts shall be specified or calculated in a manner specified in the Supplemental Resolution authorizing the Bonds of such Series, but in no event shall such amount, after giving effect to any Reserve Fund Credit Facility deposited in any such separate Account in the Debt Service Reserve Fund, be in excess of the amount that would otherwise be the Debt Service Reserve Requirement for such Series of Bonds assuming that such Series of Bonds were the only Series of Bonds Outstanding under the Resolution; (3) to modify, amend or supplement the Resolution in any manner in order to obtain or provide for or with respect to a Credit Facility, Reserve Fund Credit Facility or Qualified Swap with respect to any Series of Bonds, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the rights of the Owners of Outstanding Bonds; (4) to add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided that such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution as theretofore in effect; (5) to add to the Resolution any provisions relating to the application of interest earnings in any Fund or Account required by law to preserve the exclusion from gross income for Federal income tax purposes of interest received on any Bonds then Outstanding or to be issued or the exemption of interest received on such Bonds from State income taxation; (6) to modify or eliminate any Debt Service Reserve Requirement in excess of the minimum required therefor as provided in the definition thereof; (7) to modify, amend or supplement the Resolution in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute, or to permit the qualification of any Bonds for sale under the securities laws of any of the states of the United States of America, and to add such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar Federal statute; (8) with the consent of the Trustee, (i) to cure any ambiguity, or defect or inconsistent provision in the Resolution, or (ii) to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect; or to make any other modification or amendment of the Resolution which the Trustee shall in its sole discretion determine will not have a material adverse effect on the rights of Bondowners, provided that in making any such determination, the Trustee may conclusively rely upon a Counsel's Opinion or certificate of any Person deemed by the Trustee in its sole discretion to be reliable; (9) to comply with the requirements of any Rating Agency in order to maintain or

improve a rating on the Bonds by such Rating Agency; or (10) to modify any of the provisions of the Resolution in any respect whatsoever, provided that such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Resolution either shall cease to be Outstanding or the Owners of the requisite percentage of the principal amount of such Bonds shall have consented thereto.

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Owners of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent (a) of the Owners of at least fifty-one percent (51%) in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least fifty-one percent (51%) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (c) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Owners of one hundred percent (100%) in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds. No such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, (b) permit the creation of any pledge, lien, charge or encumbrance of or upon any of the items purported to be pledged pursuant to the Resolution, which pledge, lien, charge or encumbrance would be prior to, or of equal rank with, the pledge or source of payment for the Bonds created by the Resolution, without the consent of the Owners of all Outstanding Bonds affected by such change, or deprive any Owner of any Outstanding Bond of the benefit of such pledge or source of payment for the Bonds, without the consent of such Owner, except as permitted by the Resolution, (c) create, with respect to the pledge of the items set forth in the Resolution, a preference or priority of any Bond over any other Bond without the consent of each Owner of a Bond affected by such change, or (d) reduce the percentages of the Bonds the consent of the Owners of which is required to waive an Event of Default or otherwise effect any such modification or amendment. For such purposes, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same materially adversely affects the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Owners of Bonds. The Trustee may receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

Notwithstanding anything in the Resolution to the contrary, the consent of Owners of any Series of additional Bonds to be issued under the Resolution shall be deemed given if the underwriters or initial purchasers for resale thereof consent in writing to any modification or amendment; provided, however, that such modification, amendment and consent are disclosed in the official statement or other offering document pursuant to which such Series of additional Bonds is offered and sold to the public.

For purposes of amendments to the Resolution, but only so long as the Credit Facility provider has not defaulted on its obligations under the Credit Facility, (i) the provider of a Credit Facility shall be considered the sole Owner of all Bonds to which such Credit Facility relates, except as otherwise provided in an applicable Supplemental Resolution, and (ii) any amendment provision of the Resolution may be waived by such provider with respect to its consent to any amendment, by an instrument in writing filed with the Authority and the Trustee.

The Authority shall furnish written notice to each Rating Agency of any amendment, change or modification of the Resolution.

## **Events of Default**

Each of the following events is an "Event of Default": (1) the Authority shall default in the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bond when and as the same shall become due, whether at maturity or upon call for mandatory redemption or otherwise, which default shall continue for a period of thirty (30) days; (2) the pledge created in the Resolution shall, at any time and for any reason, cease to be in full force and effect or a judgment or order of any court of competent jurisdiction, or of any arbitrator or panel of arbitrators, as to which all appeals have been exhausted, shall be rendered which shall declare the pledge to be null and void, or shall declare that the pledge does not establish in any material respect the lien it purports to establish, or that the pledge is not for the exclusive benefit of the Owners of the Bonds, except as provided in or permitted by the Resolution; (3) the Authority shall fail or refuse to comply with the provisions of the Act as then in effect, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution, any Supplemental Resolution, or in the Bonds, and such failure, refusal or default shall continue for a period of ninety (90) days after written notice thereof (specifying such default and requiring that such notice is a "Notice of Default" under the Resolution) is given to the Authority by the Trustee or to the Authority and the Trustee by the Owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds; however, in the event that the default be such that it cannot

be corrected within such ninety (90) day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and diligently pursued (as determined by the Trustee) until the default is corrected; (4) a court having jurisdiction in the premises shall enter a decree or order providing for relief in respect of the Authority or either Board in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Authority or either Board, or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of ninety (90) days; or (5) the Authority or either Board shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Authority or either Board, or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any action in furtherance of the foregoing.

Notwithstanding the foregoing, nothing in the Resolution shall preclude the Authority from seeking and obtaining from the General Assembly a change in law, to limit, modify, rescind, repeal or otherwise alter the character of the pledged items or to substitute like or different sources of fees, charges, appropriations or other receipts as pledged revenues if and when adequate provisions shall be made by law for the protection of the Owners of Outstanding Bonds pursuant to the proceedings under which the Bonds are issued, including changing or altering the method of establishing fees, charges and appropriations as contemplated by the Act. The Authority (or the Trustee at the request of the Authority) shall mail to the Bondowners notice of any such change or alteration pursuant to such proviso. The Authority shall file with the Trustee, or the Trustee shall retain on file, proof of their respective mailing of such notice to Bondowners. Such change or alteration shall be deemed conclusively binding upon the Authority, each Fiduciary and the Owners of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of the proof of the mailing of notice referred to above, except in the event of a final decree of a court of competent jurisdiction setting aside such change or alteration in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period.

## **Remedies**

Upon the happening and continuance of (i) any Event of Default specified in clause (1), (4) or (5) of the first paragraph under "Events of Default" above, the Trustee shall proceed, and (ii) any other Event of Default, the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or if the Event of Default arises from the failure of the Authority to duly and punctually perform the tax covenants contained in the Resolution, twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series affected thereby, shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondowners by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (1) by suit, action or proceeding at law or in equity in any court of competent jurisdiction, enforce all rights of the Bondowners, including the right to require the Authority to enforce the Agreements and collect the Annual Financing Charges and Legislative Appropriations payable thereunder, or to carry out any other covenant or agreement with Bondowners under the Resolution and to perform its duties under the Act, the Agreements and the Resolution; (2) bring suit upon the Bonds; (3) by action or suit, require the Authority to account as if it were the trustee of an express trust for the Owners of the Bonds; (4) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds; or (5) in accordance with the provisions of the Act, declare all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Owners of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, to annul such declaration and consequences, but no such annulment shall extend to or effect any subsequent default or impair or exhaust any right or power consequent thereon.

All remedies conferred upon or reserved to the Owners of Bonds under the Resolution may be conferred upon and reserved in lieu thereof to the provider of a related Credit Facility authorized by a Supplemental Resolution. Nothing herein shall preclude the Authority from providing in an applicable Supplemental Resolution, or in any Credit Facility authorized thereby, that the exercise of any remedy under the Resolution or the waiver of any Event of Default under the Resolution by the Trustee or the Owner of any such Bond shall be subject to the prior written consent of the provider of any related Credit Facility.

No Owner of any Bond shall have any right to institute any suit, action, or other proceeding under the Resolution, or for the protection or enforcement of any right under the Resolution or any right under law unless such Owner shall have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

In the case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relating to the Authority, the Board or any Institution, or any property of the Authority, the Board or any Institution, the Trustee (whether or not the principal of the Bonds shall then be due and payable by acceleration or otherwise, and whether or not the Trustee shall have made any demand upon the Authority for the payment of overdue principal and interest) shall be entitled and empowered, by intervention in such proceeding or other means (1) to file and prove a claim for the whole amount of the principal, Redemption Price, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Owners allowed in such proceeding; and (2) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same.

Prior to the declaration of maturity of the Bonds as provided in the Resolution, the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium, if any, on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

The Trustee shall promptly mail to the Bondowners notice of each Event of Default under the Resolution known to the Trustee within fifteen (15) Business Days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of the principal, Sinking Fund Installment, if any, or Redemption Price, if any, of or interest on any of the Bonds, or in the making of any payment required to be made into the Debt Service Fund or the Debt Service Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondowners.

## **Defeasance**

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect of the Resolution, subject to an election of the Authority to the contrary. Any Outstanding Bonds of any Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect, but subject to such election, of the Resolution if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Registrar instructions accepted in writing by the Registrar to give notice of redemption, as provided in the Resolution, on said date of such Bonds (other than Bonds which have been purchased by a Paying Agent at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to a Paying Agent as hereinafter provided prior to the mailing of such notice of redemption), (b) there shall have been deposited with any Paying Agent either (i) moneys in an amount which shall be sufficient, or (ii) Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such Paying Agent at the same time, shall be sufficient to pay, when due, the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Registrar in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Owners of such Bonds, at their last addresses appearing upon the registry books at any time (but not more than fifteen (15) days) prior to such mailing, that the deposit required by (b) above has been made with a Paying Agent and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds (other than Bonds which have been purchased by a Paying Agent at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to a Paying Agent prior to the mailing of the notice of redemption referred to in clause (a) hereof). Such Paying Agent shall, as and to the extent necessary, apply moneys held by it pursuant to this Section to the retirement of Bonds in amounts equal to the unsatisfied balances (determined as provided in Section 604) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Resolution.

## **Unclaimed Moneys**

Any moneys held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Bonds which remain unclaimed for three years (or such other period as may at the time be prescribed by the laws of the State) after the date when such principal, Redemption Price or interest, respectively, became due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years (or such other period as may be prescribed by the laws of the State) after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such principal, Redemption Price or interest, respectively, became due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Authority for the payment of such Bonds.

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**BOOK-ENTRY ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Offered Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor's rating of AA+.

The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC's records. The ownership interest of each actual purchaser of each Offered Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Offered Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Offered Bond documents. For example, Beneficial Owners of the Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Offered Bonds of a maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity of such series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Offered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the

Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption premium, if any, payments on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or any Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Authority or any Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or any Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Authority or any Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Offered Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Offered Bond certificates will be printed and delivered to DTC.

THE FOREGOING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NONE OF THE AUTHORITY, TRUSTEE, REGISTRAR, PAYING AGENT OR INITIAL PURCHASERS CAN MAKE ANY ASSURANCE THAT DTC OR THE DTC PARTICIPANTS WILL ACT IN A MANNER DESCRIBED HEREIN, NOR WILL THEY HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC ANY DIRECT DTC PARTICIPANT, OR BY ANY DIRECT DTC PARTICIPANT OR INDIRECT DTC PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM IF ANY, OR INTEREST ON OFFERED BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC OR ANY DTC PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATIONS TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND DOCUMENTS TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF OFFERED BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE OFFERED BONDS.

So long as Cede & Co. is the registered owners of the Offered Bonds, as nominee for DTC, references in the Official Statement to the Bondholders or registered owners of the Offered Bonds (other than under the caption "TAX MATTERS" in the Official Statement) shall mean Cede & Co. or any other DTC nominee, as aforesaid, and shall not mean the Beneficial Owners of the Offered Bonds.

## SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE UNDERTAKING

The following is a brief summary of certain provisions of the Continuing Disclosure Undertaking. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Continuing Disclosure Undertaking, copies of which are available at the offices of the Authority. For definitions of certain terms used but not defined herein, see Appendix C—"GLOSSARY OF CERTAIN TERMS."

The Authority has authorized a Continuing Disclosure Undertaking (the "Undertaking") with respect to the Offered Bonds to assist the Underwriters in complying with U.S. Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule"). In the Undertaking, the Authority will agree to provide the Annual Financial Information described below with respect to each fiscal year of the Authority, commencing with the fiscal year ending June 30, 2026, by no later than 7 months after the end of the respective fiscal year, to the Municipal Securities Rulemaking Board ("MSRB").

"Annual Financial Information" means updated versions of the following financial information and operating data contained in the Official Statement relating to the Offered Bonds with respect to the Authority, for each fiscal year of the Authority:

- Outstanding Second Program Bonds (see "THE AUTHORITY – Outstanding Indebtedness of the Authority")
- Authorized and Outstanding Revolving Credit Loans (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Subordinated Obligations; Revolving Credit Loans")
- Tennessee Consolidated Retirement System financial information and operating data and Higher Education Employer Contributions (see "TENNESSEE PUBLIC HIGHER EDUCATION – Employee Retirement Benefits")
- Other Post-Employment Benefits unfunded liabilities and annual required contributions (see "TENNESSEE PUBLIC HIGHER EDUCATION – Other Post-Employment Benefits")
- Appendix B – Selected Statistical Information

The descriptions contained above are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided in lieu of such information.

Annual Financial Information also includes the annual financial statements of the Authority, audited by such auditors as shall then be required or permitted by State law "Audited Financial Statement"), if available, or unaudited financial statements. If not provided as part of Annual Financial Information by the date referred to above because they are not available, the Authority will provide Audited Financial Statements, when and if available, to the MSRB. Audited Financial Statements will be prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them "GAAP").

Annual Financial Information also will include the annual financial statements of the State, including component unit reporting of The University of Tennessee system and the Board of Trustees of the University of Tennessee, and of the State University and Community College System of the State of Tennessee and the Tennessee Board of Regents, in each case audited by such auditors as shall then be required or permitted by State law, if available. If not provided as part of Annual Financial Information by the date referred to above because they are not available, the Authority will provide such audited financial statements, when and if available, to the MSRB. Such audited financial statements will be prepared in accordance with GAAP.

In the Undertaking, the Authority also agrees to provide, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of each of the following events with respect to the Offered Bonds, to the MSRB:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Offered Bonds, or other material events affecting the tax status of the Offered Bonds;
- (vii) modifications to rights of Offered Bondholders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Offered Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;

(Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.)

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (xv) incurrence of a Financial Obligation of the Authority or of any Institution, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority or of such Institution, as the case may be, any of which affect holders of Offered Bonds, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority or of any Institution any of which reflect financial difficulties.

For the purposes of clauses (xv) and (xvi) above, “Financial Obligation” means: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B) above, but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Authority will also provide, in a timely manner, notice of any failure of the Authority to provide the Annual Financial Information by the date specified above to the MSRB.

Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB’s Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is [www.emma.msrb.org](http://www.emma.msrb.org).

All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB (currently, portable document format (pdf) which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

The Undertaking will be effective upon the issuance of the Offered Bonds and will terminate upon the legal defeasance, prior redemption or payment in full of all of the Offered Bonds. The Undertaking, or any provision thereof, shall be null and void in the event that the Authority (i) receives an opinion of counsel to the effect that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Offered Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (ii) delivers copies of such opinion to the MSRB. The Undertaking may be amended without the consent of the holders of the Offered Bonds in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules and regulations) or in interpretations thereof, or a change in the identity, nature or status of the Authority or the type of business conducted thereby, or if an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, which is applicable to the Undertaking, in each case subject to certain additional requirements, all as described in the Undertaking. Copies of any such amendment are required to be delivered to the MSRB.

The provisions of the Undertaking shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Offered Bonds, except that beneficial owners of Offered Bonds shall be third-party beneficiaries of the Undertaking and shall be deemed to be holders of Offered Bonds for purposes of the next sentence. The obligations of the Authority to comply with the provisions of the Undertaking are enforceable by any holder of outstanding Offered Bonds; the holder's rights to enforce the provisions of the Undertaking are limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Authority's obligations under the Undertaking. Any failure by the Authority to perform in accordance with the Undertaking will not constitute a default or an event of default under the resolutions authorizing the Offered Bonds or State law and shall not result in any acceleration of payment of the Offered Bonds, and the rights and remedies provided by such resolutions and applicable State law upon the occurrence of such a default or an event of default shall not apply to any such failure.

The Undertaking shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of the Undertaking shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent the Undertaking addresses matters of federal securities laws, including the Rule, the Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

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FORM OF PROPOSED OPINION OF BOND COUNSEL

[Closing Date]

Tennessee State School Bond Authority  
Nashville, Tennessee

TENNESSEE STATE SCHOOL BOND AUTHORITY  
HIGHER EDUCATIONAL FACILITIES SECOND PROGRAM BONDS  
2026 SERIES A, \$ \_\_\_\_\_\*  
2026 SERIES B (FEDERALLY TAXABLE), \$ \_\_\_\_\_\*

Ladies and Gentlemen:

At your request, we have examined into the validity of \$ \_\_\_\_\_\* principal amount of Higher Educational Facilities Second Program Bonds, 2026 Series A (the "2026A Bonds") and \$53,665,000\* principal amount of Higher Educational Facilities Second Program Bonds, 2026 Series B (Federally Taxable)(the "2026B Bonds" and, collectively with the 2026A Bonds, the "2026 Bonds") of the Tennessee State School Bond Authority (the "Authority"), a corporate agency and instrumentality of the State of Tennessee (the "State").

The 2026 Bonds are issued under and pursuant to the Tennessee State School Bond Authority Act (Section 49-3-1201 et seq., Tennessee Code Annotated) as amended to date (the "Act"), the Higher Educational Facilities Second Program General Bond Resolution adopted by the Authority on April 27, 1998, as amended to date (the "General Resolution") and a Supplemental Resolution of the Authority adopted on March 24, 2025 (the "Supplemental Resolution" and, collectively with the General Resolution, the "Resolution").

We have examined the Constitution and laws of the State; certified copies of proceedings of the Authority authorizing the issuance of the 2026 Bonds, including the Resolution; a certified copy of a Second Program Financing Agreement by and between the Authority and the Board of Trustees of The University of Tennessee (the "Board of Trustees") dated as of November 1, 1997, as amended and restated as of May 9, 2013; a certified copy of a Second Program Financing Agreement by and between the Authority and the Board of Regents of the State University and Community College System of the State of Tennessee (the "Board of Regents" and, together with the Board of Trustees, the "Boards") dated as of November 1, 1997, as amended and restated as of May 9, 2013; certified copies of proceedings of the Authority authorizing the execution and delivery of said Second Program Financing Agreements (collectively, the "Second Program Financing Agreements"); such other instruments, documents, certificates and proceedings, and applicable law, as we have considered appropriate for purposes of this opinion; and a specimen 2026 Bond.

Based on the foregoing, we are of the opinion that:

- 1. The Authority has the right and power under the Act to adopt the Resolution and the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable against the Authority in accordance with its terms. The Resolution creates the valid pledge which it purports to create of the Annual Financing Charges and Legislative Appropriations (as each is defined in the Resolution), and all rights under the Second Program Financing Agreements or otherwise to receive the same, and moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

\* Preliminary; subject to change

2. The 2026 Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolution, and are entitled to the benefits of the Resolution and of the Act. The 2026 Bonds are valid and binding obligations of the Authority as provided in the Resolution, and are enforceable against the Authority in accordance with their terms and the terms of the Resolution, payable solely from the Annual Financing Charges, Legislative Appropriations and other moneys and securities held or set aside under the Resolution, subject to the application thereof to the purpose and on the conditions permitted by the Resolution. The Authority reserves the right to issue additional bonds on the terms and conditions, and for the purposes, provided in the General Resolution, on a parity of payment and security with the 2026 Bonds; provided, however, that as permitted by the General Resolution, certain series of bonds issued thereunder may not be payable from or secured by the Debt Service Reserve Fund on the same basis as others, and may not have any amount made available under the Resolution as a debt service reserve therefor (which initially is the case with the 2026 Bonds). The Authority has no taxing power, the State is not liable on the 2026 Bonds and the 2026 Bonds are not a debt of the State.
3. The Second Program Financing Agreements have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid contractual obligations of the Authority. You have received opinions of counsel to the Board of Regents and counsel to the Board of Trustees to the effect that the respective Second Program Financing Agreements have been duly executed and delivered by the respective Boards and constitute valid contractual obligations thereof, and we express no opinion herein with respect thereto. The State has not waived the immunity of the State (including, for this purpose, the Authority and the Boards) from suit or extended its consent to be sued with respect to the Second Program Financing Agreements. Accordingly, monetary actions against the State (including the Authority and the Boards) for breach of contractual obligations relating to the Financing Agreements 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.
4. Under the existing laws of the State, the 2026 Bonds and income therefrom are free from taxation by the State or any county, municipality or political subdivision of the State, except for estate and gift taxes and taxes on transfers, and except to the extent included within the measure of privilege taxes imposed pursuant to the laws of the State.
5. Under existing statutes and court decisions, (i) interest on the 2026A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and (ii) interest on the 2026A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code, however, interest on the 2026A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering the opinion in this paragraph 5, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in certifications delivered on the date hereof by the Authority, the Boards and others with respect to the use of proceeds of the 2026A Bonds and the investment of certain funds, and other matters affecting the exclusion of interest on the 2026A Bonds from gross income for federal income tax purposes under Section 103 of the Code, and (ii) compliance by the Authority and the Boards with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the 2026A Bonds from gross income under section 103 of the Code.
6. Interest on the 2026B Bonds is included in gross income for federal income tax purposes.

The opinions expressed in paragraphs 1, 2 and 3 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.

We express no opinion herein as to (i) federal, state or local tax consequences arising with respect to the 2026 Bonds, or the ownership or disposition thereof, except as stated in paragraphs 4, 5 and 6 above, (ii) federal, state or local tax matters to the extent affected by any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves, or (iii) the accuracy, adequacy, sufficiency or completeness of the Official Statement (or any update or amendment thereof or supplement thereto) of the Authority relating to the 2025 Bonds, or any other financial or other information which has been or may be supplied to purchasers or prospective purchasers of the 2026 Bonds.

This letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred.

This letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this letter to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof, that may hereafter occur, or for any other reason.

Very truly yours,

**NOTICE OF SALE**

Dated April 2, 2025

**Tennessee State School Bond Authority**  
**Higher Educational Facilities Second Program Bonds**  
**\$160,495,000\* 2025 Series A**  
**\$53,665,000\* 2025 Series B (Federally Taxable)**

Electronic Bids, as Described Herein  
Will Be Accepted Until

9:00 a.m. Central Time\*\*  
for the 2025 Series A Bonds

and

10:00 a.m. Central Time\*\*  
for the 2025 Series B Bonds

on April 9, 2025\*\*

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\* Subject to change both before the sale date and time, and after award, as provided herein.  
\*\* Subject to change before the sale date and time as provided herein.

## CONTACTS

### Issuer

#### **Tennessee State School Bond Authority**

Sandra Thompson  
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Nashville, TN 37243-1402

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### Bond Counsel to the Issuer

#### **Hawkins Delafield & Wood LLP**

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### Financial Advisor

#### **PFM Financial Advisors LLC**

Lauren Lowe  
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(901) 466-4554  
lowel@pfm.com

### **BiDCOMP™/PARITY®**

Customer Service

(212) 849-5021

### **i-Deal Prospectus**

Customer Service

(800) 248-3580

## NOTICE OF SALE

Dated April 2, 2025

**Tennessee State School Bond Authority**  
**Higher Educational Facilities Second Program Bonds**  
**\$160,495,000\* 2025 Series A**  
**\$53,665,000\* 2025 Series B (Federally Taxable)**

*NOTICE IS HEREBY GIVEN* that electronic bids will be received at the place, on the date and until the respective times specified below for the purchase of (i) all, but not less than all, of the \$160,495,000\* Higher Educational Facilities Second Program Bonds, 2025 Series A (the “2025A Bonds”), and/or (ii) separately, all, but not less than all, of the \$53,665,000\* Higher Educational Facilities Second Program Bonds, 2025 Series B (Federally Taxable) (the “2025B Bonds” and, together with the 2025A Bonds, the “Offered Bonds”), to be issued by the Tennessee State School Bond Authority (the “Authority”).

DATE: Wednesday, April 9, 2025\*\*

TIME: 2025A Bonds: 9:00 a.m. Central Time\*\*  
2025B Bonds: 10:00 a.m. Central Time\*\*

ELECTRONIC BIDS: May be submitted only through **PARITY®** as described below.  
**No other form of bid or provider of electronic bidding services will be accepted.**

The Offered Bonds are more particularly described below and in the Preliminary Official Statement dated April 2, 2025 relating to the Offered Bonds (the “Preliminary Official Statement”), available at the i-Deal Prospectus website, [www.i-dealprospectus.com](http://www.i-dealprospectus.com). For assistance in obtaining the Preliminary Official Statement from this website, contact i-Deal Prospectus' customer service or PFM Financial Advisors LLC. See the Contacts page of this Notice of Sale.

Prior to the sale date and times, the Authority reserves the right to change the aggregate or annual principal amounts of the Offered Bonds or the terms of the Offered Bonds, and to postpone the sale to a later date or time or to cancel the sale. Notice of a change, postponement or cancellation will be announced via PARITY® electronic bidding system not later than 9:00 A.M., Central Time, on the day of the bid opening or, in the case of a cancellation, at any time prior to the receipt of bids. If the sale is postponed, a later public sale may be held on such date and at such time as shall be announced at least forty-eight (48) hours in advance via PARITY® electronic bidding system. Consideration of the bids and the award of the Offered Bonds will be completed within six (6) hours after the bids are received. The Authority also reserves the right to adjust the principal amount of the Offered Bonds and to cancel the sale of the Offered Bonds after the bids are opened as further described herein under “*ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD*”.

[Bidding Parameters Tables follow]

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\* Subject to change both before and after award as provided herein.

\*\* Subject to change before the sale date and time as provided herein.

**\$160,495,000\*\* 2025A BONDS  
BIDDING PARAMETERS TABLE\***

Description	Page No.	Description	Page No.
<b>DATES</b>		<b>REDEMPTION</b>	
Dated Date: Delivery Date	4	Optional: On or after	
Delivery Date: On or about April 23, 2025	10	November 1, 2034 at 100%	4
<b>INTEREST</b>		Mandatory: Each sinking fund installment date for term bonds at 100%	5
Interest Payment Dates: May 1 and November 1	4	<b>PRICING</b>	
First Interest Payment: November 1, 2025	4	Max. Reoffering Price:	
Coupon Multiples: 1/8 or 1/20 of 1%	7	Each Maturity: N.A.	7
Maximum Coupon: N.A.	7	Aggregate: N.A.	7
Minimum Coupon: 5.00% on and after November 1, 2035	7	Min. Reoffering Price:	
Maximum TIC: 5.50%	7	Each Maturity: 98.5%	7
<b>PRINCIPAL</b>		Aggregate: 100.0%	7
Adjustments-Increases:		<b>PROCEDURAL</b>	
Each Maturity: N.A.	8	Bid Submission: PARITY® only	1, 6
Aggregate: + 20%	8	All or None?: Yes	7
Adjustments-Decreases:		Bid Award Method: Lowest TIC	8
Each Maturity: N.A.	8	Bid Confirmation: Emailed signed	
Aggregate: - 20%	8	PARITY® screen	6
Term Bonds: One or more on or after November 1, 2035 (sinking fund installments must equal amortization)	4	Award of Bid: Within 6 hours	1, 8

**PRINCIPAL MATURITIES**

Year (November 1)	Principal Amount**	Year (November 1)	Principal Amount**
2025 NC	\$ 120,000	2041 T	\$ 3,270,000
2026 NC	140,000	2042 T	3,440,000
2027 NC	6,985,000	2043 T	3,620,000
2028 NC	7,345,000	2044 T	3,805,000
2029 NC	7,720,000	2045 T	3,995,000
2030 NC	8,120,000	2046 T	4,205,000
2031 NC	8,535,000	2047 T	4,420,000
2032 NC	8,970,000	2048 T	4,645,000
2033 NC	9,430,000	2049 T	4,885,000
2034 NC	9,915,000	2050 T	5,135,000
2035 T	10,425,000	2051 T	4,915,000
2036 T	2,555,000	2052 T	5,170,000
2037 T	2,680,000	2053 T	5,435,000
2038 T	2,815,000	2054 T	5,715,000
2039 T	2,965,000	2055 T	6,005,000
2040 T	3,115,000		

NC: Non-callable.

T: May be designated as sinking fund installments for term maturity or maturities.

\* If numerical (excluding page numbers) or date references contained in the body of this Notice of Sale conflict with the Bidding Parameters Table, the body of this Notice of Sale shall control. Consult the body of this Notice of Sale for a detailed explanation of the items contained on the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

\*\* Subject to change both before the sale date and time, and after award, as provided herein.

**\$53,665,000\*\* 2025B BONDS  
BIDDING PARAMETERS TABLE\***

Description	Page No.	Description	Page No.
<b>DATES</b>		<b>REDEMPTION</b>	
Dated Date: Delivery Date	4	Optional: On or after November 1, 2034 at 100%,	4
Delivery Date: On or about April 23, 2025	10	Prior to November 1, 2034, at the Make-Whole Redemption Price	5
<b>INTEREST</b>		Mandatory: Each sinking fund installment date for term bonds at 100%	4
Interest Payment Dates: May 1 and November 1	4		
First Interest Payment: November 1, 2025	4		
Coupon Multiples: 1/8 or 1/20 or 1/100 of 1%	7		
Maximum Coupon: N.A.	7		
Minimum Coupon: N.A.	7		
Maximum TIC: 6.50%	7		
<b>PRINCIPAL</b>		<b>PRICING</b>	
Adjustments-Increases:		Max. Reoffering Price:	
Each Maturity: N.A.	8	Each Maturity: N.A.	7
Aggregate: + 20%	8	Aggregate: N.A.	7
Adjustments-Decreases:		Min. Reoffering Price:	
Each Maturity: N.A.	8	Each Maturity: 99.75%	7
Aggregate: - 20%	8	Aggregate: 99.00%	7
Term Bonds: One or more on or after November 1, 2035 (sinking fund installments must equal amortization)	4	<b>PROCEDURAL</b>	
		Bid Submission: PARITY® only	1,6
		All or None?: Yes	7
		Bid Award Method: Lowest TIC	8
		Bid Confirmation: Fax signed PARITY® screen	6
		Award of Bid: Within 6 hours	1,8

**PRINCIPAL MATURITIES**

Year (November 1)	Principal Amount**	Year (November 1)	Principal Amount**
2025 MWC	\$ 295,000	2036 T	\$2,565,000
2026 MWC	1,570,000	2037 T	2,710,000
2027 MWC	1,640,000	2038 T	2,865,000
2028 MWC	1,715,000	2039 T	3,030,000
2029 MWC	1,795,000	2040 T	3,205,000
2030 MWC	1,885,000	2041 T	3,400,000
2031 MWC	1,975,000	2042 T	3,625,000
2032 MWC	2,075,000	2043 T	3,870,000
2033 MWC	2,185,000	2044 T	4,125,000
2034 MWC	2,305,000	2045 T	4,400,000
2035 MWC T	2,430,000		

MWC: Make Whole Call

T: May be designated as sinking fund installments for term maturity or maturities.

\* If numerical (excluding page numbers) or date references contained in the body of this Notice of Sale conflict with the Bidding Parameters Table, the body of this Notice of Sale shall control. Consult the body of this Notice of Sale for a detailed explanation of the items contained on the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

\*\* Subject to change both before the sale date and time, and after award, as provided herein.

## ***THE OFFERED BONDS***

### ***General***

The Offered Bonds will be dated as of the Dated Date shown on the respective Bidding Parameters Table, will be issued in denominations of \$5,000 or integral multiples thereof, and will bear interest from their date at the annual rate or rates specified by the winning bidder, subject to the limitations specified below, payable as shown on the respective Bidding Parameters Table. Interest payable on the Offered Bonds will be computed on the basis of a 360-day year of twelve (12) 30-day months. The Offered Bonds must meet the criteria shown on the respective Bidding Parameters Table on a maturity and aggregate basis.

The Offered Bonds will mature on the month and day, in the years and in the principal amounts shown on the respective Bidding Parameters Table as either serial bonds or as term bonds with sinking fund installments as described under “*Designation of Term Bonds; Mandatory Sinking Fund Redemption*” below, subject to change before the sale date and time as provided above and after award as provided in “*ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD*” below.

### ***Designation of Term Bonds; Mandatory Sinking Fund Redemption***

Bidders for the 2025A Bonds or the 2025B Bonds may, at their option, combine consecutive principal amounts payable on or after the date indicated on the respective Bidding Parameters Table as maturities that may be designated as sinking fund installments for one or more term bonds bearing interest at the same rate. Each such term bond will be subject to mandatory sinking fund redemption commencing on the principal payment date of the first year which has been combined to form such term bond and continuing on the principal payment date in each year thereafter until the stated maturity date of such term bond, which will be the last year combined to form such term bond. The amount redeemed in any year will be equal to the principal amount for such year as set forth in the amortization schedule for the Offered Bonds shown on the respective Bidding Parameters Table, subject to change before the sale date and time as provided above and after award as provided in “*ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD*” below. Offered Bonds to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par and will be selected from among the Offered Bonds of the same series and maturity, by lot in the case of the 2025A Bonds and pro rata in the case of the 2025B Bonds.

### ***Optional Redemption***

**2025A Bonds.** The 2025A Bonds maturing on or before November 1, 2034 are not subject to optional redemption prior to maturity. The 2025A Bonds maturing on or after November 1, 2035 are subject to redemption prior to their stated maturities at the option of the Authority from any available moneys, at any time on or after November 1, 2034, as a whole, or in part from time to time in any order of maturity determined by the Authority, at the redemption price equal to the principal amount of such 2025A Bonds or portions thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption. The 2025A Bonds which are designated to be term bonds as described in “*Designation of Term Bonds; Mandatory Sinking Fund Redemption*” above shall be subject to mandatory sinking fund redemption as described therein.

### **2025B Bonds.**

The 2025B Bonds maturing on or after November 1, 2035 are subject to redemption prior to their stated maturities at the option of the Authority from any available moneys, at any time on and after November 1, 2034, as a whole, or in part from time to time in any order of maturity determined by the

Authority, at the redemption price equal to the principal amount of such 2025B Bonds or portions thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

Prior to November 1, 2034, the 2025B Bonds may be redeemed prior to their respective maturity dates, at the option of the Authority, in whole or in part (and if in part, on a pro rata basis of the 2025B Bonds to be redeemed), at any time, at a Make-Whole Redemption Price equal to the greater of:

- (i) 100% of the principal amount of such 2025B Bonds to be redeemed or
- (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2025B Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (defined below) plus 10 basis points plus, accrued and unpaid interest on the 2025B Bonds being redeemed to the date fixed for redemption

“Treasury Rate” means, with respect to any redemption date for a particular 2025B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2025B Bond to be redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The redemption price of such 2025B Bonds to be redeemed will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority to calculate such redemption price. The Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

The 2025B Bonds which are designated to be term bonds as described in “*Designation of Term Bonds; Mandatory Sinking Fund Redemption*” above shall be subject to mandatory sinking fund redemption as described therein.

## ***AUTHORITY AND SECURITY***

The Offered Bonds will be issued pursuant to the Tennessee State School Bond Authority Act, as amended, Sections 49-3-1201 et seq., Tennessee Code Annotated; the Higher Educational Facilities Second Program General Bond Resolution adopted by the Authority on April 27, 1998, as amended July 26, 2004, and May 9, 2013, and a Supplemental Resolution adopted by the Authority on March 24, 2025 (such General Bond Resolution as amended and supplemented from time to time, including by such Supplemental Resolution, the "Resolution").

The Offered Bonds will be special obligations of the Authority payable from and secured by a pledge of and a lien on Annual Financing Charges and Legislative Appropriations payable to the Authority by the Board of Trustees of The University of Tennessee and the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee pursuant to separate Second Program Financing Agreements, and other moneys held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted thereby. The Authority may

issue additional bonds on a parity of payment and security with the Offered Bonds. **The Authority has no taxing power, the State of Tennessee is not liable on the Offered Bonds and the Offered Bonds are not a debt of the State of Tennessee.** For a fuller description of the security and sources of payment for the Offered Bonds, see the Preliminary Official Statement.

### ***FORM AND PAYMENT***

The Offered Bonds will be issued in fully registered book-entry only form, and a bond certificate for each maturity of each series will be issued to The Depository Trust Company (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed to evidence ownership of the Offered Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. Principal of, premium, if any, and interest on the Offered Bonds will be payable by the Authority to DTC or its nominee as registered owner of the Offered Bonds. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Authority will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Beneficial owners will be entitled to receive Offered Bond certificates only under the limited circumstances described in the Preliminary Official Statement.

### ***BIDDING PROCEDURE; CONFIRMATION OF BID***

Only electronic bids submitted via PARITY® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to the Authority will be accepted. Bidders are permitted to submit bids for (i) the 2025A Bonds, and/or (ii) separately, the 2025B Bonds during the respective bidding time period, provided they are eligible to bid as described under “ELIGIBILITY TO BID”.

Each electronic bid submitted via PARITY® for the purchase of Offered Bonds shall be deemed an offer to purchase such Offered Bonds in response to this Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Authority. Once the bids are released electronically via PARITY® to the Authority, each bid will constitute an IRREVOCABLE offer to purchase the Offered Bonds on the terms therein provided. The winning bidder must confirm the details of such bid by a signed PARITY® Bid Form delivered by fax to (615) 741-5986 no later than one hour after being notified by the Authority of being the winning bidder, the original of which must be received by the Director of Division of State Government Finance on the following business day at the address shown on the Contacts page of this Notice of Sale. Failure to deliver this confirmation does not relieve the winning bidder of its obligation to complete the purchase of the Offered Bonds bid for.

### ***ELECTRONIC BIDDING***

The use of PARITY® electronic bidding shall be at the bidder's risk and expense, and the Authority shall have no liability with respect thereto. The Authority is using electronic bidding as a communications medium and PARITY® is not acting as the Authority's agent.

If any provisions of this Notice of Sale conflict with information provided by PARITY®, this Notice of Sale shall control. The Authority is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Notice of Sale. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted.

By submitting a bid for Offered Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of such Offered Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of such Offered Bonds.

### ***ELIGIBILITY TO BID***

The Authority does not have a registration requirement for prospective bidders. However, bidders submitting electronic bids must be contracted customers of the BiDCOMP™ Competitive Bidding System and should promptly contact PARITY® directly for information about PARITY® and BiDCOMP™, including such rules and fees, and becoming a contracted customer (see the Contacts page of this Notice of Sale). By contracting with BiDCOMP™, a prospective bidder is not obligated to submit a bid in connection with the sale.

### ***ESTABLISHED INDUSTRY REPUTATION REQUIRED OF BIDDERS***

**By submitting a bid for the Offered Bonds, each bidder certifies it has an established industry reputation for underwriting new issuances of municipal bonds.** The Authority will not accept bids for the Offered Bonds from firms without an established industry reputation for underwriting new issuances of municipal bonds.

### ***CONTENTS OF BID, INTEREST RATES, BID PRICES AND REOFFERING PRICES***

Bidders may bid (i) for the 2025A Bonds, and/or (ii) by separate bid, for the 2025B Bonds. Bidders must bid for all maturities of any Offered Bonds of a series bid for. Each bid must specify (1) an annual rate of interest for each maturity of the 2025A Bonds or 2025B Bonds bid for, (2) the reoffering price or yield of each such maturity and (3) a dollar purchase price for all of the Offered Bonds of a series bid for.

Each bid for a series of the Offered Bonds must meet the criteria shown on the respective Bidding Parameters Table. Any number of interest rates may be named but Offered Bonds of the same series and maturity must bear interest at the same single rate.

As promptly as reasonably possible after bids for the respective Offered Bonds are received, the Authority will notify the winning bidder for such Offered Bonds that it is the apparent winning bidder. Upon such notice, such bidder must confirm to the Authority the initial reoffering prices and Underwriter's discounts by maturity for the Offered Bonds bid for. Reoffering prices must meet the criteria shown on the respective Bidding Parameters Table. The initial reoffering prices and Underwriter's discount for each maturity confirmed to the Authority will be used by the Authority to calculate the final annual principal amounts and will be included in the final Official Statement. See "*ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD*" below. The Authority will not include an "NRO" ("not reoffered") designation with respect to any maturity of the Offered Bonds.

Reoffering prices of the 2025A Bonds also must be confirmed as described under "*ESTABLISHMENT OF ISSUE PRICE FOR 2025A BONDS*" below.

Each winning bidder (a "Purchaser") will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such Purchaser with respect to such reoffering.

## ***AWARD***

The Authority expects to award the 2025A Bonds and the 2025B Bonds to the respective winning bidders within six (6) hours of the respective bid opening. Bids may not be withdrawn prior to the award. Unless all bids for the 2025A Bonds or the 2025B Bonds are rejected, the respective Offered Bonds will be awarded to the bidder therefor whose bid complies with this Notice of Sale and results in the lowest true interest cost (“TIC”) to the Authority. The TIC (expressed as an annual rate) will be determined for each of the 2025A Bonds and the 2025B Bonds as being twice the semi-annual discount rate, compounded semi-annually, which, when applied against principal of and interest on the respective Offered Bonds as due, will equal the sum of such discounted payments to the aggregate purchase price for such Offered Bonds, as provided by the respective bidder on the PARITY<sup>®</sup> Bid Form. The TIC shall be calculated from the Dated Date of the Offered Bonds, which for this purpose shall be the Delivery Date specified on the Bidding Parameters Tables. If two or more bidders offer to purchase the 2025A Bonds or the 2025B Bonds at the same lowest TIC (rounded to six (6) places after the decimal point), such Offered Bonds may be apportioned between such bidders if it is agreeable to each of such bidders, and if apportionment is not acceptable to such bidders, the Authority reserves the right to award such Offered Bonds to one of such bidders. There will be no auction.

## ***ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD***

The aggregate principal amount of the Offered Bonds of each series, and the principal amount of each maturity thereof, are subject to adjustment by the Authority after the award of such Offered Bonds to the respective winning bidder. Changes to be made after the award will be communicated to the winning bidder therefor directly by 10:00 a.m., Central Time, on the day following the sale.

The Authority may increase or decrease the aggregate principal amount of the 2025A Bonds or the 2025B Bonds, or the aggregate principal amount of any maturity thereof, by no more than the individual maturity or aggregate principal percentages shown on the respective Bidding Parameters Table from the respective amounts bid on. The Authority will consult with the winning bidder for the respective Offered Bonds before adjusting the amount of any maturity of such Offered Bonds; however, the Authority reserves the sole right to make adjustments within the limits described above.

Adjustments within the limits described above will not relieve the Purchasers from their obligation to purchase all of the respective Offered Bonds, assuming all other conditions of this Notice of Sale have been satisfied by the Authority.

In the event that the principal amount of any maturity of the 2025A Bonds or the 2025B Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the 2025A Bonds or the 2025B Bonds, as the case may be, shall be held constant. The “Underwriter's Discount” for each series of the Offered Bonds shall be the difference between the dollar purchase price submitted by the bidder for the purchase of all of the Offered Bonds of such series, and the total dollar price at which all of the Offered Bonds of each series will be offered to the public, calculated from information provided by the bidder, divided by the number of such Offered Bonds. (The number of Offered Bonds equals the par amount of Offered Bonds divided by 1,000.)

## ***RIGHT OF REJECTION***

The Authority reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

## ***RIGHT OF CANCELLATION***

The winning bidder for any Offered Bonds will have the right, at its option, to cancel its obligation to purchase if the Authority fails to deliver such Offered Bonds within 60 days from the date of sale.

## ***ESTABLISHMENT OF ISSUE PRICE FOR 2025A BONDS***

If the Authority receives at least three (3) bona fide bids for the 2025A Bonds, the issue price of the 2025A Bonds shall be established pursuant to Treasury Regulation Section 1.148-1(f)(2)(iii) based on the reasonably expected initial offering price to the public as of the sale date. The Purchaser of the 2025A Bonds agrees to execute the Issue Price Certificate attached hereto as ***Exhibit A*** not later than 2:00 P.M., Central Time, on the business day prior to the date of delivery of the 2025A Bonds (by delivery of manually signed hard copy, or by electronic transmission confirmed with manually signed hard copy delivered the following day), with such modifications as may be appropriate or necessary in the reasonable judgment of the Authority or Bond Counsel. The Purchaser of the 2025A Bonds agrees to take such actions, both before and after the award of the 2025A Bonds, as shall be necessary to enable it to satisfy the requirements of such Issue Price Certificate.

If the Authority does not receive at least three (3) bona fide bids for the 2025A Bonds, the issue price of the 2025A Bonds shall be established pursuant to Treasury Regulation Section 1.148-1(f)(2)(ii) (the “hold-the-price” rule). The Purchaser of the 2025A Bonds agrees to execute the Issue Price Certificate attached hereto as ***Exhibit B*** not later than 2:00 P.M., Central Time, on the business day prior to the date of delivery of the 2025A Bonds (by delivery of manually signed hard copy, or by electronic transmission confirmed with manually signed hard copy delivered the following day), with such modifications as may be appropriate or necessary in the reasonable judgment of the Authority or Bond Counsel. The Purchaser of the 2025A Bonds agrees to take such actions, both before and after the award of the Bonds, as shall be necessary to enable it to satisfy the requirements of such Issue Price Certificate.

In either event, the Purchaser of the 2025A Bonds also will be required to provide to the Authority and Bond Counsel such additional information as may be requested by Bond Counsel.

## ***ADDITIONAL RESPONSIBILITIES OF PURCHASERS***

Each Purchaser agrees to make a bona fide public offering of all of the Offered Bonds bid for and represents that it shall reoffer such Bonds in compliance with all applicable securities laws of the jurisdictions in which such Bonds are offered.

## ***PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT***

The Preliminary Official Statement comprises the “deemed final” Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission and, when amended to reflect, among other things, the actual amount of the Offered Bonds sold, the interest rates specified by the winning bidders and the prices or yields at which the winning bidders will reoffer the Offered Bonds to the public, will constitute a “Final Official Statement” (as defined in Rule 15c2-12) with respect to the Offered Bonds. No more than seven business days after the date of the sale, the Authority will provide without cost to the winning bidder for the Offered Bonds of each series up to 25 copies of the final Official Statement. If any Offered Bonds are awarded to a syndicate, the Authority will deliver final Official Statements only to the entity submitting the successful bid, which shall be responsible for distributing copies of the final Official Statement among the participating underwriters.

The Authority will deliver to the Purchasers of the Offered Bonds certificates of the Authority, dated the date of delivery of the Offered Bonds, stating that as of the sale date and at the time the Offered Bonds are delivered, (i) the information and statements, including financial statements, of or pertaining to the Authority contained in the Official Statement were and are correct in all material respects; (ii) insofar as the Authority and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) insofar as the descriptions and statements, including financial data, of or pertaining to other governmental bodies, nongovernmental bodies, and their respective activities contained in the Official Statement are concerned, such descriptions, statements, and data have been obtained from sources believed by the Authority to be reliable, and the Authority has no reason to believe that they are untrue or incomplete in any material respect.

### ***DELIVERY AND PAYMENT***

Delivery of the Offered Bonds will be made by the Authority to DTC in book-entry only form on or about the Delivery Date shown on the Bidding Parameters Tables, or on such other date agreed upon by the Authority and the respective winning bidder. Payment for Offered Bonds must be made in Federal Funds or other funds immediately available to the Authority at the time of delivery of such Offered Bonds. Any expenses incurred in providing immediate funds, whether by transfer of Federal Funds or otherwise, will be borne by the Purchaser. The cost of printing the Offered Bonds, if any, will be borne by the Authority.

### ***CUSIP NUMBERS***

It is anticipated that CUSIP numbers will be printed on the Offered Bonds, but neither failure to print such numbers on any Offered Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Purchasers thereof to accept delivery of and pay for the respective Offered Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Offered Bonds. The Authority's Financial Advisor will timely apply for CUSIP numbers with respect to the Offered Bonds as required by MSRB Rule G-34 but the respective Purchasers shall be responsible for the payment of the CUSIP Service Bureau charge for the assignment of said numbers. All expenses in relation to the printing of CUSIP numbers on the Offered Bonds will be paid for by the Authority.

### ***BLUE SKY***

The Authority has not taken any action relating to the requirements of the securities or "blue sky" laws of any jurisdiction with respect to the offer and sale of the Offered Bonds. Certain jurisdictions may have filing requirements which must be satisfied prior to any offer or sale of the Offered Bonds.

### ***CONTINUING DISCLOSURE***

In order to assist bidders in complying with Rule 15c2-12, the Authority will execute and deliver a written Continuing Disclosure Undertaking to provide annual financial information, operating data and notices of certain events. A description of the Continuing Disclosure Undertaking is set forth in the Preliminary Official Statement and will be set forth in the final Official Statement. Execution and delivery of the Continuing Disclosure Undertaking will be a condition precedent to the obligation of the winning bidder to take up and pay for the Offered Bonds.

***LEGAL OPINION***

The legal opinion of Hawkins Delafield & Wood LLP, New York, New York, with respect to the Offered Bonds will be furnished in reasonable quantity to the winning bidders for the Offered Bonds without cost to such winning bidders. For the proposed form of such opinion, see the Preliminary Official Statement.

***ADDITIONAL INFORMATION***

Additional information may be obtained from either the Division of State Government Finance of the State or the Authority's Financial Advisor. See the Contacts page of this Notice of Sale.

TENNESSEE STATE SCHOOL BOND  
AUTHORITY

By: *Jason E. Mumpower*  
Comptroller of the Treasury of the State of  
Tennessee and Secretary of the Tennessee  
State School Bond Authority

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**HIGHER EDUCATIONAL FACILITIES SECOND PROGRAM BONDS,**  
**\$713,365,000 2021 SERIES A (FEDERALLY TAXABLE)**

**BOND PURCHASE AGREEMENT**

February 9, 2021

Tennessee State School Bond Authority  
Nashville, Tennessee

Ladies and Gentlemen:

Jefferies LLC (the “**Representative**”), on behalf of itself and the other underwriters listed in Appendix I attached hereto (collectively, the “**Underwriters**”), hereby offers to enter into this Bond Purchase Agreement (the “**Purchase Agreement**”) with the Tennessee State School Bond Authority (the “**Issuer**”) for the purchase by the Underwriters and the sale by the Issuer of the Issuer’s bonds captioned above and specified below. This offer is made subject to acceptance thereof by the Issuer by 11:59 p.m., prevailing time in Nashville, Tennessee, on the date hereof, and, upon such acceptance, evidenced by the signature of a duly authorized officer of the Issuer in the space provided below, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriters.

Capitalized terms used herein and not defined herein shall have the meanings given them in the Higher Educational Facilities Second Program General Bond Resolution adopted by the Issuer on April 27, 1998 (the “**General Bond Resolution**”) authorizing the issuance thereunder from time to time of Higher Educational Facilities Second Program Bonds, a Supplemental Resolution Amending General Bond Resolution adopted by the Issuer on July 26, 2004 (the “**2004 Amending Resolution**”), a Supplemental Resolution Amending General Bond Resolution and Authorizing Amendment of Financing Agreements adopted by the Issuer on May 9, 2013 (the “**2013 Amending Resolution**”), and a Supplemental Resolution adopted by the Issuer on January 25, 2021, including as a part thereof the 2021 Bonds Series Certificate (the “**Supplemental Resolution**”, and together with the General Bond Resolution, the 2004 Amending Resolution and the 2013 Amending Resolution, as further amended and supplemented from time to time, the “**Resolution**”) authorizing the issuance of the Issuer’s Higher Educational Facilities Second Program Bonds, 2021 Series A (Federally Taxable) (the “**Bonds**”).

A. Purchase Price.

1. Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriters, all (but not less than all) of the Issuer’s Bonds, in the original aggregate principal amount of \$713,365,000.00, at an aggregate purchase price of \$712,891,869.03 (the “**Purchase Price**”), representing the aggregate principal amount of the Bonds, less underwriters’ discount of \$473,130.97. The Bonds shall be dated the date of delivery (the “**Dated Date**”) and shall mature on the dates, bear interest payable commencing on November 1, 2021, at the rates and be subject to optional and

mandatory redemption prior to maturity all as set forth in the Official Statement (hereinafter defined) and in part on Appendix II attached hereto. The Bonds shall be payable at the times and in the manner, and shall otherwise have the terms and provisions, set forth in the Official Statement.

2. If the Issuer accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for all or any of the Bonds upon tender thereof by the Issuer at the Closing as herein provided, the parties hereby agree that the damages to the Issuer shall be fixed at one percent (1%) of the aggregate principal amount of the Bonds, and, upon such failure of the Underwriters to accept and pay for the Bonds, the Underwriters shall be obligated to pay to the Issuer such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. The Underwriters and the Issuer understand that in such event the actual damages of the Issuer may be greater or may be less than the amount fixed for liquidated damages. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the Issuer are less than such sum, and the acceptance of this offer by the Issuer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters. In no event shall the Issuer be entitled to damages of any nature other than the liquidated damages herein specified.

B. Delivery of and Payment for the Bonds.

1. At or prior to 11:30 a.m., prevailing time in Nashville, Tennessee on February 24, 2021, the date of delivery and payment for the Bonds (the “**Closing Date**”), or at such other time or date as shall have been mutually agreed upon by the Issuer and the Representative, the Issuer will deliver or cause to be delivered to the Representative, the Bonds, qualified for book-entry delivery through The Depository Trust Company (“**DTC**”) in New York, New York, or at the offices of Regions Bank, Nashville, Tennessee (the “**Paying Agent**” and “**Trustee**”) pursuant to the DTC “FAST Program” in definitive form, duly executed by officers of the Issuer designated in the Resolution and authenticated by the Trustee, together with the other documents hereinafter mentioned; and, subject to the conditions contained herein, the Representative will accept such delivery and pay the Purchase Price by wire transfer of immediately available funds payable to the order of the Issuer.
2. The Issuer and the Representative agree that there shall be a preliminary closing held at the Division of State Government Finance of the State of Tennessee, 425 Rep. John Lewis Way, N., 4<sup>th</sup> Floor, Nashville, Tennessee, commencing at least eighteen (18) hours prior to the Closing Date, or at such other time or place as the Issuer and the Representative shall agree.
3. Delivery of the definitive Bonds shall be made as aforesaid, or at such other location as may be designated by the Representative at least two (2) business days prior to the Closing Date. Payment for the Bonds shall be made as set forth in Section B.1. hereof. The delivery of the other documents shall be made at the Division of State Government Finance of the State of Tennessee or at the offices of the Attorney General of the State of Tennessee (“**Counsel to the Issuer**”), John Sevier Building, 425 Rep. John Lewis Way, N., Nashville, Tennessee. Such payment and the related delivery are herein called the “**Closing**.” The Bonds will be delivered as fully-registered bonds, bearing proper CUSIP

numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds.

4. After execution by the Issuer, the Bonds shall be held in safe custody by DTC in New York, New York or by DTC through the Trustee and the “FAST Program”. The Issuer shall release or authorize the release of the Bonds from safe custody at the Closing upon receipt of payment for the Bonds as aforesaid.

C. Official Statement.

1. The Issuer hereby consents to and confirms the prior use by the Underwriters of the Preliminary Official Statement delivered to the Underwriters and made available on the Internet at [www.munios.com](http://www.munios.com), dated February 1, 2021 (the “**Preliminary Official Statement**”), in connection with the public offering of the Bonds by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, a final Official Statement (in printed or electronic form) with respect to the Bonds, to be dated the date hereof, and any amendments or supplements thereto that shall be approved by the Issuer (as so amended and supplemented, the “**Official Statement**”) in connection with the public offering, and sale of the Bonds. The Issuer hereby represents and warrants that (i) the Preliminary Official Statement previously furnished to the Representative was “deemed final” by the Issuer as of February 1, 2021 for purposes of Rule 15c2-12 (“**Rule 15c2-12**”) promulgated by the Securities and Exchange Commission of the United States (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), except for the omission of such information as is permitted in Rule 15c2-12 and (ii) on and as of the date the Preliminary Official Statement was “deemed final”, the information in the Preliminary Official Statement (other than information relating to DTC and its book-entry only system, including Appendix F to the Preliminary Official Statement, the information under the caption “**UNDERWRITING**,” and the following sentence: “The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information,” as to which no representation is made) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
2. The Issuer shall provide, or cause to be provided, to the Representative within seven (7) business days after the date of this Purchase Agreement or three (3) business days prior to the Closing, whichever comes first, five (5) executed counterparts of the Official Statement, and five (5) conformed copies of a final Official Statement (or such lesser amount which the Representative agrees will be sufficient to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the “**MSRB**”). The Issuer shall further cause the Official Statement to be posted on [www.munios.com](http://www.munios.com) for the longer of thirty (30) calendar days or until the End of the Underwriting Period as defined herein.
3. The Issuer hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB through the operation of the Electronic Municipal Market Access system (“**EMMA**”) within one (1) business day after receipt from the Issuer, but by no later than the Closing Date, in such manner and

accompanied by such forms as are required by the MSRB, in accordance with applicable MSRB Rules, and shall maintain such books and records as required by MSRB Rules with respect to filing of the Official Statement.

- D. Amendments to Official Statement. The Issuer covenants with the Underwriters to notify promptly the Representative if, during the Update Period (as defined in H.3 herein), any event shall occur that would cause the Official Statement to contain, or information shall come to the attention of the Issuer that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain, any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Representative such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Representative, at the Issuer's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Issuer and approved by the Representative, as the Representative may reasonably request and if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.
- E. Reserved.
- F. End of Underwriting Period. For purposes of this Purchase Agreement, the “**End of the Underwriting Period**” shall mean the later of the Closing Date (which shall constitute the End of the Underwriting Period, unless the Issuer has been notified to the contrary by the Representative on or prior to the Closing Date) or the date on which the “end of the underwriting period” for the Bonds has occurred under Rule 15c2-12. The Representative shall notify the Issuer when the “end of the underwriting period” for the Bonds has occurred under Rule 15c2-12 with respect to the unsold balance of Bonds that are held by any Underwriters for sale to the public within the meaning of Rule 15c2-12.
- G. Plan of Financing.
1. The Bonds shall be as described in, and shall be issued under and secured pursuant to the provisions of the Resolution substantially in the form delivered to the Representative, with only such changes therein as shall be mutually agreed upon between the Issuer and the Representative prior to Closing.
  2. The net proceeds from the sale of the Bonds will be used to: (i) finance costs of the project identified in the Preliminary Official Statement; (ii) provide funds necessary to refund certain maturities of the Issuer's Higher Educational Facilities Second Program Bonds, 2012 Series A, dated August 1, 2012; Higher Educational Facilities Second Program Bonds, 2012 Refunding Series C, dated August 1, 2012; Higher Educational Facilities Second Program Bonds, 2013 Series A, dated November 21, 2013; Higher Educational Facilities Second Program Bonds, 2014 Series A (Federally Taxable), dated August 27, 2014; Higher Educational Facilities Second Program Bonds, 2014 Refunding Series B, dated August 27, 2014; and Higher Educational Facilities Second Program Bonds, 2015 Series B, dated May 7, 2015, as more fully described on Appendix III hereto (collectively, the “**Refunded Bonds**”), and (iii) pay certain costs of issuance of the Bonds.

3. In connection with the issuance of the Refunded Bonds, the Issuer will enter into one or more Refunding Trust Agreements, dated as of the Closing Date (collectively, the “**Refunding Trust Agreement**”) with the Trustee.
4. The Bonds will constitute special obligations of the Issuer, the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on which shall be payable solely from and secured by the Annual Financing Charges and Legislative Appropriations derived pursuant to the Second Program Financing Agreement, dated as of November 1, 1997, as amended as of May 9, 2013, by and between the Issuer and the Board of Trustees, and the Second Program Financing Agreement, dated as of November 1, 1997, as amended as of May 9, 2013, by and between the Issuer and the Board of Regents, as appropriate, in each case, as supplemented and amended from time to time (the “**Financing Agreements**”), and other monies and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.
5. The Issuer has elected to establish a separate account in the Debt Service Reserve Fund for the Bonds with no current funding requirement. Accordingly, the Bonds currently will not be secured by any debt service reserve.

H. Representations and Warranties of the Issuer.

The Issuer hereby agrees with, and makes the following representations and warranties to the Underwriters, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

1. The Issuer is duly organized and existing, created pursuant to the provisions of Title 49, Chapter 3, Part 12, Tennessee Code Annotated, as amended (the “**Act**”) and is a corporate governmental agency and instrumentality of the State of Tennessee (the “**State**”). The Issuer is authorized by the provisions of the Act to, among other things, (i) issue the Bonds for the purposes set forth herein and in the Resolution, (ii) secure the Bonds in the manner contemplated in the Resolution, and (iii) execute, deliver and perform its obligations under the Bonds, the Resolution, the Financing Agreements, this Purchase Agreement, and the Refunding Trust Agreement.
2. The Issuer has, and at the Closing Date will have, full legal right, power, and authority pursuant to the Resolution to enter into this Purchase Agreement, to execute and deliver the Continuing Disclosure Undertaking, dated as of February 24, 2021, in substantially the form described in Appendix G to the Official Statement (the “**Continuing Disclosure Undertaking**”), and the Refunding Trust Agreement, to issue, sell, and deliver the Bonds as provided herein and to carry out and consummate the transactions contemplated by this Purchase Agreement, the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement and the Official Statement.
3. On and as of the date hereof and, unless an event of the nature described in Section J.2. hereof subsequently occurs, at all times during the period from the date hereof to and including the date which is twenty-five (25) days following the End of the Underwriting Period (the “**Update Period**”), the information in the Official Statement (other than information relating to DTC and its book-entry only system, including Appendix F to the Official Statement, the information under the caption “**UNDERWRITING**,” and the following sentence: “The Underwriters have reviewed the information in this Official

Statement in accordance with, and as a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information,” as to which no representation is made) does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Issuer has complied, and will at the Closing be in compliance, in all material respects, with the Resolution and the Act.
5. By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved the distribution of the Preliminary Official Statement and the execution, delivery, and distribution of the Official Statement, and has duly authorized and approved the issuance and sale of the Bonds upon the terms set forth herein and in the Resolution and the Official Statement, and the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds, the Resolution, the Continuing Disclosure Undertaking, the Financing Agreements, the Refunding Trust Agreement, and this Purchase Agreement.
6. The Issuer is not in breach of or in default under the Act or any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, or other instrument to which the Issuer is a party or is otherwise subject or by which it or its properties may be bound, that is material to the issuance, payment or security for the Bonds. The issuance and sale of the Bonds upon the terms set forth herein and in the Resolution and the Official Statement, and the execution and delivery by the Issuer of the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, and this Purchase Agreement, and its compliance with the provisions of each thereof, will not conflict with or constitute a material breach of or default under the Act or any law, administrative regulation, judgment, decree, indenture, loan agreement, note, resolution agreement, or other instrument to which the Issuer is a party or is otherwise subject.
7. All approvals, consents, and orders of any governmental authority, board, agency, or commission having jurisdiction that would constitute a condition precedent to the performance by the Issuer of its obligations hereunder, the issuance of the Bonds and the execution and delivery and performance by the Issuer of the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, and this Purchase Agreement, have been obtained or will be obtained prior to the Closing.
8. The Bonds, when issued, authenticated, and delivered in accordance with the Resolution and sold to the Underwriters as provided herein, will be the valid and binding obligations of the Issuer as provided in the Resolution, enforceable against the Issuer in accordance with their terms and the terms of the Resolution, payable solely from the Annual Financing Charges, Legislative Appropriations and other monies and securities held or set aside under the Resolution, subject to the application thereof to the purpose and on the conditions permitted by the Resolution, issued in conformity with and entitled to the benefit and security of the Resolution.
9. The Resolution has been duly adopted by the Issuer. The terms and provisions of the Resolution comply in all material respects with the requirements of the Act. The

Resolution is valid and binding upon the Issuer and is enforceable against the Issuer in accordance with its terms. The Resolution creates the valid pledge which it purports to create of the Annual Financing Charges and Legislative Appropriations (as each is defined in the Resolution), and all rights under the Second Program Financing Agreements or otherwise to receive the same, and moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

10. The Financing Agreements constitute, and when executed and delivered by the parties thereto, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, and this Purchase Agreement will constitute, the valid contractual obligations of the Issuer. The Issuer has not waived immunity from suit or extended its consent to be sued (other than for the Resolution and the Bonds as described in paragraphs 8 and 9 above), and monetary actions against the Issuer for breach of contractual obligations may be heard and determined under current law exclusively in the Tennessee Claims Commission, an administrative tribunal, where the Issuer may be liable only for actual damages and certain costs.
11. The representations and warranties in paragraphs 8, 9 and 10 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and 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.
12. There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, the Board of Trustees or the Board of Regents affecting the existence of the Issuer, the Board of Trustees or the Board of Regents or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the issuance, sale, or delivery of the Bonds or the Annual Financing Charges or the Legislative Appropriations or the collection of the revenues or assets of the Issuer pledged or to be pledged to pay the principal of, premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds or the Resolution, or contesting or affecting the validity of the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or this Purchase Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or contesting the power or authority of the Issuer to issue the Bonds or to execute and deliver the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or this Purchase Agreement, or wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Bonds or the Resolution, or materially adversely affect the validity of the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or this Purchase Agreement.
13. The proceeds received from the sale of the Bonds shall be used in accordance with the Act and the Resolution and as set forth in the Official Statement.
14. Any certificate signed by an authorized officer of the Issuer and delivered to the Representative shall be deemed a representation and warranty of the Issuer to the Underwriters as to the statements made therein.

15. The Issuer has entered or will enter into, in accordance with Rule 15c2-12, the Continuing Disclosure Undertaking in substantially the form described in Appendix G to the Official Statement for the benefit of bondholders to provide to the MSRB through EMMA (a) certain annual financial information, including audited financial statements and operating data, as described in Appendix G to the Official Statement, (b) timely notice (not in excess of ten business days after the occurrence of the event) of any of the sixteen events identified in Rule 15c2-12 with respect to the Bonds, and (c) timely notice of any failure of any obligated person to provide the required annual information on or before the date specified in the written agreement.
16. Except as described in the Official Statement, the Issuer has not failed during the previous five (5) years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

I. Covenants of the Issuer. The Issuer hereby covenants with the Underwriters that:

1. The Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended prior to the End of the Underwriting Period without the prior written consent of the Representative, which will not be unreasonably withheld.
2. The Issuer shall not amend, terminate, or rescind, and will not agree to any amendment, termination, or rescission of the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or this Purchase Agreement without the prior written consent of the Representative prior to the Closing Date, which will not be unreasonably withheld.
3. The Issuer shall promptly advise the Representative by written notice of any matter arising or discovered after the date of this Purchase Agreement and prior to the Closing Date that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of material fact regarding the Issuer contained in the Official Statement; or any developments that affect the accuracy and completeness of the key representations (within the meaning of Rule 15c2-12) regarding the Issuer contained in the Official Statement that may occur during the Update Period.
4. The Issuer shall not voluntarily undertake any course of action inconsistent with satisfaction of the requirements applicable to the Issuer as set forth in this Purchase Agreement.
5. The Issuer shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exemption from state income taxation of the Bonds and the income therefrom.
6. The Issuer will use the proceeds of the Bonds in accordance with the Resolution and the Act.

J. Certain Conditions to Underwriters' Obligations. The Underwriters have entered into this Purchase Agreement in reliance upon the representations, warranties, and agreements of the Issuer contained herein and upon the accuracy of the statements to be contained in the documents

and instruments to be delivered at the Closing. Accordingly, the Underwriters' obligations under this Purchase Agreement to purchase, accept delivery of, and pay for the Bonds are subject to the performance by the Issuer of its obligations hereunder required to be performed at or prior to the Closing Date, and to the following additional conditions precedent:

1. On the Closing Date, the representations and warranties of the Issuer contained herein shall be true, complete, and correct as if made on and as of the Closing Date; the Official Statement shall have been executed and delivered by the Issuer; the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, and the Refunding Trust Agreement shall have been duly executed and delivered by the appropriate parties thereto, shall be in full force and effect, and shall not have been amended, modified, or supplemented, except as may have been agreed to in writing by the Representative or as provided herein; the proceeds of the sale of the Bonds shall have been paid to the Issuer for deposit for use as described in the Official Statement and in the Resolution; and the Issuer shall have adopted and there shall be in full force and effect such resolutions as, in the opinion of Hawkins Delafield & Wood LLP, Bond Counsel, and Bass, Berry & Sims PLC, counsel for the Underwriters, shall be necessary in connection with the transactions contemplated hereby.
2. The Underwriters shall have the right to cancel their obligation to purchase the Bonds if between the date hereof and the Closing:
  - a) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the legislature of the State of Tennessee, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal or state taxation of interest received on obligations of the general character of the Bonds which, in the Representative's reasonable judgment, materially adversely affects the market price or marketability of the Bonds or of obligations the general character of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at their contemplated offering prices or yields; or
  - b) there shall exist any event or circumstance that in the Representative's reasonable judgment causes the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements

therein, in light of the circumstances under which they were made, not misleading; or

- c) there shall have occurred (1) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national or international emergency or war; (2) any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere; (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on the United States Treasury obligations or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal or state bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population over 1,000,000, if the effect of any such event specified in clause (1), (2), (3) or (4), in the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at their contemplated offering prices or yields or if any such event specified in clause (1), (2), (3) or (4) otherwise makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement or the Official Statement; or
- d) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national stock exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction, or any national securities exchange shall have imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally or the Bonds or similar obligations or materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers, that, in the Representative's reasonable judgment, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at their contemplated offering prices or yields; or
- e) a general banking moratorium shall have been declared by federal, New York or Tennessee authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearance services shall have occurred that, in the Representative's reasonable judgment, materially adversely affects the market price or the marketability for the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at their contemplated offering prices or yields; or
- f) legislation shall be enacted (or resolution passed) or be proposed by a committee of Congress or an order, decree, injunction or other decision by any court of competent jurisdiction shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice issued or made by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds or

any comparable securities of the Issuer, any obligations of the general character of the Bonds, the Resolution or the Continuing Disclosure Undertaking, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect (the “**Securities Act**”) or of the Trust Indenture Act of 1939, as amended and as then in effect, or otherwise, or would be in violation of any provision of the federal securities laws as amended; or

- g) there shall have been any material adverse change in the affairs of the Issuer, the Board of Regents, the Board of Trustees, the Institutions or the State that in the Representative’s reasonable judgment will materially adversely affect the market for the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds, including a downgrading or suspension of any rating (without regard to credit enhancement) by Moody’s Investors Service, Inc. (“**Moody’s**”), S&P Global Ratings, a subsidiary of S&P Global Inc. (“**S&P**”), or Fitch Ratings (“**Fitch**”) of any debt securities issued by the Issuer, or there shall have been any official statement as to a possible downgrading (such as being placed on “credit watch” or “negative outlook” or any similar qualification) of any rating by Moody’s, S&P, or Fitch of any debt securities issued by the Issuer, including the Bonds, not reflected in such ratings on the date hereof; or
- h) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or
- i) a stop order, release, regulation (final, temporary or proposed), statement or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act, and the Trust Indenture Act of 1939, as amended.

3. At or prior to the Closing, the Representative shall receive the following:

- a) The unqualified approving opinion of Bond Counsel, addressed to the Issuer, dated the Closing Date and in substantially the form attached as Appendix H to the Official Statement with only such changes thereto as are satisfactory to the Representative, and a letter of such Bond Counsel, dated the date of Closing and addressed to the Underwriters, to the effect that Bond Counsel’s opinion addressed to the Issuer may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;
- b) A supplementary opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters and the Issuer, to the effect that: this Purchase Agreement has been duly authorized, executed and delivered by the Issuer, and constitutes the valid contractual agreement of the Issuer, subject to sovereign immunity,

applicable bankruptcy, insolvency, reorganization, moratorium and other laws theretofore or thereafter enacted affecting creditors' rights, and 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; no approval or other action is required to be obtained by the Issuer from any governmental authority or agency in connection with the issuance and sale of the Bonds, the adoption of the Resolution, or the execution by the Issuer of this Purchase Agreement, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or the Official Statement that has not already been obtained or taken, except that the offer and sale of the Bonds in certain jurisdictions may be subject to compliance with the provisions of the securities or blue sky laws of such jurisdictions (as to which no opinion need be expressed); the statements contained in the Official Statement under the captions "Introduction", "Purposes of the Offered Bonds", "Description of the Offered Bonds" (except Appendix F referred to therein), "Security and Sources of Payment for the Bonds", "Tax Matters", Appendix C- Glossary of Certain Terms, Appendix E - Summary of Certain Provisions of the Resolution, and Appendix G – Summary of Certain Provisions of the Continuing Disclosure Undertaking and the statements contained in the Official Statement describing the Resolution and the Financing Agreements, fairly summarize the provisions of such documents (or, in the case of "Tax Matters", matters of law) purported to be summarized; the Bonds are not subject to the registration requirements of the Securities Act; and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;

- c) A certificate of Counsel to the Issuer, dated the Closing Date, and in form and substance satisfactory to the Representative, to the effect that: there is no action, suit, or proceeding or investigation at law or in equity before or by any court, public board, or body pending, or, to the knowledge of such counsel, threatened against or affecting the Issuer to restrain or enjoin the issuance or delivery of any of the Bonds or the security pledged under the Resolution, or in any way contesting or affecting the power of the Issuer relating to the issuance or validity of the Bonds or any provision of the Resolution, or the execution, delivery, and performance by the Issuer of the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or this Purchase Agreement;
- d) An opinion or opinions of Counsel to the Issuer addressed to the Issuer that the Issuer (i) has full legal right, power, and authority to adopt the Resolution and to enter into, the Continuing Disclosure Undertaking, the Financing Agreements, the Refunding Trust Agreement, and this Purchase Agreement, and to issue the Bonds and apply the proceeds thereof pursuant to the Resolution; (ii) the Resolution is valid and binding upon the Issuer and is enforceable against the Issuer in accordance with its terms; (iii) the Resolution creates the valid pledge which it purports to create of the Annual Financing Charges and Legislative Appropriations (as each is defined in the Resolution), and all rights under the Second Program Financing Agreements or otherwise to receive the same, and moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution; (iv) the Bonds are valid and binding upon the Issuer and are enforceable against the Issuer in accordance with their terms, payable solely from

the Annual Financing Charges and Legislative Appropriations (as each is defined in the Resolution), and other moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution; (v) the Issuer has duly authorized, executed, and delivered the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, and this Purchase Agreement and, assuming due authorization, execution, and delivery by the other parties thereto, each constitutes the valid contractual agreement of the Issuer; (vi) each of the opinions in (ii) (iii), (iv) and (v) above is subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and 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 (the State has not waived the immunity of the State (including, for this purpose, the Issuer and the Board of Regents and Board of Trustees) from suit or extended its consent to be sued with respect to the Financing Agreements, the Continuing Disclosure Undertaking, and the Purchase Agreement; accordingly, monetary actions against the State (including the Issuer, the Board of Trustees and the Board of Regents) for breach of contractual obligations relating to the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, and the Purchase Agreement 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); (vii) compliance with the provisions of the Bonds, the Resolution, the Continuing Disclosure Undertaking, the Financing Agreements, the Refunding Trust Agreement, and this Purchase Agreement will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or, to the best of the knowledge of such counsel, any court order or decree, or any agreement, contract, or other instrument to which the Issuer is a party or is otherwise subject or bound; (viii) the distribution of the Preliminary Official Statement and the execution, delivery, and distribution of the Official Statement have been duly authorized by the Issuer, and nothing has come to such counsel's attention that would lead it to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date and as of the date of the opinion (except for any financial or statistical material included therein and the statements contained under the heading "Tax Matters", as to which such counsel expresses no opinion or view) contains any untrue statement of a material fact, omits to state any material fact required to be stated therein, or omits to state any material fact necessary to make the statements made in the Preliminary Official Statement or Official Statement, respectively, in light of the circumstances under which they were made, not be misleading; (ix) no approval or other action is required to be obtained by the Issuer from any governmental authority or agency in connection with the issuance and sale of the Bonds, or the execution by the Issuer of this Purchase Agreement, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, or the Official Statement which has not already been obtained or taken, except that the offer and sale of the Bonds in certain jurisdictions may be subject to compliance with the provisions of the securities or blue sky laws of such jurisdictions (as to which no opinion need be expressed); (x) the Official Statement has been duly executed and delivered by the Issuer; (xi) the resolutions of the Issuer approving and authorizing the issuance and sale of the Bonds, and the execution and delivery of

this Purchase Agreement, the Financing Agreements, the Continuing Disclosure Undertaking, the Refunding Trust Agreement, and the Official Statement were duly adopted at one or more meetings of the Issuer that were called and held pursuant to all applicable laws and regulations, and with all public notice required by all applicable laws and regulations and at which a quorum was present and acting throughout; and (xii) the representations and warranties of the Issuer as set forth in this Purchase Agreement are, as to all matters of law, true and accurate on and as of the Closing Date as if made on the Closing Date;

- e) The opinion of counsel to the Underwriters, dated the Closing Date, to the effect that the Bonds are exempt from registration under the Securities Act, and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended; and without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness or fairness thereof, and based solely on their participation in meetings and telephone conferences at which representatives of the Issuer, Bond Counsel, and the Representative were at various times present, nothing has come to their attention that would lead them to believe that the information and statements in the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the date of this opinion (except for the financial statements and statistical data included therein and “Appendix F – Book-Entry Only System”, as to which no view need be expressed), contained or contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and that the form of Continuing Disclosure Undertaking meets the requirements of Rule 15c2-12 as to form;
- f) A certificate dated the Closing Date by the Secretary or Assistant Secretary to the Issuer to the effect that: the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date (except to the extent the same relate to an earlier date) with the same effect as if made on the Closing Date; and the Issuer has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied with respect to the Bonds at or prior to the Closing;
- g) A certificate dated the Closing Date by the Secretary or Assistant Secretary to the Issuer to the effect that: no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- h) A certificate of an officer of the Issuer, acceptable to the Representative, dated the Closing Date, to the effect that the Bonds have been executed in accordance with the Resolution by duly authorized officers or signatories of the Issuer; and an incumbency certificate of the Issuer, in form and content acceptable to the Representative and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of the Issuer who have executed and delivered the Bonds and all other financing documents to be signed by the Issuer;

- i) Evidence satisfactory to the Representative that the Bonds have been rated not less than “AA+,” “Aa1” and “AA+” respectively, by S&P, Moody’s, and Fitch, which ratings remain in effect on the Closing Date; and are not, as of the Closing Date, subject to review or watch;
- j) Copies of the Resolution certified by the Secretary or Assistant Secretary as having been duly adopted by the Issuer and as being in full force and effect, with such changes or amendments as may have been approved by the Representative;
- k) Executed counterparts of the Continuing Disclosure Undertaking, the Financing Agreements, the Refunding Trust Agreement, and the Purchase Agreement, executed by the parties thereto, or copies thereof certified by the Secretary or Assistant Secretary of the Issuer, and specimens of the Bonds;
- l) The Preliminary Official Statement and the Official Statement, together with any supplements or amendments thereto in the event either has been supplemented or amended, in the case of the Official Statement executed on behalf of the Issuer by a duly authorized officer thereof;
- m) *Reserved.*
- n) A letter from Robert Thomas CPA, LLC verifying the mathematical accuracy of certain schedules and computations provided by the Representative with respect to the availability of sufficient funds under the Refunding Trust Agreement (including investment income) for payment of the Refunded Bonds, as described in the Refunding Trust Agreement;
- o) An agreed-upon-procedures letter addressed to the Representative by the Issuer’s auditors; and
- p) Such additional legal opinions, signatures, delivery and other certificates, and other instruments and documents as the Underwriters may reasonably request to evidence the truth, accuracy and completeness, as of the date of the Purchase Agreement and as of the date of Closing, of the representations and warranties of the Issuer contained in this Purchase Agreement and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer at or prior to Closing of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions of this Purchase Agreement if, but only if, they are in form and substance reasonably satisfactory to the Underwriters and their counsel.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Purchase Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Issuer shall have any further obligations hereunder, except as provided in Section K. hereof. However, the Representative may in its discretion waive one or more of the conditions imposed by this Purchase Agreement for the protection of the Underwriters and proceed with the Closing.

K. Payment of Expenses.

1. The Underwriters shall be under no obligation to pay, and the Issuer shall pay from available funds or from the proceeds of the Bonds or from other funds of the Issuer, certain expenses set forth in this Section that are incidental to the performance of the Issuer's obligations hereunder, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement, and any amendment or supplement to either thereof; all expenses in connection with the printing, issuance, and delivery of the Bonds; the fees and disbursement of Bond Counsel, Counsel to the Issuer, auditors and verification accountants; the fees and disbursements of the Trustee; all expenses in connection with obtaining a rating or ratings for the Bonds; all expenses of the Issuer in connection with the preparation, printing, execution, and delivery, and any recording or filing required by Bond Counsel, of the Resolution, the Financing Agreements, the Continuing Disclosure Undertaking, and the Refunding Trust Agreement; any recording or filing fees required by this Purchase Agreement (excluding the costs of qualifying the Bonds for sale in various states); fees relating to the verification report; the Issuer's administrative fees; rating agency fees, and all other expenses and costs of the Issuer incident to its obligations in connection with the authorization, issuance, sale, and distribution of the Bonds. In addition to the foregoing, the Issuer shall pay for expenses incurred on behalf of Issuer's employees which are directly related to the offering of the Bonds, including, but not limited to, meals, transportation and lodging of those employees.
2. Expenses of the Underwriters, including fees and expenses of Underwriters' counsel and the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review, shall be paid or reimbursed through the expense component of the Underwriters' discount. The Representative shall pay (from the expense component of the Underwriters' discount) the costs of qualifying the Bonds for sale in various states chosen by the Representative, all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by it or the other Underwriters in connection with the public offering and distribution of the Bonds, including the fees and disbursements of their counsel and the cost of obtaining CUSIP numbers.

L. Blue Sky Qualification. The Issuer agrees to cooperate with the Underwriters and their counsel in any endeavor to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Representative may request; provided that the Issuer shall not be required to qualify as a foreign corporation in, or submit to the jurisdiction of, any other state. The Issuer consents to the use of the Preliminary Official Statement and the Official Statement by the Representative in obtaining such qualification.

M. No Advisory or Fiduciary Role.

1. The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the agent, advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)) or fiduciary of the Issuer, (iii) the Underwriters have not assumed (individually or

collectively) an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter, or any affiliate of an Underwriter, has provided other services or are currently providing other services to the Issuer on other matters) and the Underwriters have no obligation to the Issuer with respect to the offering contemplated hereby other than those arising out of their role as Underwriters pursuant to the terms of this Purchase Agreement, (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, and (v) the Underwriters have financial and other interests that differ from those of the Issuer.

2. The Issuer and the Underwriters represent and warrant, respectively, that no finder or other agent has been employed by either the Issuer or the Underwriters in connection with this transaction.

N. Notices. All notices provided for in this Purchase Agreement shall be made in writing either by actual delivery of the notice into the hands of the parties entitled thereto, by confirmed facsimile transmission, or by sending the notice by air courier or mailing by certified or registered mail, return receipt requested, in the United States mail to the address as stated below (or at such other address as may have been designated by written notice) of the party entitled thereto. The notice shall be deemed to be received in case of actual delivery on the date of its actual receipt by the party entitled thereto, in case of delivery by facsimile, on the date receipt is confirmed, in case of delivery by air courier on the date of delivery, and in case of mailing on the date of receipt by United States mail, postage prepaid.

All communications hereunder, except as herein otherwise specifically provided, shall be in writing and mailed or delivered to the Issuer and to the Underwriters at the following addresses:

Tennessee State School Bond Authority  
Cordell Hull Building  
425 Rep. John Lewis Way N., 4<sup>th</sup> Floor  
Nashville, Tennessee 37243  
Attention: Director of the Division of State Government Finance  
Facsimile: 615-741-5986

Jefferies LLC  
700 N. St. Mary's St, Suite 1400  
San Antonio, TX 78205  
Attention: Laura Powell, Managing Director  
Facsimile: 832-218-7349

O. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State, including, without limitation, those laws applicable to contracts made and to be performed by the Issuer.

P. Counterparts. This Purchase Agreement may be executed in counterparts with the same force and effect as if all signatures appeared on a single instrument.


Q. Miscellaneous. This Purchase Agreement is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. The term "successor" shall not include any holder of any Bonds merely by virtue of such holding. All representations, warranties, agreements, and

indemnities contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters, (ii) delivery of and payment for the Bonds, and (iii) any termination of this Purchase Agreement.

*[Signatures on Following Page]*

Very truly yours,

JEFFERIES LLC, on behalf of itself and as  
Representative of the other Underwriters listed  
in Appendix I hereto

By:   
Name: Laura Powell  
Title: Managing Director

ACCEPTED:

TENNESSEE STATE SCHOOL BOND AUTHORITY

By: \_\_\_\_\_  
Title: Comptroller of the Treasury, Authorized Officer

Date: \_\_\_\_\_, 2021

Time: \_\_\_\_\_

Very truly yours,

JEFFERIES LLC, on behalf of itself and as  
Representative of the other Underwriters listed  
in Appendix I hereto

By: \_\_\_\_\_  
Name: Laura Powell  
Title: Managing Director

ACCEPTED:

TENNESSEE STATE SCHOOL BOND AUTHORITY

By: \_\_\_\_\_  
Title: Comptroller of the Treasury, Authorized Officer

Date: February 9, 2021

Time: \_\_\_\_\_

[Execution Page]

APPENDIX I

To

Bond Purchase Agreement

UNDERWRITERS

**Representative and Senior Manager**

Jefferies LLC

**Co-Managers**

FHN Financial Capital Markets

Morgan Stanley & Co. LLC

Piper Sandler & Co.

Raymond James & Associates, Inc.

Wells Fargo Bank, National Association

APPENDIX II

To

Bond Purchase Agreement

**\$713,365,000**  
**HIGHER EDUCATIONAL FACILITIES SECOND PROGRAM BONDS,**  
**2021 SERIES A (FEDERALLY TAXABLE)**

Maturity Date	Amount	Rate	Yield	Price
11/1/2022	\$19,595,000	0.167%	0.167%	100.00
11/1/2023	23,430,000	0.217	0.217	100.00
11/1/2024	21,260,000	0.339	0.339	100.00
11/1/2025	21,370,000	0.627	0.627	100.00
11/1/2026	24,120,000	0.727	0.727	100.00
11/1/2027	22,950,000	1.026	1.026	100.00
11/1/2028	18,120,000	1.126	1.126	100.00
11/1/2029	56,175,000	1.362	1.362	100.00
11/1/2030	43,410,000	1.462	1.462	100.00
11/1/2031	43,545,000	1.512	1.512	100.00
11/1/2032	42,780,000	1.662	1.662	100.00
11/1/2033	40,800,000	1.712	1.712	100.00
11/1/2034	38,335,000	1.812	1.812	100.00
11/1/2035	39,055,000	1.912	1.912	100.00
11/1/2036	35,700,000	1.962	1.962	100.00
11/1/2041*	156,765,000	2.561	2.561	100.00
11/1/2045*	65,955,000	2.661	2.661	100.00

\*Term Bond

*Optional Redemption.* Bonds maturing on or after November 1, 2032, are subject to redemption prior to their stated maturities from any available moneys, at any time on and after November 1, 2031, as a whole, or in part from time to time in any order of maturity determined by the Issuer, at a Redemption Price equal to the principal amount of such Bonds or portions thereof to be redeemed, together with the interest accrued on such principal amount to the date fixed for redemption.

Prior to November 1, 2031, the Bonds are subject to redemption prior to their stated maturities at the option of the Issuer, at any time as a whole, or in part from time to time in any order of maturity as determined by the Issuer, at a Redemption Price equal to the Make-Whole Redemption Price (as defined, and more particularly described in, the Official Statement for the Bonds).

*Mandatory Sinking Fund Redemption.* The Bonds maturing on November 1, 2041, and on November 1, 2045, are Term Bonds subject to redemption in part on November 1 in each of the years and in the respective principal amounts set forth below at a Redemption Price equal to the principal amount or portion thereof to be redeemed, together with the interest accrued thereon to the date fixed for redemption, from Sinking Fund Installments which are required to be accumulated in the Debt Service Fund in amounts sufficient to redeem on November 1 of each year shown below the principal amount of such Bonds specified for such year:

Nov. 1, 2041 Maturity		Nov. 1, 2045 Maturity	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2037	\$34,345,000	2042	\$19,665,000
2038	31,335,000	2043	20,195,000
2039	30,315,000	2044	14,555,000
2040	31,105,000	2045	11,540,000
2041	29,665,000		

Appendix III

To

Bond Purchase Agreement

**Summary of Refunded Bonds**

2012A

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	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
TERM	5/1/2030	5.000%	\$ 7,885,000	5/1/2022	100%
TERM	5/1/2031	5.000%	8,285,000	5/1/2022	100%
TERM	5/1/2032	5.000%	8,705,000	5/1/2022	100%
TERM	5/1/2037	3.750%	40,455,000	5/1/2022	100%
TERM	5/1/2039	5.000%	18,610,000	5/1/2022	100%
TERM	5/1/2042	4.000%	31,185,000	5/1/2022	100%
			<u>\$ 115,125,000</u>		

2012C

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	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
TERM	5/1/2023	4.000%	\$ 8,100,000	5/1/2022	100%
TERM	5/1/2024	4.000%	8,435,000	5/1/2022	100%
TERM	5/1/2025	4.000%	6,540,000	5/1/2022	100%
TERM	5/1/2026	4.000%	6,810,000	5/1/2022	100%
TERM	5/1/2027	3.000%	1,635,000	5/1/2022	100%
TERM	5/1/2028	3.125%	1,690,000	5/1/2022	100%
TERM	5/1/2029	3.250%	1,750,000	5/1/2022	100%
TERM	5/1/2030	3.250%	1,810,000	5/1/2022	100%
TERM	5/1/2031	3.375%	1,875,000	5/1/2022	100%
TERM	5/1/2032	3.375%	1,155,000	5/1/2022	100%
TERM	5/1/2033	3.500%	1,200,000	5/1/2022	100%
TERM	5/1/2034	3.500%	1,245,000	5/1/2022	100%
			<u>\$ 42,245,000</u>		

2013A

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	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
SERIAL	11/1/2023	5.000%	\$ 3,885,000	11/1/2022	100%
SERIAL	11/1/2024	5.000%	4,085,000	11/1/2022	100%
SERIAL	11/1/2025	5.000%	4,295,000	11/1/2022	100%
SERIAL	11/1/2029	5.000%	5,245,000	11/1/2022	100%
SERIAL	11/1/2030	5.000%	5,515,000	11/1/2022	100%
SERIAL	11/1/2031	5.000%	5,795,000	11/1/2022	100%
SERIAL	11/1/2032	5.000%	6,095,000	11/1/2022	100%
SERIAL	11/1/2033	5.000%	6,405,000	11/1/2022	100%
TERM	11/1/2038	5.000%	25,045,000	11/1/2022	100%

TERM	11/1/2043	5.000%	32,160,000	11/1/2022	100%
			<u>\$ 98,525,000</u>		

2014A

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
SERIAL	11/1/2029	3.712%	5,730,000	11/1/2024	100%
TERM	11/1/2034	4.007%	11,865,000	11/1/2024	100%
TERM	11/1/2044	4.207%	29,650,000	11/1/2024	100%
			<u>\$ 47,245,000</u>		

2014B

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
SERIAL	11/1/2026	5.000%	12,580,000	11/1/2024	100%
SERIAL	11/1/2027	5.000%	11,805,000	11/1/2024	100%
SERIAL	11/1/2028	5.000%	7,200,000	11/1/2024	100%
SERIAL	11/1/2029	5.000%	4,985,000	11/1/2024	100%
SERIAL	11/1/2030	5.000%	5,250,000	11/1/2024	100%
SERIAL	11/1/2031	5.000%	5,720,000	11/1/2024	100%
SERIAL	11/1/2032	5.000%	6,030,000	11/1/2024	100%
SERIAL	11/1/2033	5.000%	6,090,000	11/1/2024	100%
SERIAL	11/1/2034	5.000%	4,325,000	11/1/2024	100%
SERIAL	11/1/2035	5.000%	4,550,000	11/1/2024	100%
SERIAL	11/1/2036	5.000%	3,795,000	11/1/2024	100%
SERIAL	11/1/2037	5.000%	3,995,000	11/1/2024	100%
			<u>\$ 76,325,000</u>		

2015B

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
SERIAL	11/1/2029	5.000%	22,150,000	11/1/2025	100%
SERIAL	11/1/2030	5.000%	13,200,000	11/1/2025	100%
SERIAL	11/1/2031	5.000%	13,885,000	11/1/2025	100%
SERIAL	11/1/2032	5.000%	14,610,000	11/1/2025	100%
SERIAL	11/1/2033	5.000%	12,625,000	11/1/2025	100%
SERIAL	11/1/2034	5.000%	15,225,000	11/1/2025	100%
SERIAL	11/1/2035	5.000%	16,010,000	11/1/2025	100%
TERM	11/1/2040	5.000%	61,945,000	11/1/2025	100%
TERM	11/1/2045	5.000%	56,500,000	11/1/2025	100%
			<u>\$ 226,150,000</u>		

<u>Total Refunded Bonds</u>	<u>\$ 605,615,000</u>
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## CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is dated and made as of May 6, 2025, by the Tennessee State School Bond Authority (the “Authority”) in connection with the issuance of the Authority’s \$164,290,000 aggregate principal amount of Higher Educational Facilities Second Program Bonds, 2025 Series A and \$53,645,000 aggregate principal amount of Higher Educational Facilities Second Program Bonds, 2025 Series B (Federally Taxable) (collectively, the “2025 Bonds”). As authorized by Section 12 of the Supplemental Resolution of the Authority authorizing the 2025 Bonds, adopted on March 24, 2025, the Authority agrees as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1. Definitions. The following terms used in this Undertaking shall have the following respective meanings:

(1) “Annual Financial Information” means (i) updated versions of the following financial information and operating data contained in the Official Statement with respect to the Authority, for each fiscal year of the Authority:

- Outstanding Second Program Bonds (see “THE AUTHORITY—Outstanding Indebtedness”)
- Authorized and Outstanding Revolving Credit Loans (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Subordinated Obligations; Revolving Credit Loans”)
- Tennessee Consolidated Retirement System financial information and operating data and Higher Education Employer Contributions (see “TENNESSEE PUBLIC HIGHER EDUCATION—Employee Retirement Benefits”)
- Other Post-Employment Benefits unfunded liabilities and annual required contributions (see “TENNESSEE PUBLIC HIGHER EDUCATION—Other Post-Employment Benefits”)
- Appendix B—Selected Statistical Information;

(ii) the information regarding amendments to this Undertaking required pursuant to Sections 4.2(c) and (d) of this Undertaking, (iii) Audited Financial Statements (or, if unavailable, Unaudited Financial Statements), and (iv) the Supplemental Annual Financial Information.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.

(2) “Audited Financial Statements” means the annual financial statements of the Authority, audited by such auditors as shall then be required or permitted by State law. Audited Financial Statements shall be prepared in accordance with GAAP.

(3) “Board of Trustees” means The Board of Trustees of The University of Tennessee.

(4) “Board of Regents” means the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee.

(5) “Counsel” means Hawkins Delafield & Wood LLP or other nationally recognized bond counsel or counsel expert in federal securities laws, in each case acceptable to the Authority.

(6) “EMMA” means the MSRB’s Electronic Municipal Market Access system or its successor.

(7) “Financial Obligation” means: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B) above, but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(8) “GAAP” means generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(9) “Institution” means, as appropriate, (i) the University of Tennessee system of the State, including all of its branches and divisions wherever located, and the services, programs and activities provided therein, and the Board of Trustees, in the aggregate, and (ii) the State University and Community College System of the State of Tennessee, including all of its constituent institutions wherever located (whether or not conferring degrees), and the services, programs and activities provided therein, and the Board of Regents, in the aggregate.

(10) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b) of the Securities Exchange Act of 1934, as amended, or any successor to the MSRB or the functions of the MSRB contemplated by this Undertaking.

(11) “Notice Event” means any of the following events with respect to the 2025 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2025 Bonds, or other material events affecting the tax status of the 2025 Bonds;
- (vii) modifications to rights of 2025 Bondholders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the 2025 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;

(Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.)

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Authority or of any Institution, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority or of such Institution, as the case may be, any of which affect holders of Offered Bonds, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority or of any Institution any of which reflect financial difficulties.

(12) “Notice Event Notice” means notice of a Notice Event.

(13) “Official Statement” means the Official Statement dated October 25, 2025, of the Authority relating to the 2025 Bonds.

(14) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the effective date hereof, including any official interpretations thereof.

(15) “SEC” means the United States Securities and Exchange Commission.

(16) “State” means the State of Tennessee.

(17) “Supplemental Annual Financial Information” means the annual financial statements referred to in Section 2.4 hereof.

(18) “Unaudited Financial Statements” mean the same as Audited Financial Statements, except that they shall not have been audited.

## ARTICLE II

### THE UNDERTAKING

Section 2.1. Purpose. This Undertaking is being executed, delivered and made solely to assist the underwriters of the 2025 Bonds in complying with subsection (b)(5) of the Rule.

Section 2.2. Annual Financial Information. (a) The Authority shall provide Annual Financial Information with respect to each fiscal year of the Authority, commencing with the fiscal year ending June 30, 2025, by no later than 7 months after the end of the respective fiscal year, to the MSRB.

(b) The Authority shall provide, in a timely manner, notice of any failure of the Authority to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

Section 2.3. Authority Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 2.2(a) hereof because not available, the Authority shall provide Audited Financial Statements, when and if available, to the MSRB.

Section 2.4. Supplemental Annual Financial Information. Notwithstanding anything in this Undertaking to the contrary, Annual Financial Information also shall include the annual financial statements of the State, including component unit reporting of The University of Tennessee system and the Board of Trustees of The University of Tennessee, and of the State University and Community College System of the State of Tennessee and the Tennessee Board of Regents, in each case audited by such auditors as shall then be required or permitted by State law, if available. If not provided as part of Annual Financial Information by the date required by

Section 2.2(a) because not available, the Authority shall provide audited financial statements, when and if available, to the MSRB. Such audited financial statements will be prepared in accordance with GAAP.

Section 2.5. Notice Events. (a) If a Notice Event occurs, the Authority shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to the MSRB.

(b) Any such notice of a defeasance of 2025 Bonds shall state whether the 2025 Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

Section 2.6. Additional Disclosure Obligations. The Authority acknowledges and understands that other State and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Authority and that, under some circumstances, additional disclosures or other action in addition to those required by this Undertaking may be required to enable the Authority to fully discharge all of its duties and obligations under such laws.

Section 2.7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Notice Event Notice hereunder, in addition to that which is required by this Undertaking. If the Authority chooses to do so, the Authority shall have no obligation under this Undertaking to update such additional information or include it in any future Annual Financial Information or Notice Event Notice hereunder.

### ARTICLE III

#### OPERATING RULES

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the Authority provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet Web Site (currently, [www.emma.msrb.org](http://www.emma.msrb.org)) or (ii) filed with the SEC. The provisions of this Section shall not apply to Notice Event Notices pursuant to Section 2.5 hereof.

Section 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Filing with Certain Dissemination Agents or Conduits. The Authority may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Authority under this Undertaking, and revoke or modify any such designation.

Section 3.4. Transmission of Notices, Documents and Information (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to EMMA, the current Internet Web address of which is [www.emma.msrb.org](http://www.emma.msrb.org).

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB (currently, portable document format (pdf) which must be word-searchable except for non textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

Section 3.5. Fiscal Year. (a) The Authority's current fiscal year is July 1 - June 30. The Authority shall promptly notify the MSRB of each change in its fiscal year.

(b) The Authority shall provide Annual Financial Information at least annually notwithstanding any fiscal year longer than 12 calendar months.

#### ARTICLE IV

##### EFFECTIVE DATE, TERMINATION, AMENDMENT AND ENFORCEMENT

Section 4.1. Effective Date; Termination. (a) This Undertaking shall be effective upon the issuance of the 2025 Bonds.

(b) The Authority's obligations under this Undertaking shall terminate with respect to each 2025 Bond upon the legal defeasance, prior redemption or payment in full of such 2025 Bond.

(c) This Undertaking, or any provision hereof, shall be null and void in the event that the Authority (1) receives an opinion of Counsel to the effect that those portions of the Rule which require this Undertaking, or such provision, as the case may be, do not or no longer apply to the 2025 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 4.2. Amendment. (a) This Undertaking may be amended without the consent of the holders of the 2025 Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules and regulations) or in interpretations thereof, or a change in the identity, nature or status of the Authority or the type of business conducted thereby, (2) this Undertaking as so amended would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Authority shall have received an opinion of Counsel to the same effect as set forth in clause (2) above, (4) the Authority shall have received either an opinion of Counsel or a determination by a person, in each case unaffiliated with the Authority, to the effect that the amendment does not materially impair the interests of the holders of the outstanding 2025 Bonds, and (5) the Authority shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) This Undertaking may be amended without the consent of the holders of the 2025 Bonds if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Undertaking, (2) the Authority shall have received an opinion of Counsel to the effect that performance by the Authority under this Undertaking as so amended will not result in a violation of the Rule as so amended or officially interpreted and (3) the Authority shall have delivered copies of such opinion and amendment to the MSRB.

(c) To the extent any amendment to this Undertaking results in a change in the categories or types of financial information or operating data provided pursuant to this Undertaking, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the accounting principles to be followed by the Authority, the State or any Institution in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 4.3. Contract; Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Undertaking shall constitute a contract with and inure solely to the benefit of the holders from time to time of the 2025 Bonds, except that beneficial owners of 2025 Bonds shall be third-party beneficiaries of this Undertaking and shall be deemed to be holders of 2025 Bonds for purposes of Section 4.3(b) hereof. The provisions of this Undertaking shall create no rights in any person or entity except as provided in this subsection (a).

(b) The obligations of the Authority to comply with the provisions of this Undertaking shall be enforceable by any holder of outstanding 2025 Bonds; however, the holders' rights to enforce the provisions of this Undertaking shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Authority's obligations under this Undertaking.

(c) Any failure by the Authority to perform in accordance with this Undertaking shall not constitute a default or an event of default under the resolutions authorizing the 2025 Bonds or State law and shall not result in any acceleration of payment of the 2025 Bonds, and the rights and remedies provided by the resolutions authorizing the 2025 Bonds and applicable State law upon the occurrence of such a default or an event of default shall not apply to any such failure.

(d) This Undertaking shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Undertaking shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Undertaking addresses matters of federal securities laws, including the Rule, this Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

[Signature Page Follows]

TENNESSEE STATE SCHOOL BOND AUTHORITY

By:   
Sandra Thompson  
Assistant Secretary



June 16, 2026

Kayla Carr  
Director  
Comptroller of the Treasury  
Division of State Government Finance  
425 Rep. John Lewis Way N.  
Nashville, TN 37243

**pfm**

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530 Oak Court Dr.  
Suite 160  
Memphis, TN 38117  
901.682.8356

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[pfm.com](http://pfm.com)

Dear Ms. Carr:

PFM, as Municipal Advisor to the Tennessee State School Bond Authority (“TSSBA” or “Authority”), is recommending TSSBA pursue a competitive sale for its upcoming Higher Educational Facilities Second Program Bonds 2026 Series A (“2026 Series A Bonds”) and 2026 Series B (Federally Taxable) (“2026 Series B Bonds”) which are tentatively scheduled to price in August 2026.

***Basis for Recommendation***

Competitive bond sales can offer several advantages over negotiated sales. A competitive sale typically assures a competitive process which may result in lower interest rates. While underwriting firms may attempt to secure the best interest rates for the issuer in a negotiated sale, different firms have different perceptions of the market and cater to varying investor requirements. This is evidenced by the fact that there are seldom two identical bids submitted at a competitive sale. In addition, interest rate differentials more than 1/4% (0.25%) between low and high bidders in a competitive sale are not uncommon.

Despite the advantages of competitive sales, some bond structures and certain market factors create conditions in which a negotiated sale may be the preferred sale method. TSSBA should select a method of sale based on a thorough analysis of the relevant rating, security and structure pertaining to the proposed bond issue. The following table outlines the general conditions favoring each method of sale.



Attributes	Competitive Sale	Negotiated Sale	Relevance to TSSBA
<b>Issuer</b>			
<i>Type of Organization</i>	Broad-based, general-purpose government	Special-purpose, independent authority	TSSBA's bonds provide funding for public higher education revenue projects in TN and are securitized by an intercept of state appropriations and tend to be rated one-notch below the State's credit rating, making it a candidate for a competitive sale.
<i>Frequency of Issuance</i>	Regular borrower in public market	New or infrequent issuer of debt	TSSBA is a known borrower in the municipal markets.
<i>Market Awareness</i>	Active secondary market with wide investor base	Little or no institutional base, but growing dealer interest	TSSBA has received favorable investor interest and bids on prior sales.
<b>Credit Quality</b>			
<i>Rating</i>	"A" or better	Below single "A"	TSSBA's strong credit of Aa1/AA+/AA+ is expected to be received favorably in the competitive market.
<i>Pledged Revenues</i>	General Obligation	Project supported revenues	TSSBA bonds are securitized by project revenues and the intercept of state appropriations.
<i>Security Structure</i>	Conventional resolution and cashflow; rate covenant and coverage	Unusual or weak covenants; subordinated debt	TSSBA will issue under the existing second program general bond resolution.
<i>Trend</i>	Stable	Improving or under stress	TSSBA has stable ratings of Aa1/AA+/AA+.
<b>Market Conditions</b>			
<i>Interest Rates</i>	Stable, predictable market	Volatile or declining market	Interest rates have been volatile in 2026 due to middle east unrest and uncertainty on FOMC rate action for the balance of 2026. The bond market, while volatile, has demonstrated resilience for strong and recognizable credits, like TSSBA.
<i>Demand</i>	Strong investor demand, good liquidity, light forward calendar	Oversold market, heavy supply	TSSBA has a history of strong investor demand; TSSBA's last bond sale was in 2025 and despite market disruption due to tariffs still attracted 6 bidders on its 2025 Series A and 7 bidders on its 2025 Series B..
<b>Debt Structure</b>			
<i>Tax Status</i>	Tax-exempt, no concerns	Taxable	TSSBA has a long history of successfully pricing tax-exempt and taxable series of bonds via competitive sale.
<i>Debt Instrument</i>	Traditional serial and term, full-coupon bonds	Aggressive use of innovative bond structuring, derivative products, swaps, or variable-rate debt instruments	TSSBA plans to sell traditional serial and/or term bonds.



### ***Market Timing***

Many proponents of negotiated sales argue that a negotiated sale provides greater flexibility in the timing of the bond's offering. In either method of sale, the issuer selects a tentative pricing date and retains the flexibility to change this date, if needed. In a competitive bond sale, TSSBA's Notice of Sale will allow TSSBA to cancel or change the pricing date until noon on the day preceding the competitive sale. Given either sale methodology, the process of marketing the bonds should begin one or two weeks prior to the pricing date. Should the municipal market become unsettled or volatile, TSSBA can postpone the bond pricing until a more favorable market exists, as what was done in spring 2025.

PFM is closely monitoring the municipal market as it relates to investor preferences and interest rates to strike a balance between the TSSBA's financial objectives and investor preferences.

### ***PFM's Pricing Group***

PFM possesses industry-leading expertise and experience regarding both competitive and negotiated bond sales. PFM has a dedicated, in-house bond Pricing Group which has been consulted in our evaluation and recommendation of a competitive bond sale to TSSBA. PFM will also rely on our Pricing Group to evaluate the bond sale parameters to be included in the Notice of Sale.

### ***Debt Management Policy Consideration***

A competitive sale process seeks to achieve broad market participation and access, while following TSSBA's Debt Management Policy.

### ***Market Supply***

Calendar year 2026 is expected to have an increase in municipal bond issuance compared to that of 2025. Cumulative year-to-date supply is slightly up for tax-exempt and equivalent for taxable bonds in par amount (see Appendix A) through June 8, 2026. We expect strong demand for TSSBA bond offerings in 2026.

### ***Recommendation***

Considering the above, PFM continues to believe that the competitive sale process is optimal for TSSBA's 2026 Series A Bond and 2026 Series B Bond issues. We believe that the competitive sale process will encourage the underwriters to offer their best price, while also providing other investment banking firms the opportunity to demonstrate their interest in the State of Tennessee and TSSBA. We would also recommend the authorizing resolution associated with the TSSBA's 2026 Series A Bonds and 2026 Series B Bonds include the flexibility of a negotiated sale as well. This will allow the Comptroller's Office to adjust the sale approach without seeking additional TSSBA Board authorization.



I would be happy to provide additional insight or to discuss further. Please call if you have any questions (901) 466-4554.

We appreciate the opportunity to serve TSSBA and value our relationship. We look forward to successful sale for TSSBA's bonds.

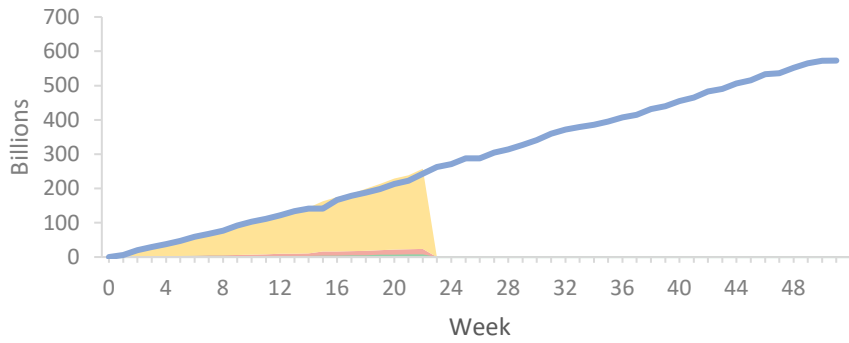
Sincerely,

Lauren S. Lowe  
Managing Director  
PFM Financial Advisors LLC



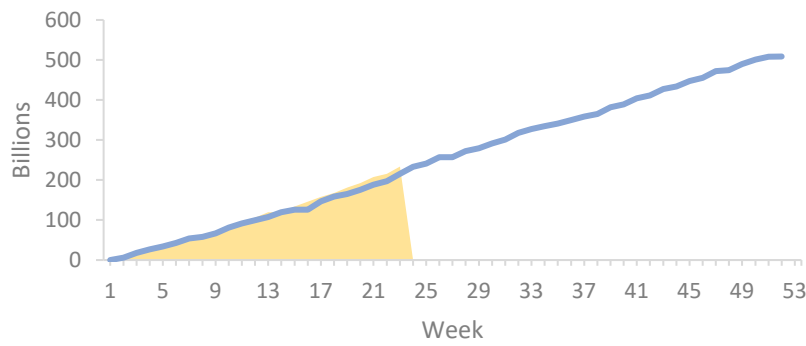
### Appendix A

#### Cumulative YTD Supply - Total



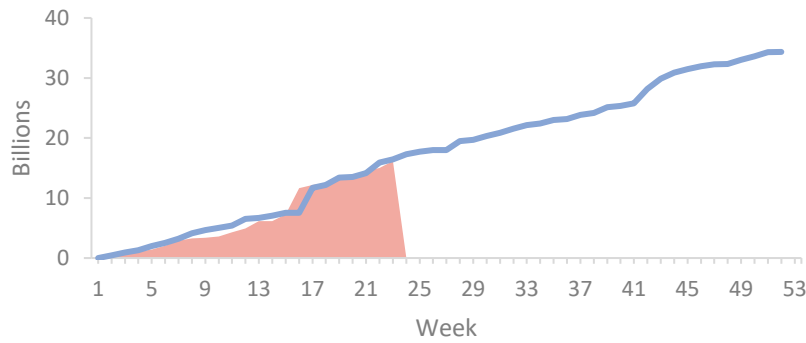
2026 AMT 2026 Taxable 2026 Tax Exempt 2025 Total

#### Cumulative YTD Supply - Tax-Exempt



2026 Tax Exempt 2025 Tax Exempt

#### Cumulative YTD Supply - Taxable



2026 Taxable 2025 Taxable

Source: Bloomberg