

**BOND APPLICATION
MEMPHIS CENTER CITY
REVENUE FINANCE CORPORATION**

1. Applicant: City of Memphis
Company's Name: City of Memphis
Mailing Address: 125 N. Main St., Rm 368
Memphis, Tennessee 38103
Phone: 901-636-6657
Email: walter.person@memphistn.gov

Federal Employer Identification Number: 62-6000361
Company representative to be contacted: Walter O. Person
Name and Title: Walter O. Person, Chief Financial Officer
Mailing Address: 125 N. Main St., Rm 368
Memphis, Tennessee 38103
Phone: 901-636-6657
Email: walter.person@memphistn.gov

2. Describe the principal business of Applicant and its legal status. Briefly describe Applicant's corporate or other legal structure and identify its state of organization. If Applicant is a foreign entity, is it registered to do business in Tennessee?

City of Memphis

3. Briefly describe the proposed Project.
 - 1) The City will finance in a not to exceed amount of \$30M to the purchase of the Sheraton Hotel, to fund legal, architectural and engineering costs associated with the upcoming renovation of the hotel, and to fund costs of issuance associated with the Series 2024A Bonds.

4. State the proposed location of the Project by street address and legal description.

250 N. Main St., Memphis, TN 38103 – Sheraton Hotel

Who owns the real property at this time?

Hotel Memphis L.P. c/o Starwood Capital Group

Does Applicant have an option to purchase the property if not already owned by Applicant?

The City is currently negotiating the purchase contract for the acquisition of the Sheraton Hotel.

Are there presently outstanding any options or liens with regard to the property? If so, describe.

The Sheraton Hotel currently has lien on the property held by Bank of America

5. (a) State the estimated Project costs broken down by components (i.e. land, buildings, equipment, soft costs, etc.) If available, attach third part cost estimates or bids.

\$22M – Purchase Price of Sheraton Hotel

\$4M – Architectural and Engineering Fees

\$200K – Closing Costs

(b) State the principal amount of Bonds the Board will be requested to issue; whether tax-exempt or taxable, the proposed terms of such Bonds, including expected interest rate and maturity, and the proposed security therefor.

Not to exceed \$30M. The bond will have a single fixed rate and be amortized over seven years; The bond will be secured by the City's pledge of non-ad valorem revenue.

6. State the proposed procedure for sale of the Bonds (i.e., public or private sale). Name all principal underwriters, fiscal agents, promoters, or consultants, who will act in connection with the issue, including their addresses, telephone numbers, and individuals familiar with the issue. If no underwriter is to be involved, name the proposed purchaser(s) of the Bonds and the addresses, telephone numbers, email addresses and names of individual representatives of the purchaser(s) familiar with the financing. Attach a copy of the bond purchaser's commitment letter.

The bond will be privately placed with Regions Capital Advantage. See Attachment D – Regions Capital Advantage Term Sheet.

7. Name any Bond Counsel, Underwriter's Counsel, or Bond Purchaser's Counsel who will be involved with the issue, with addresses, telephone numbers and email addresses.

Co-Bond Counsel: [Carpenter Law, PLLC](#)

Mailing Address: 386 Beale Street
Memphis, Tennessee 38103
Phone: 901-523-7788 Fax: 901-523-2849
Email: corbinc@386beale.com
charlesc@386beale.com

Co-Bond Counsel: [Bass, Berry & Sims PLC](#)

Mailing Address: 100 Peabody Place
Suite 1300
Memphis, Tennessee 38103
Phone: 901-543-5781
Email: michael.bradshaw@bassberry.com

Underwriter's Counsel: N/A

Mailing Address: _____
Phone: _____ Fax: _____ Email: _____

Bond Purchaser's Counsel: [Maynard Nexsen](#)
Mailing Address: 1901 Sixth Avenue North, Suite 1700
Birmingham, Alabama 30326
Phone: 205-254-1859
Email: bstaples@Maynardnexsen.com

Phone: _____ Fax: _____ Email: _____

Other / Describe: N/A

Mailing Address: _____
Phone: _____ Fax: _____ Email: _____

8. Name any Company Counsel, engineers, architects, financial consultants, or other professionals who will be involved in the Project, with addresses, telephone numbers and email addresses.

Company Counsel: [City Attorney's Office](#)
 Mailing Address: [125 N. Main Street Room 336](#)
[Memphis, Tennessee 38103](#)
 Phone: [901-636-6614](#)
 Email: cityattorney@memphistn.gov

Architects / Engineers: [N/A](#)
 Mailing Address: _____
 Phone: _____ Fax: _____ Email: _____

Financial Consultants: [PFM Financial Advisors LLC](#)
 Mailing Address: [530 Oak Court Drive Suite 160](#)
[Memphis, Tennessee 38117](#)
 Phone: [901-466-4554](#)
 Email: lowel@pfm.com
browna@pfm.com

Other (specify): [N/A](#)
 Mailing Address: _____
 Phone: _____ Fax: _____ Email: _____

9. Name the indenture trustee (if any) that will act with regard to the issue (with address, telephone number, email address and contact person).

[Regions Bank, Corporate Trust](#)

10. State the anticipated use of Bond proceeds in detail, including all anticipated underwriting or similar fees, trustee's acceptance fees and similar charges.

Uses:	Amounts:
<u>Project Fund</u>	<u>\$26,200,000</u>
<u>Debt Reserve Fund</u>	<u>\$0</u>

<u>Capitalized Interest</u>	<u>\$0</u>
<u>Cost of Issuance</u>	<u>\$270,000</u>
<u>Total:</u>	<u>\$26,470,000</u>

11. Attach as an exhibit a five-year pro forma cash-flow statement for the Project, which should include information showing how the Bond indebtedness will be serviced.

The security for the Bond is annually appropriated non-property tax revenues of the City to be memorialized by a loan agreement between the CCRFC and the City. In the loan agreement, the City will covenant and agree that each fiscal year it will timely budget and appropriate from its non-property tax revenues monies to pay the debt service on the Bond payable during such fiscal year. Non-property tax revenues shall mean all legally available revenues of the City but shall not include ad valorem property tax revenues. See Attachment B – Schedule of Historic Collection of Non-Tax Revenues.

12. State the proposed time schedule for the Project including the dates anticipated for the following:

- (a) closing of the loan or bond issue: [October 16, 2024](#)
- (b) first expenditure of funds with regard to the Project: [October 19, 2024](#)
- (c) anticipated date construction begins: [January 2025](#)
- (d) completion date of Project: [No later than April 2025](#).

13. Attach the last five (5) years audited financial statements of Applicant and the most recent interim statements with regard to Applicant. If the Applicant does not have audited financial statements, unaudited statements and a current year audited statement or balance sheet must be submitted. If any party, including an individual or individuals, will guarantee the financing, financial statements for these parties must also be submitted. Has Applicant or any Sponsor changed accounting firms within the past five years? If so, please explain. If any Applicant or its parent is a reporting company, attach the most recent Form 10-K's, 10-Q's, and any subsequent Form 8-K's. Give names and addresses of three credit references. (At least one should be a bank.)

The audited financial statements for the last five years can be found on the City's webpage using the following link:

[Finance Files - The City of Memphis \(memphistn.gov\)](http://memphistn.gov)

14. Is any materially significant litigation pending or threatened against the Applicant or any underwriter, promoter, fiscal agent, or consultant involved in this financing or the Project or against any officer or director of any of the above? If so, describe.

See Attachment C – Litigation for a discussion on material pending City litigation.

Has the Applicant or any underwriter, promoter, fiscal agent, or consultant, or any officer or director thereof, ever been charged with or convicted of any civil or criminal offense regarding or growing out of the issuance, sale or solicitation for sale of any type of security or has any such person been convicted or is any such person presently under indictment or complaint alleging commission of a felony or misdemeanor involving moral turpitude in any court? If so, supply a detailed explanation of any such suit, action conviction or indictment.


To my knowledge, no.

APPLICATION REPRESENTATIONS AND COVENANTS

This Application is made in order to induce Memphis Center City Revenue Finance Corporation (the "Board"), to grant financial incentives to the Applicant. Applicant represents that the statements contained herein are true and correct and include all information materially significant to the Board in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the Application Procedures and Policies of the Board. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with the Application whether or not the financial incentives are granted or the project is built. In the event any proposed bond financing closes, Applicant agrees to annually pay its proportionate share (based on total bonds outstanding) of the costs of directors' and officers' liability insurance, if any is ever obtained by the Board, or carried while the Bonds are outstanding.

Applicant: City of Memphis, Tennessee

By: 

Its: Chief Financial Officer



**ATTACHMENT A
ESTIMATED DEBT SERVICE**

SOURCES AND USES OF FUNDS

**Center City Revenue Finance Corporation
CCRFC Series 2024A Economic Development Bond
Convention Center Hotel Project
*Preliminary, subject to change***

Dated Date 10/16/2024
Delivery Date 10/16/2024

Sources:

Bond Proceeds:	
Par Amount	26,470,000.00
	<hr/>
	26,470,000.00

Uses:

Project Fund Deposits:	
Project Fund	26,200,000.00
Delivery Date Expenses:	
Cost of Issuance	265,700.00
Other Uses of Funds:	
Additional Proceeds	4,300.00
	<hr/>
	26,470,000.00

BOND PRICING

**Center City Revenue Finance Corporation
 CCRFC Series 2024A Economic Development Bond
 Convention Center Hotel Project
 *Preliminary, subject to change***

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
Bond Component:					
	04/01/2025	2,055,000	3.730%	3.730%	100.000
	10/01/2025	1,335,000	3.730%	3.730%	100.000
	04/01/2026	1,335,000	3.730%	3.730%	100.000
	10/01/2026	1,385,000	3.730%	3.730%	100.000
	04/01/2027	1,385,000	3.730%	3.730%	100.000
	10/01/2027	1,435,000	3.730%	3.730%	100.000
	04/01/2028	1,435,000	3.730%	3.730%	100.000
	10/01/2028	1,490,000	3.730%	3.730%	100.000
	04/01/2029	1,490,000	3.730%	3.730%	100.000
	10/01/2029	1,550,000	3.730%	3.730%	100.000
	04/01/2030	1,545,000	3.730%	3.730%	100.000
	10/01/2030	1,605,000	3.730%	3.730%	100.000
	04/01/2031	1,605,000	3.730%	3.730%	100.000
	10/01/2031	1,665,000	3.730%	3.730%	100.000
	04/01/2032	1,665,000	3.730%	3.730%	100.000
	10/01/2032	3,490,000	3.730%	3.730%	100.000
		26,470,000			

Dated Date	10/16/2024	
Delivery Date	10/16/2024	
First Coupon	04/01/2025	
Par Amount	26,470,000.00	
Original Issue Discount		
Production	26,470,000.00	100.000000%
Underwriter's Discount		
Purchase Price	26,470,000.00	100.000000%
Accrued Interest		
Net Proceeds	26,470,000.00	

BOND SUMMARY STATISTICS

Center City Revenue Finance Corporation CCRFC Series 2024A Economic Development Bond Convention Center Hotel Project *Preliminary, subject to change*

Dated Date	10/16/2024
Delivery Date	10/16/2024
First Coupon	04/01/2025
Last Maturity	10/01/2032
Arbitrage Yield	3.730321%
True Interest Cost (TIC)	3.730321%
Net Interest Cost (NIC)	3.730000%
All-In TIC	3.980868%
Average Coupon	3.730000%
Average Life (years)	4.528
Weighted Average Maturity (years)	4.528
Duration of Issue (years)	4.112
Par Amount	26,470,000.00
Bond Proceeds	26,470,000.00
Total Interest	4,470,762.46
Net Interest	4,470,762.46
Total Debt Service	30,940,762.46
Maximum Annual Debt Service	3,555,781.75
Average Annual Debt Service	3,887,844.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	_____
Bid Price	100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>	<i>PV of 1 bp change</i>
Bond Component	26,470,000.00	100.000	3.730%	4.528	10,674.30
	26,470,000.00			4.528	10,674.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	26,470,000.00	26,470,000.00	26,470,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-265,700.00	
- Other Amounts			
Target Value	26,470,000.00	26,204,300.00	26,470,000.00
Target Date	10/16/2024	10/16/2024	10/16/2024
Yield	3.730321%	3.980868%	3.730321%

DETAILED BOND DEBT SERVICE

Center City Revenue Finance Corporation
CCRFC Series 2024A Economic Development Bond
Convention Center Hotel Project
Preliminary, subject to change

Bond Component

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
06/30/2025	2,055,000	3.730%	452,526.71	2,507,526.71	2,507,526.71
12/30/2025	1,335,000	3.730%	455,339.75	1,790,339.75	
06/30/2026	1,335,000	3.730%	430,442.00	1,765,442.00	3,555,781.75
12/30/2026	1,385,000	3.730%	405,544.25	1,790,544.25	
06/30/2027	1,385,000	3.730%	379,714.00	1,764,714.00	3,555,258.25
12/30/2027	1,435,000	3.730%	353,883.75	1,788,883.75	
06/30/2028	1,435,000	3.730%	327,121.00	1,762,121.00	3,551,004.75
12/30/2028	1,490,000	3.730%	300,358.25	1,790,358.25	
06/30/2029	1,490,000	3.730%	272,569.75	1,762,569.75	3,552,928.00
12/30/2029	1,550,000	3.730%	244,781.25	1,794,781.25	
06/30/2030	1,545,000	3.730%	215,873.75	1,760,873.75	3,555,655.00
12/30/2030	1,605,000	3.730%	187,059.50	1,792,059.50	
06/30/2031	1,605,000	3.730%	157,126.25	1,762,126.25	3,554,185.75
12/30/2031	1,665,000	3.730%	127,193.00	1,792,193.00	
06/30/2032	1,665,000	3.730%	96,140.75	1,761,140.75	3,553,333.75
12/30/2032	3,490,000	3.730%	65,088.50	3,555,088.50	
06/30/2033					3,555,088.50
	26,470,000		4,470,762.46	30,940,762.46	30,940,762.46

DETAILED BOND DEBT SERVICE

**Center City Revenue Finance Corporation
 CCRFC Series 2024A Economic Development Bond
 Convention Center Hotel Project
 *Preliminary, subject to change***

Bond Component

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
06/30/2025	2,055,000	3.730%	452,526.71	2,507,526.71
06/30/2026	2,670,000	3.730%	885,781.75	3,555,781.75
06/30/2027	2,770,000	3.730%	785,258.25	3,555,258.25
06/30/2028	2,870,000	3.730%	681,004.75	3,551,004.75
06/30/2029	2,980,000	3.730%	572,928.00	3,552,928.00
06/30/2030	3,095,000	3.730%	460,655.00	3,555,655.00
06/30/2031	3,210,000	3.730%	344,185.75	3,554,185.75
06/30/2032	3,330,000	3.730%	223,333.75	3,553,333.75
06/30/2033	3,490,000	3.730%	65,088.50	3,555,088.50
	26,470,000		4,470,762.46	30,940,762.46

COST OF ISSUANCE

**Center City Revenue Finance Corporation
 CCRFC Series 2024A Economic Development Bond
 Convention Center Hotel Project
 *Preliminary, subject to change***

<i>Cost of Issuance</i>	<i>\$/1000</i>	<i>Amount</i>
Co-Bond Counsel - Bass, Berry & Sims	1.51114	40,000.00
Co-Bond Counsel - Carpenter Law	1.51114	40,000.00
Financial Advisor - PFM Financial Advisors	1.51114	40,000.00
CCRFC Application Fee	5.00000	132,350.00
Trustee - Regions Bank	0.12656	3,350.00
Trustee's Counsel - Holland & Knight	0.37779	10,000.00
	10.03778	265,700.00

ATTACHMENT B
SCHEDULE OF HISTORIC COLLECTION OF NON-TAX REVENUES

Schedule of Historical Collection of Non-Tax Revenues⁽¹⁾
for City of Memphis, Tennessee
Fiscal Years Ended June 30

	2019	2020	2021	2022	2023
Local Taxes	\$ 187,613,940	\$ 193,671,617	\$ 214,066,275	\$ 230,645,379	\$ 236,822,227
State Taxes	63,329,251	67,369,483	74,322,423	76,183,224	79,484,573
Licenses and Permits	13,674,185	12,278,029	14,806,522	13,157,117	13,195,866
Fines and Forfeitures	11,068,169	11,750,599	10,338,432	11,096,753	10,236,379
Charges for Services	36,063,588	34,004,243	35,593,623	42,283,195	48,003,086
Use of Money & Property	4,594,900	3,716,788	302,443	(2,797,523)	9,387,725
Federal and State Grants	11,503,937	23,539,195	86,440,217	10,596,731	6,118
Intergovernmental Revenue	9,965,561	10,760,231	10,610,475	4,574,827	4,048,498
Other Revenue	17,831,810	17,236,012	14,058,190	12,351,840	14,096,463
Total Non-Tax Revenues	\$ 355,645,241	\$ 374,326,195	\$ 460,538,600	\$ 398,091,542	\$ 415,280,936

⁽¹⁾ Totals may not add due to rounding. The revenues reported in this table include only available revenues, other than ad valorem tax revenues, in the following categories in the City's General Fund: (a) Local Taxes (excludes current ad valorem taxes, prior ad valorem taxes, revenue generated from the sale of prior ad valorem taxes, special assessment taxes and one-half of mixed drink tax and does not exclude payment in lieu of taxes ("PILOT" payment)); (b) State Taxes; (c) Licenses and Permits; (d) Fines and Forfeitures; (e) Charges for Services; (f) the Use of Money & Property; (g) Federal and State Grants; (h) Intergovernmental Revenue; and (i) Other Revenue.

Source: City of Memphis, Tennessee.

ATTACHMENT C LITIGATION

PILOT Payments Litigation

The County has filed two lawsuits against the City, claiming that approximately \$55 million of electric and gas payments in lieu of taxes made by MLGW and collected by the City should have been paid to the County instead. Many of the County's claims were rejected by the Court in a prior suit between the City and the County. The City also disputes the County's interpretation and application of applicable law and has interposed several defenses, including sovereign immunity. As a result, the City believes that the amounts due to the County under these lawsuits, if any, will be significantly less than initially claimed by the County. In any event, the City does not expect that any such amounts will materially affect the financial condition of the City.

BellSouth Litigation

AT&T (formerly known as BellSouth Telecommunications, Inc.) sued the City in 2000 to recover alleged excessive telecommunications franchise fees. Based on a consent order entered by the parties in the case approximately \$35,000,000 (including interest since 2000), is payable by the City to BellSouth (the "BellSouth Payment"), net of any City right-of-way costs properly allocable to BellSouth (the "ROW Compensation"). To the extent the ROW Compensation due from BellSouth is greater than the BellSouth Payment, BellSouth will have to pay the difference. To the extent the ROW Compensation is less than the BellSouth Payment, the City will have to refund the difference to BellSouth. The City has performed a cost allocation study to determine the amount of the ROW Compensation. The City believes that the ROW Compensation from BellSouth will be significant and that any amounts ultimately due to BellSouth will not materially affect the financial condition of the City.

Other Litigation

The City is a defendant in various other lawsuits arising in the ordinary course of operations. Various cases and claims, including suits alleging violations of individual civil rights, are pending against the City involving claims for money damages. Based on the City's past experience, although the outcome of these lawsuits is not presently determinable, it is the opinion of the administration of the City and the Chief Legal Officer/City Attorney that the ultimate disposition of these matters will not materially affect the financial condition of the City. Under the

Tennessee Governmental Tort Liability Act, §§ 29-20-101 through 29-20-408 of the Tennessee Code Annotated (the "Governmental Tort Act"), all governmental entities in Tennessee are immune from suit for any injury which may result from the activities of such governmental entities when engaged in the exercise and discharge of any function, except within the limits provided in the Governmental Tort Act. Pursuant to the Governmental Tort Act, there are limits for liability for governmental entities for bodily injury or death of any one person in any one accident, occurrence or act, unless and to the extent insurance is provided. The City is self-insured within these limits and all such claims are budgeted and paid from annual operating revenues of the City.

ATTACHMENT D
REGIONS CAPITAL ADVANTAGE TERM SHEET

From: [Andrew Gress](#)
To: [Lauren Lowe](#)
Cc: [Albert Brown](#); [Patti A. Bell](#)
Subject: CCRFC Series 2024B - Regions Proposal
Date: Monday, August 19, 2024 2:56:30 PM
Attachments: [image001.png](#)

ALERT: This message is from an external source. **BE CAUTIOUS** before clicking any link or attachment

Lauren,

Thank you for including Regions in this opportunity.

Regions Capital Advantage (the “Lender”) is pleased to offer the below loan options to the City of Memphis, Tennessee (the “Borrower”) to support the acquisition of its Convention Center Hotel. This proposal assumes closing on or before October 30, 2024, unless otherwise agreed by the Lender, Center City Revenue Finance Corporation (CCRFC), and the City. The Loan has received preliminary credit approval, and remains subject to the Lender’s final credit approval.

Loan Option 1 – 4yr call

Issuer:	Center City Revenue Finance Corporation (CCRFC)
Borrower:	City of Memphis, TN
Amount / Type:	Up to \$30,000,000 CCRFC Economic Development Bond, Series 2024B
Security:	Annually appropriated non-property tax revenues of the City of Memphis
Term:	Up to 7 years. Semi-annual principal & interest with level debt service.
Prepayment:	Prepayable at any time 4 years from closing (see “Prepayment” below)
Financial Covenants:	None
Reporting:	<ol style="list-style-type: none"> 1. Audited financial statements & various operating data within 12-months of fiscal year end 2. EMMA posting upon event of default or nonappropriation
Tax-Exempt (NBQ) Interest Rate:	<p>The Loan will bear interest at a fixed rate per annum through the maturity date equivalent to 79% of the prevailing 3 year US Treasury (the “Index Rate”), appearing as the most recent closing price of said Index Rate on the US Department of the Treasury website https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?date=yield) plus 67 basis points. The indicative rate as of market close on Friday, August 16th is 3.73%.</p> <p>The interest rate may be fixed up to 30-days in advance of closing upon receiving email correspondence from the City’s Municipal Advisor that Lender’s bid has been accepted. The Lender is willing to price rate locks</p>

	up to 60-days upon request.
Fees:	None

Loan Option 2 – 2yr call

Issuer:	Center City Revenue Finance Corporation (CCRFC)
Borrower:	City of Memphis, TN
Amount / Type:	Up to \$30,000,000 CCRFC Economic Development Bond, Series 2024B
Security:	Annually appropriated non-property tax revenues of the City of Memphis
Term:	Up to 7 years. Semi-annual principal & interest with level debt service.
Prepayment:	Prepayable at any time 2 years from closing (see “Prepayment” below)
Financial Covenants:	None
Reporting:	<ol style="list-style-type: none"> 1. Audited financial statements & various operating data within 12-months of fiscal year end 2. EMMA posting upon event of default or nonappropriation
Tax-Exempt (NBQ) Interest Rate:	<p>The Loan will bear interest at a fixed rate per annum through the maturity date equivalent to 79% of the prevailing 3 year US Treasury (the “Index Rate”), appearing as the most recent closing price of said Index Rate on the US Department of the Treasury website https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?date=yield) plus 84 basis points. The indicative rate as of market close on Friday, August 16th is 3.90%.</p> <p>The interest rate may be fixed up to 30-days in advance of closing upon receiving email correspondence from the City’s Municipal Advisor that Lender’s bid has been accepted. The Lender is willing to price rate locks up to 60-days upon request.</p>
Fees:	None

The Lender will have certain other general requirements, many of which are outlined below.

Thanks again for including Regions in this opportunity. Please don’t hesitate to reach out with any questions.

Best regards,
Drew Gress

Documentation

The obligation of the Lender or one of its affiliates to provide credit to the Borrower in the form of its purchase of the Loan is subject to the execution and delivery of loan documentation (the “Loan

Documents”) satisfactory to the Lender and its legal counsel. The Loan Documents shall contain such representations, warranties, covenants, events of default, conditions precedent, remedies and general provisions that the Lender and its counsel deem necessary and shall otherwise be satisfactory in form and substance to the Lender and its counsel. The Lender’s obligation hereunder shall also be subject to the Lender not becoming aware after the date hereof of any information or other matter affecting the Borrower or the transactions contemplated hereby which is inconsistent in a material and adverse manner with any such information or other matter disclosed to the Lender prior to the date hereof.

Please note that the Lender would be purchasing the debt as a single term bond and all CUSIP, DTC and all offering memoranda (preliminary or final) and official statement (preliminary or final) references would need to be removed from the final Loan Documents. In lieu of an offering memorandum or official statement, a term sheet or private placement memorandum may be referenced in the Loan Documents and should be in a form approved by the Lender. For clarity’s sake, the Loan Documents should exclude references to any type of offering memorandum or official statement, whether preliminary or final, even if one was initially prepared for the transaction. The Lender may additionally request certain revisions to the Loan Documents to reflect that the Lender is purchasing the Loan as evidence of a loan and not as an investment security.

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Role of Lender

The Borrower by acceptance of this bid hereby acknowledges that Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to any information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to any information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Issuer and the Borrower have been informed that they should discuss any such information, materials or communications with any and all internal and external advisors and experts that the Issuer and the Borrower deem appropriate before acting on any such information, materials or communications.

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Privately Negotiated Loan

The Borrower by acceptance of this bid hereby acknowledges and agrees that the Lender is purchasing the Loan in evidence of a privately negotiated loan and in that connection the Loan shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number.

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Closing Deliveries

Prior to funding the purchase of the Loan, the Lender will need to be provided with (i) the original Bond and an original Bond Counsel opinion, and (ii) an electronic copy of the substantially final transcript. The Lender recognizes that certain documents to be included in the transcript may not be available or finalized until shortly after closing.

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Prepayment

All partial prepayments of principal shall be applied in the inverse order of maturities or sinking fund redemption date on not less than 10 days' written notice to the Lender.

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Patriot Act

The Borrower represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Borrower further represents and warrants to the Lender that the Borrower and its principals, shareholders, members, partners, or Affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

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Transfer Provisions

The Lender shall maintain the right to transfer and/or assign, in whole, its rights hereunder, the Debt Instrument and/or the Loan, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The Lender agrees that in the event of any transfer of the Bonds it will only transfer the Bonds to an entity that is an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and/or a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933. The Borrower may not assign its rights hereunder or under any of the Loan Documents to any person without the prior written consent of the Lender. The Lender will agree in the Loan Documents to comply with any and all applicable state and federal laws in any assignment or transfer of the Bonds or the Loan Documents.

Defaults

Usual and customary for this type of financing, including but not limited to the following.

1. The Borrower fails to pay when due any fee or expense payable under the Loan Documents;
2. Non-Appropriation by the City of its non-property tax revenues under the loan agreement between CCRFC and the City; and
3. Default shall be made by the Borrower in performance or observance of any of the other covenants, agreements or conditions on its part in the Loan Documents, and such default

shall continue for a period of 30 days after written notice thereof to the Borrower by the Lender.

Remedies

The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof, including, but not limited to, a default rate equivalent to the applicable interest rate on the Loan plus 2%.

Legal Opinions

As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender, an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Tennessee to enter into the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued by the Issuer and the Debt Instrument has been duly authorized by the Issuer, and other loan documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that various documents to which the Borrower and the Issuer are a party are the valid and binding obligations of such parties, duly enforceable in accordance with their terms, and (d) that interest on the bond is (i) excludable from gross income of the holders thereof for federal income tax purposes and (ii) exempt from present state and local taxation in the State of Tennessee.

Reporting

The Borrower will agree to provide to the Lender, for so long as the Loan remains outstanding, but only to the extent such information is not available on the Electronic Municipal Market Access (EMMA) website, the audited financial statements of the Borrower and various operating data within 12-months of the end of each of the Borrower's Fiscal Year's.

Additionally, the Borrower agrees to immediately, and not more than 10 business days following the occurrence of an event of default or an event of nonappropriation with respect to the Loan, post notice of the occurrence of such event of default or event of nonappropriation on EMMA, and to provide the Lender with evidence of such posting.

Taxability

Upon the occurrence of either a Determination of Taxability of the Loan, the Issuer and the Borrower agree: (i) that the rate of interest on the Loan will be increased to a rate providing an after-tax yield on the then outstanding principal amount of the Loan at least equal to the after-tax yield the Lender could have received if either such determination had not occurred (the "Taxable Rate"); (ii) to pay to the Lender on demand an amount equal to the difference between (1) the amount of interest that would have been paid to the Lender from the date of the closing of the Loan to and including the date that such determination was made, had the Loan borne interest at the Taxable Rate during such period, and (2) the amount of interest actually paid to the Lender during such period, and (iii) to pay to the Lender on demand, any interest, penalties or charges owed by the Lender as a result of interest

on the Loan becoming included in the gross income of the Lender, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender in connection therewith.

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Loan vs. Security

The Lender will require certain changes to the Loan Documents to reflect that the Lender is purchasing the Bonds as evidence of a loan and not as an investment security. Accordingly, the Lender will request that references such as "invest," "investment," and "investor" be changed to "purchase," "loan" and "lender."

Drew Gress

Government & Institutional Banker

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Internal Use