

AGENDA
MONTHLY MEETING OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE CITY OF CHATTANOOGA, TENNESSEE

Monday, January 23, 2023 @ 12:30 PM

1. Call to Order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Approval of the Minutes for the December 12, 2022, meeting.
4. Recognition of Persons Wishing to Address the Board and Procedures.
5. A RESOLUTION OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE AUTHORIZING AMENDMENT TO ITS REVENUE REFUNDING BONDS (THE BAYLOR SCHOOL PROJECT) SERIES 2017A AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR). **(HEB2023-01)**
6. A RESOLUTION OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE AUTHORIZING AMENDMENT TO ITS REVENUE REFUNDING AND IMPROVEMENT BONDS (SOUTHERN ADVENTIST UNIVERSITY PROJECT) SERIES 2013 AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR). **(HEB2023-02)**
7. Adjournment.



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD
City of Chattanooga, Tennessee
MONTHLY MEETING MINUTES
John P. Franklin City Council Building
J.B. Collins Conference Room
1000 Lindsay Street
Chattanooga, TN 37402
for
December 12, 2022
12:30 p.m.

Present were Board Members: Gregg T. Gentry (Vice-Chair), Richard Johnson (Secretary), Alexa LeBoeuf, Johnika Everhart, and Andrea L. Smith. Absent was Hicks Armor (Chair).

Also present were Phillip A. Noblett (Counsel to the Board); Kim Narramore (Economic Development); Sandra Gober (Community Development); Don Walker; and Vickie Haley (Interim City Finance Officer).

Mr. Gentry called the meeting to order, confirmed the meeting advertisement, and established that a quorum was present to conduct business.



MINUTES APPROVAL FOR THE OCTOBER 17, 2022, MEETING

On motion of Ms. LeBouef, seconded by Ms. Everhart, the minutes of the October 17, 2022, meeting were unanimously approved as submitted.



PUBLIC COMMENTS

There was no one from the public wishing to comment.



On motion of Mr. Johnson, seconded by Ms. Smith,

A RESOLUTION AUTHORIZING THE CHAIR OR VICE CHAIR TO EXECUTE A SIXTEEN (16') FOOT POWER AND COMMUNICATIONS EASEMENT WITH THE ELECTRIC POWER BOARD RELATING TO THE MAI BELL 2 PILOT PROPERTY LOCATED AT UNION AVENUE AND S. HAWTHORNE STREET ON TAX MAP PARCEL NO. 146J-P-010, TO INSTALL, MAINTAIN, REPAIR, REBUILD, OPERATE, AND INSPECT THE UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM. (HEB2022-09)

There was no one from the Electric Power Board present to speak on this resolution. Attorney Noblett stated this is a standard easement. We have reviewed the document, and it is simply a power and communication easement shown on the attached map and that the Board is aware that any time there is a PILOT that is involved, we need to make sure they do what they are supposed to do with the PILOT.

The motion carried.

ADOPTED-December 12, 2022

OTHER BUSINESS

- **Informational Purposes** re: Affordable Housing Application changes previously requested and approved by HEB resolutions (HEB-2021-02) and (HEB-2022-05).

Mr. Noblett was not present at the last meeting, and the minutes contain issues of the HOME Program and affordable housing. We determined that there was not a need for a resolution, but there was a need for some understanding simply of what is going on. Attached to this agenda packet is a five-bullet item containing that information. Two different resolutions have been included in the packet. There was an updated overview and new application form. The Board has dealt with this on two other occasions. Attorney Noblett wants to make sure the Board understands how the Affordable Housing Program works.

Ms. Gober stated that in 2019, the City Council and Mayor Berke established the Affordable Housing Fund which was capitalized with \$1 million with a promise that they would provide \$1 million every year up to five years. The Affordable Housing Fund was established, and we are in the fifth year. The fund would have technically been capitalized at \$5 million. We have funded other projects out of the funds. When the fund was established, Donna Williams and Ms. Gober created the policies, guidelines, and procedures for applicants to apply for the funds. Since the establishment of the fund, the HEB is the conduit through which we receive approval and vetting of the applications to provide transparency for the use and distribution of the funding. After the program was established, there have been a couple of requests from Community Development to change the use of the funding. Initially, the funding was established for the

preservation and production of affordable housing, and it was really targeting the development, bricks, work construction, renovation of the projects. The Board approved funding to CALEB for the feasibility study. We provided funding to Habitat for the acquisition of some property.

During COVID, the Board approved the use of some of the funds for rent, utility or mortgage assistance for families affected by COVID. With the changes, the current guidelines did not accommodate those changes so what Ms. Gober's attempt was to just amend the guidelines to incorporate the approved changes that have taken place and also not just to accommodate and incorporate those changes, but also to redesign the format for clarity and expand the information that we make available for interested applicants. We designed applications that tie into what kind of request is being made and each application contains detailed information on the expectations of the applicant's requirements. If we were doing any project associated that is tied to land to ensure that the project adheres to the requirements, we do have a Land Use Restrictive Covenant on the property during that period that they agree to do whatever it is that they are supposed to do. The guidelines and application were established and tweaked for clarity and to glean the information that we need to properly vet the application but also to clearly convey the information and expectations to anyone that is applying for the funding. We resulted in formulated guidelines but three different applications detailing information associated with the type of project that would be funded.

Attorney Noblett stated that the one pager is that Area Median Income (AMI) levels have been amended based upon the review they have looked at. Because of the AMI from the Department of Labor Statistics changing, they found the rental and homeownership affordability is less available than 100%. They have increased the AMI limits for benefits for working class folks up to 120% on this amount for those folks to be able to take advantage of affordable housing. That is an important portion of this for the Board to be made aware of.

Ms. Gober stated the language used in the AMI was a lot of HUD backed or created lingo, and we were trying to convey that to the average person. This is a point of reference to help the Board see and appreciate the changes that were made and why they were made to expand the range of projects and households that can be served utilizing the funding. The information is local and outlines what it costs to rent a unit in Chattanooga. If we are looking at what HUD allows versus what the established 30% and what a family could afford, the funding is made available to assist with the cost for families into housing through development or access to housing.

Attorney Noblett asked why Chattanooga was so high? Ms. Gober stated Chattanooga is a hot market. It is a very attractive market, and the developers know that our competition is utilizing these funds to maintain some affordability. Ms. Gober stated there were examples from the Department of Labor. Ms. Gober stated they look at and evaluate whether or not a household is eligible to receive or occupy a unit that we put money into. These are the maximums for the household.

Ms. LeBouef asked if Ms. Gober could explain the width versus no utilities. Ms. Gober stated that when they are managing projects that have federal funds and talking about the maximum rent you can charge for a unit, that max which is \$742, you have to deduct utilities. We reduce that by even \$100 or so. We are talking about if someone goes out and they are wanting to rent a unit that has been supported with federal money, if it is a one-bedroom, the most that they can charge is \$642 in rent. Where we come into play is that we are utilizing the dollars to help the development of the project so that the developer does not have to borrow as much debt which keeps the operating costs down so they can afford to rent. We will utilize some of the funding if a family is only making enough to pay to be able to afford \$300 or \$400, we can make funding available to cover the gap.

When we are dealing with low to moderate income folks that are making requests for a PILOT, would those folks be eligible for this type of affordable housing? The Mayor and Administration is probably going to come back to the Board to ask for some changes relative to the PILOT. Currently, when assistance is provided to the projects under the PILOT, at least 50% of those units have to be income restricted. There is discussion regarding that and a lot of it is again we are in a hot market and trying to utilize these funds to compete in that market and competing with developers. We need to incentivize to take this money and build out the units and keep them restricted for a certain period of time. Attorney Noblett stated that will require a resolution.

- **Informational Purposes** re: Notice of Determination (Alexzandria Gray) – Mount Auburn (1400 Chestnut) PILOT

Attorney Noblett stated that Ms. Gray is from Maryland who filed a complaint with the Tennessee Human Rights Commission regarding the operation of one of the units that is subject to a PILOT. This was 1400 Chestnut Street. It is titled in the name of the HEB through the PILOT program and currently managed by Bluestone Property Management, LLC.

Ms. Gray was apparently saying that she was attempting to view the property and go on a tour over the property, and she thought she was basically being blown off by the Bluestone people and not given a fair opportunity. She apparently asserted and wrote a review about the property on-line and gave them a bad rating on review, and the people called her back from Bluestone. She said she did not get enough of a chance to view the property but showed up apparently late for the interview time. They had another meeting at 11:30 and gave her a partial review of one and two-bedroom units in the apartment complex. She asserted that it was in violation of her race and said they were acting improperly towards her.

The THRC did a pretty good review and interviewed the lady, folks at Bluestone that were renting this, and also did a review of other people who were renting there to see if they thought that it was discrimination. They reached out to 19 potential tenants in connection with this matter, and seven of them agreed to be interviewed. They said they did not think there was any staff treating races differently from others in connection with that review. The investigation did not find sufficient evidence to suggest that they discriminated against the plaintiff because of race. They said she filed this action, but their conclusion was that there was no reasonable cause to believe they engaged in acts of discrimination. They have closed the file but as they usually do in

these matters, they give an opportunity for someone to be able to file a request for reconsideration or to file a private action in state court appealing the decision. Normally, once a Notice of Determination is written, they have a 30-day requirement to file. We have not received anything since November 22nd. It is now December 10th.

The other provision under the Fair Housing Act a complainant may file a civil action in federal or state court within two years after the occurrence of the alleged discriminatory housing practice. There is a lengthy time period of filing a discrimination type case. If anything arises, the Board may want to talk to the 1400 Chestnut group. At this point in time, the investigator determined that there was no violation, and we will see where they are going. This is one where they were renting out short term rentals. We had to file suit against them to stop that, and they agreed to stop.

Ms. Everhart stated that the people they used were seven Caucasian and one Pacific Islander. It is an African American person that is saying they are being discriminated against. Ms. Everhart is not sure how that helps, but that is the data they used. Attorney Noblett stated they were calling 19 folks. Ms. Everhart stated how do you really know that this is the case when you do not have the actual. You not using any black people. You talking to all different races. Ms. Everhart thinks she was just late and mad and wanted to make accommodations. Ms. Everhart is just making the comment that the people that they interviewed were not the people being complained about. That data is null and void because they said there were no race issues, but they had seven Caucasian people and only one Pacific Islander. Ms. Everhart guesses that one Pacific Islander was the person that did not say they had a race issue they are referring to. That is all they had. That is the only different race that they had. That is an interesting note.

Attorney Noblett stated he was not sure who the 19 were they tried to contact initially and how many of those folks were willing to respond. It was interesting to Attorney Noblett as well in the numbers as to the percentages. They are not basing them based upon the percentages in the City. They are basing them on the percentages in the County of race population. The numbers that were met at that location African American and Caucasian were definitely within the limits of the County. Ms. Everhart stated it was 60% Caucasian, 15% African American, and 10% Other. It might have been 63% and could be off of the numbers.

Attorney Noblett stated it was 60% Caucasian representation and 30% African American. The percentages of 75% in County, 19% African American in County, and 15% Others. Ms. Everhart stated she was just late, and this is silly. She was mad because they did not make an accommodation. Their biggest defense is that they did not have anybody else working that says it was just one lady working. It is like she had somebody that could make the accommodation. She told her she was late and really don't have time to do it and then I can reschedule.

After further discussion and there being no further business, the meeting adjourned at 1:00 p.m.

Respectfully submitted,

Richard A. Johnson, Secretary

APPROVED:

Hicks Armor, Chair

Cessation of LIBOR

The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee (the “Board”) has outstanding the following variable rate bonds: Educational Facilities Revenue Refunding Bonds, Series 2017A (The Baylor School Project) and Revenue Refunding and Improvement Bonds (Southern Adventist University Project) Series 2013, both of which use the London Interbank Offered Rate (LIBOR) as the market index to reset interest rates.

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

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

A RESOLUTION OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE AUTHORIZING AMENDMENT TO ITS REVENUE REFUNDING BONDS (THE BAYLOR SCHOOL PROJECT) SERIES 2017A AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR)

WHEREAS, The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee (the "Issuer") has heretofore issued its Revenue Refunding Bonds (The Baylor School Project) Series 2017A (the "Bonds") that bear interest based on the London Inter-Bank Offered Rate ("LIBOR").

WHEREAS, the Bonds were issued pursuant to a Bond Purchase and Loan Agreement dated September 20, 2017 between the Issuer and the Borrower and the Lender, as amended by that First Amendment to Bond Purchase and Loan Agreement dated August 20, 2018 and that Second Amendment to Bond Purchase and Loan Agreement date December 20, 2018 (as amended, the "Loan Agreement"), and the proceeds thereof were loaned to The Baylor School (the "Borrower") pursuant to the Loan, and the Bonds were purchased by Truist Commercial Equity, Inc., formerly known as STI Institutional & Government, Inc. (the "Lender") pursuant to the Loan Agreement; and

WHEREAS, to evidence its obligations under the Loan Agreement, the Borrower executed a Series 2017A Promissory Note (the "Note") dated September 20, 2017, which was endorsed to the Lender as security for the Bond.

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

WHEREAS, to prevent disruption in the interest rate calculations for the Bonds, the Lender and the Borrower have requested the Issuer to authorize amendment to the Bond, the Loan Agreement and the Note collectively, the "Bond Documents") and each of the other Loan Documents (as defined in the Loan Agreement) to provide for the substitution of LIBOR with the Secured Overnight Financing Rate ("SOFR") pursuant to a Consolidated Amendment to Bond Documents, the form of which is attached hereto as Exhibit A (the "Amendment").

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, as follows:

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

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

HEB2023-01

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

Section 4. Limited Obligations.

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

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

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

The foregoing Resolution was approved and adopted by the Board of Directors of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee on January 23, 2023.

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE CITY OF
CHATTANOOGA, TENNESSEE

By: _____
Name: Hicks Armor
Title: Chair

ATTEST:

Richard Johnson, Secretary

The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee
Revenue Refunding Bond
(The Baylor School Project) Series 2017A

CONSOLIDATED AMENDMENT TO BOND DOCUMENTS

Issuer: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

Borrower: THE BAYLOR SCHOOL

Lender: TRUIST COMMERCIAL EQUITY, INC., formerly known as STI Institutional & Government, Inc.

Bond Caption: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE REVENUE REFUNDING BOND (THE BAYLOR SCHOOL PROJECT) SERIES 2017A

Date of Bond: September 20, 2017

Original Principal Amount: \$17,900,000

Date of Amendment: [_____, 2023]

BACKGROUND

A. The Issuer issued the bond described above (such bond being referred to herein as the “Bond”) pursuant to a Bond Purchase and Loan Agreement dated September 20, 2017 between the Issuer and the Borrower and the Lender, as amended by that First Amendment to Bond Purchase and Loan Agreement dated August 20, 2018 and that Second Amendment to Bond Purchase and Loan Agreement dated December 20, 2018 (as amended, the “Loan Agreement”).

B. To evidence its obligations under the Loan Agreement, the Borrower executed a Series 2017A Promissory Note (the “Note”) dated September 20, 2017, which was endorsed to the Lender as security for the Bond.

C. Pursuant to the Loan Agreement, the Bond bears interest at the Applicable Interest Rate, which is based upon the LIBOR Rate.

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

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereto are entering into this Consolidated Amendment to Bond Documents (this “Amendment”), and hereby covenant and agree as follows:

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

2. Interest Rate. Notwithstanding anything to the contrary in the Bond Documents, the Issuer, the Borrower and the Lender acknowledge and agree that the Applicable Interest Rate shall equal the Adjusted Interest Rate as defined in Exhibit A hereof. The Adjusted Interest Rate shall be subject to the adjustments provided for in Exhibit A hereof and Section 3.3 of the Loan Agreement.

3. LIBOR Fallback Provisions.

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

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

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

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

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

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

7. Miscellaneous. Wherever possible, the provisions of this Amendment shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of any such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. The headings in this Amendment are included for convenience only and shall neither affect the construction or interpretation of any provision in this Amendment nor affect any of the rights or obligations of the parties to this Amendment. The Borrower agrees to pay all reasonable costs and expenses of the Lender and the Issuer in connection with the preparation, execution and delivery of the documents executed in connection with this Amendment, including without limitation, the reasonable fees and out-of-pocket expenses of Lender's counsel, bond counsel and Issuer's counsel.

BORROWER ACKNOWLEDGES AND AGREES THAT: (I) BORROWER MAY REQUEST AND APPLY FOR A REPLACEMENT INDEX FOR USD LIBOR NOW OR AT ANY TIME

HEREAFTER; (II) THE INTEREST RATE FOLLOWING THE REPLACEMENT OF USD LIBOR THROUGH ANY REQUESTED AMENDMENT MAY BE LOWER OR HIGHER THAN THE INTEREST RATE FOLLOWING REPLACEMENT OF USD LIBOR AT CESSATION AS CONTEMPLATED BY THIS AMENDMENT; AND (III) BORROWER HAS KNOWINGLY AND VOLUNTARILY ENTERED INTO THIS AMENDMENT.

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

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

ISSUER:

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY
BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

By _____

Name: Hicks Armor

Title: Chair

BORROWER:

THE BAYLOR SCHOOL

By _____

Name: _____

Title: _____

LENDER:

TRUIST COMMERCIAL EQUITY, INC., formerly known as STI
Institutional & Government, Inc.

By: _____

Name: _____

Title: _____

Exhibit A
INTEREST RATE PROVISIONS

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

1. BENCHMARK REPLACEMENT SETTING.

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

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

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

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

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

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

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

“**Adjusted Interest Rate**” means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a Determination of Taxability, the Adjusted Interest Rate shall be the Benchmark plus the Margin.

“**Applicable Factor**” means [79]%, which is the tax-exempt factor component of the interest rate that is applicable to the Bond on the date hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such

Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

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

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

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

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

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

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

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

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

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

“**Federal Funds Rate**” shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day;

provided, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Truist.

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

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

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

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

“Margin” means [0.80]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

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

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

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

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

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

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

“Standard Rate” means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate

ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Adjusted Interest Rate" means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a Determination of Taxability, the Adjusted Interest Rate shall be the Benchmark plus the Margin.

"Applicable Factor" means [79]%, which is the tax-exempt factor component of the interest rate that is applicable to the Bond on the date hereof.

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

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

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

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

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

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

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

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

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

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

“Margin” means [0.80]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

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

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

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

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

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

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

34884342.1

A RESOLUTION OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE AUTHORIZING AMENDMENT TO ITS REVENUE REFUNDING AND IMPROVEMENT BONDS (SOUTHERN ADVENTIST UNIVERSITY PROJECT) SERIES 2013 AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR).

WHEREAS, The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee (the “Issuer”) has heretofore issued its Revenue Refunding and Improvement Bonds (Southern Adventist University Project) Series 2013 (the “Bonds”) that bear interest based on the London Inter-Bank Offered Rate (“LIBOR”).

WHEREAS, the Bonds were issued pursuant to an Indenture of Trust dated January 1, 2013 between the Issuer and the U.S. Bank National Association (the “Trustee”), as amended by a First Amendment to Indenture of Trust dated April 27, 2018 (as amended, the “Indenture”), and the proceeds thereof were loaned to Southern Adventist University (the “Borrower”) pursuant to that certain Loan Agreement dated January 1, 2013 (the “Loan Agreement”), and the Bonds were purchased by SunTrust Bank (now Truist) (the “Lender”) pursuant to a Guaranty and Credit Agreement dated January 1, 2013, (as amended, the “Guaranty Agreement”; together with the Bonds, the Indenture, the Loan Agreement, and other financing documents related to such Bonds, the “Bond Documents”); and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, as follows:

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

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

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

HEB2023-02

Section 4. Limited Obligations.

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

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

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

The foregoing Resolution was approved and adopted by the Board of Directors of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee on January 23, 2023.

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE CITY OF
CHATTANOOGA, TENNESSEE

By: _____
Name: Hicks Armor
Title: Chair

ATTEST:

Richard Johnson, Secretary

The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee
Revenue Refunding and Improvement Bonds
(Southern Adventist University Project) Series 2013

CONSOLIDATED AMENDMENT TO BOND DOCUMENTS

Issuer: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

Borrower: SOUTHERN ADVENTIST UNIVERSITY

Lender: TRUIST BANK, successor to SunTrust Bank

Bond Caption: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE REVENUE REFUNDING AND IMPROVEMENT BONDS (SOUTHERN ADVENTIST UNIVERSITY PROJECT) SERIES 2013

Date of Bond: January 2, 2013

Original Principal Amount: \$19,100,000

Date of Amendment: [_____, 2023]

BACKGROUND

A. The Issuer issued the bond described above (such bond being referred to herein as the “Bond”) pursuant to an Indenture of Trust dated January 1, 2013 between the Issuer and the U.S. Bank National Association (the “Trustee”), as amended by a First Amendment to Indenture of Trust dated April 27, 2018 (as amended, the “Indenture”).

B. The Lender purchased the Bond and advanced the proceeds of the sale of the Bond (on behalf of the Issuer) to the Borrower pursuant to that certain Loan Agreement dated January 1, 2013 (the “Loan Agreement”).

C. The Borrower and the Lender executed that certain Guaranty and Credit Agreement dated January 1, 2013, pursuant to which the Borrower made certain additional agreements with respect to the Bond (the “Guaranty Agreement”).

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

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

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereto are entering into this Consolidated Amendment to Bond Documents (this “Amendment”), and hereby covenant and agree as follows:

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

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

3. LIBOR Fallback Provisions.

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

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

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

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

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

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

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

the documents executed in connection with this Amendment, including without limitation, the reasonable fees and out-of-pocket expenses of Lender's counsel, bond counsel and Issuer's counsel.

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

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

ISSUER:

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY
BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

By _____
Name: Hicks Armor
Title: Chair

BORROWER:

SOUTHERN ADVENTIST UNIVERSITY

By _____
Name: _____
Title: _____

LENDER:

TRUIST BANK, successor to SunTrust Bank

By: _____
Name: _____
Title: _____

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Exhibit A
INTEREST RATE PROVISIONS

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

1. BENCHMARK REPLACEMENT SETTING.

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

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

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

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

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

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

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

“**Adjusted Interest Rate**” means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a Determination of Taxability, the Adjusted Interest Rate shall be the Benchmark plus the Margin.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such

Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

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

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

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

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

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

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

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

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

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

“**Federal Funds Rate**” shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day;

provided, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Truist.

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

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

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

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

“Margin” means [1.59]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

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

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

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

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

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

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

“Standard Rate” means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate

ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Adjusted Interest Rate" means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a Determination of Taxability, the Adjusted Interest Rate shall be the Benchmark plus the Margin.

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

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

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

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

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

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

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

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

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

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

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

“Margin” means [1.59]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

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

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

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

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

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

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

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