



JASON E. MUMPOWER
Comptroller

September 13, 2023

Mr. Tim Henderson, President
and Members of the Board
Cleveland Utilities Authority
2450 Guthrie Avenue NW
Cleveland, TN 27320

Dear Mr. Henderson and Boardmembers,

Thank you for your request. We acknowledge receipt on September 7, 2023, of a request from the President of the Cleveland Utilities Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of a maximum \$63,475,000 Electric System Revenue Bonds, Series 2023.

Pursuant to the provisions of Tenn. Code Ann. Title 7 Chapter 36, enclosed is a report based upon our review of the Authority's Plan. The Plan, this letter, and the enclosed report must be made available on the Authority's website and must be presented to each member of the Commission for review prior to the adoption of the bond authorizing resolution.

This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The Authority should discuss these issues with bond counsel.

Publication Requirement

The enclosed report must be published on the Authority's website.

Balloon Indebtedness

The proposed structure of the Series 2023 Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133. If the structure is revised, the Authority should determine if the new structure complies with state law balloon indebtedness. If it is determined that the revised bond structure constitutes balloon indebtedness, the Authority must submit a Plan of Balloon Indebtedness to our office for approval prior to the Authority adopting the resolution authorizing the issuance of the debt.

Letter to Cleveland Utilities Authority
September 13, 2023

After Issuance

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://tncot.cc/debt>. The listing is not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed indebtedness.

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, William Wood, at 615.401.7893 or william.wood@cot.tn.gov.

Sincerely,



Sheila Reed, Director
Division of Local Government Finance

cc: Marshall Stinnett, Chief Financial Officer, Cleveland Utilities Authority
Jeff Oldham, Bass Berry & Simms
Betsy Knotts, Bass Berry & Simms
Rick Dulaney, Raymond James
Elizabeth Zuelke, Raymond James

Enclosure: Report of the Director of the Division of Local Government Finance

SR:ww



**Report on Electric System Revenue Bonds, Series 2023
The Cleveland Utilities Authority, Cleveland Tennessee**

This report is being issued pursuant to Tenn. Code Ann. Title 7 Chapter 36, and is based upon information as presented in a plan of finance (the “Plan”) received by our office on September 7, 2023, from the Cleveland Utilities Authority (the “Authority”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction prior to approving the issuance of the bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan. This report and the Authority’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the bonds.

PROPOSED DEBT:

The Authority plans to issue an estimated \$63,475,000 Electric System Revenue Bonds, Series 2023, consisting of \$7,475,000 to finance the purchase of electric system assets from the City of Cleveland and \$56,000,000 to fund capital projects for the Electric system.

FINANCIAL POSITION:

For fiscal year 2022, the Electric System increased its total net position by \$9,139,460 and reported current assets sufficient to pay its current liabilities. The system projects positive changes in net position for fiscal years 2024-2026. Debt service coverage after the issuance of the bonds is estimated to be 311.57% in year 2025.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the transaction has not been priced during this ninety (90) day period, a new plan, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the Authority’s governing body to review prior to adopting a new authorizing resolution for the bonds.

A handwritten signature in black ink that reads "Sheila A. Reed".

Sheila Reed
Director of the Division of Local Government Finance
Date: September 13, 2023

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$69,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES 2023 OF THE CLEVELAND UTILITIES AUTHORITY; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES FROM THE ELECTRICAL POWER DISTRIBUTION SYSTEM OF THE AUTHORITY; AND MAKING PROVISION FOR THE OPERATION OF SAID SYSTEM.

WHEREAS, the Cleveland Utilities Authority (the "Authority") has been created as a governmental authority and public corporation pursuant to the Municipal Energy Authority Act, Sections 7-36-101 *et seq.*, Tennessee Code Annotated, as amended (the "Act") for the purpose, among others, of acquiring and operating the electrical power transmission and distribution system (the "System") heretofore owned by the City of Cleveland, Tennessee (the "City") and operated on behalf of the City by the Board of Public Utilities of the City of Cleveland (the "Board"); and

WHEREAS, the City, the Board and the Authority plan to enter into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") pursuant to which the City and the Board have agreed to sell the assets comprising the System to the Authority; and

WHEREAS, the Purchase and Sale Agreement requires the Authority to pay to the City, as the purchase price for the System, an amount sufficient for the City to retire the portion of the following series of bonds allocable to the System: General Obligation Refunding Bond, Series 2016B, dated May 27, 2016, General Obligation Bonds, Series 2018B, dated December 7, 2018, General Obligation Refunding Bonds, Series 2019, dated March 26, 2019, and General Obligation Bonds, Series 2020, dated November 10, 2020 (collectively, the "City Debt"); and

WHEREAS, the Act authorizes the Authority to issue its revenue bonds to provide for the payment of said purchase price; and

WHEREAS, the Board of Directors of the Authority wishes to provide for the funding of additional capital projects for the System, including without limitation the purchase and installation of fiber optic infrastructure for the System, the acquisition of all property real or personal appurtenant thereto, and the payment of legal, fiscal, engineering, architectural and administrative fees in connection therewith; and

WHEREAS, in order to obtain funds for such purposes, the Board of Directors of the Authority has determined that it is necessary and advisable for the Authority to issue its revenue bonds; and

WHEREAS, as required by the Act, the Authority has submitted a proposed plan of finance to the office of the Comptroller of the State of Tennessee, and his office has issued its report thereon, a copy of which has been published on the Authority website and distributed to each member of the Board of Directors; and

WHEREAS, it is the intention of the Board of Directors of the Authority to adopt this resolution for the purpose of authorizing not to exceed \$69,000,000 in aggregate principal amount of electric system revenue bonds for the purposes described above and more fully described herein; establishing the terms of the bonds; and providing for the issuance, sale and payment of said bonds, the disposition of proceeds therefrom, and the collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cleveland Utilities Authority as follows:

ARTICLE I. DEFINITIONS

The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

"Acquired System" shall mean any electrical power generation, transmission and/or distribution system acquired by the Authority and/or any such facilities hereafter constructed or otherwise established by the Authority pursuant to the Act.

"Act" shall mean Sections 7-36-101 *et seq.*, Tennessee Code Annotated, as amended.

"Authority" means the Cleveland Utilities Authority.

"Balloon Indebtedness" shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period.

"Board" means the Board of Public Utilities of the City of Cleveland, a board of public utilities of the City.

"Board of Directors" means the Board of Directors of the Authority.

"Bonds" means the Series 2023 Bonds and any Parity Bonds.

"Bond Proceeds Fund" means the Bond Proceeds Fund established pursuant to Article XI of this resolution.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as registered owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Authority or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds.

"Capital Appreciation Bonds" shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

"City" means the City of Cleveland, Tennessee.

"City Debt" means the City's outstanding System-related debt, namely, the portion of the General Obligation Refunding Bond, Series 2016B, dated May 27, 2016, allocable to the System, the portion of the General Obligation Bonds, Series 2018B, dated December 7, 2018, allocable to the System, the portion of the General Obligation Refunding Bonds, Series 2019, dated March 26, 2019, allocable to the System, and the portion of the General Obligation Bonds, Series 2020, dated November 10, 2020, allocable to the System.

"Code" means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder.

"Compound Accreted Value" shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

"Consulting Engineer" means (i) an engineering firm or individual engineer employed by the Authority with substantial experience in advising municipal electric power systems as to the construction and maintenance of such systems and in the projection of costs of expansion of such systems or (ii) an engineer or engineers who are employees of the Authority whose reports or projections are certified by a Financial Adviser.

"Credit Facility" means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the Authority provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

"Debt Service Requirement" means the total principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the Authority or any paying agent for the Bonds or other obligations of the Authority payable from all or some portion of Gross Earnings), for any period of 12 consecutive calendar months for which such a determination is made, provided:

(a) The Debt Service Requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the Authority, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Financial Adviser.

(b) For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short-Term Indebtedness, at the option of the Authority, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Adviser to be the interest rate at which the Authority could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph shall not be applicable for purposes of determining the Debt Service Requirement for purposes of Section 7.4 of this resolution

unless the Authority has expressly resolved prior to the commencement of the relevant Fiscal Year to refinance, or retire from available System funds, such Balloon Indebtedness or Short-Term Indebtedness coming due in such Fiscal Year.

"Debt Service Sinking Fund" shall mean the Debt Service Sinking Fund established pursuant to Section 6.1(b) hereof.

"Defeasance Obligations" shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

"DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

"DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

"Federal Tax Certificate and Agreement" means a certificate and agreement of the Authority to establish and preserve the tax-exempt status of the Series 2023 Bonds under Sections 103 and Sections 141-150 of the Code.

"Financial Adviser" means an investment banking or financial advisory firm, commercial bank, or any other person who or which is retained by the Authority for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Authority, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Financial Adviser has been retained. With respect to the Series 2023 Bonds, the Financial Adviser shall be Raymond James & Associates, Inc.

"Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

"Fiscal Year" means each fiscal year of the Authority, which initially is the twelve-month period commencing July 1st of each year and ending June 30th of the following year.

"Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles; proceeds from the sale of System property; proceeds of System-related insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by this resolution, and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Board of Directors, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received from the operation of an

Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

"Loan Agreement" shall mean any agreement or contract entered into by the Authority whereby a third party agrees to advance funds to the Authority and the Authority agrees to repay those funds with interest from all or a portion of Gross Earnings.

"Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

"Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year.

"Net Revenues" shall mean (i) Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and further excluding non-cash or non-recurring items, including but not limited to, contributions in aid of construction, less (ii) Operating Expenses.

"Operating Expenses" means and shall include but not be limited to, expenses for ordinary repairs, removals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses (including legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting or technical services not funded with proceeds of bonds, notes or other debt obligations), insurance expenses, taxes, payments in-lieu-of-taxes and other governmental charges, the imposition or amount of which is not subject to control of the Board of Directors, any payments made by the Authority during any Fiscal Year to purchase electrical power for distribution and sale during or after the end of that Fiscal Year, and other payments made under any electrical power supply contract or commodity swap or other hedging mechanism, and any principal or interest payments made by the Authority during any Fiscal Year on bonds, notes or other obligations, including loan agreements, issued or entered into for the purpose of financing the purchase of electrical power, and to the extent so provided by the resolution authorizing such bonds, notes or obligations and to the extent not inconsistent with generally accepted accounting principles. Operating Expenses do not include depreciation or obsolescence charges or reserves therefore, amortization of intangibles or other bookkeeping entries of a similar nature, on bonds, notes or other debt obligations of the System payable from Net Revenues of the System, costs or charges made therefor, capital additions, replacements, betterments, extensions or improvements to or retirement from the System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System, nor such property items, including taxes and fuels, which are capitalized pursuant to the then existing accounting practices of the Authority or expenses of an Acquired System if revenues of the Acquired System are not included in Gross Earnings at the election of the Board of Directors.

"Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short-Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Authority on a parity with the Series 2023 Bonds herein authorized in accordance with the restrictive provisions of Article IX hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

"President" means the duly appointed President of the Authority or such person as may be lawfully acting in his or her place.

"Project" means capital acquisitions, extensions, and improvements to the System, including without limitation the purchase and installation of fiber optic infrastructure for the System, the acquisition of all property real or personal appurtenant thereto, and the payment of legal, fiscal, engineering, architectural and administrative fees in connection therewith.

"Purchase and Sale Agreement" means that certain Purchase and Sale Agreement, pursuant to which the City and the Board have agreed to sell the assets comprising the System to the Authority.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or "Rating Agency" means Fitch Ratings, Inc., Moody's Investors Service, Inc., and S&P Global Ratings, or any successors thereto and any other nationally recognized credit rating agency.

"Registration Agent" means the registration and paying agent selected by the President or any successor designated by the Board of Directors.

"Reserve Fund" shall mean the Debt Service Reserve Fund established pursuant to Section 6.1(d) hereof.

"Reserve Fund Credit Facility" means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Debt Service Sinking Fund to pay when due principal of and interest on all or a portion of the Bonds.

"Reserve Fund Credit Facility Issuer" means, at the time at which such Reserve Fund Credit Facility is purchased, an issuer of a Reserve Fund Credit Facility that has a credit rating not lower than the rating on any Bonds to be secured thereby from each Rating Agency that rates both such issuer and such Bonds.

"Reserve Fund Requirement" means an amount determined from time to time by the Authority as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant to the resolution authorizing such Bonds. With respect to the Series 2023 Bonds authorized herein, the President shall be authorized to establish the Reserve Fund Requirement, if any, in connection with the sale of the Series 2023 Bonds and set forth the Reserve Fund Requirement in either the notice of sale or bond purchase agreement for the Series 2023 Bonds.

"Revenue Fund" shall have the meaning ascribed in Section 6.1 hereof.

"Series 2023 Bonds" means the electric system revenue bonds authorized to be issued by this resolution.

"Short-Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five years or less from their date of issuance, issued by the Authority as Parity Bonds in accordance with the restrictive provisions of Article IX hereof.

"State" means the State of Tennessee.

"System" means the electrical power distribution system to be acquired by the Authority from the City pursuant to the Purchase and Sale Agreement and subsequently owned and operated by the Authority, any electrical power distribution and/or transmission system hereafter acquired, constructed or otherwise established, including all improvements and extensions made by the Authority while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Board of Directors, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Board of Directors, not become a part of the System but be operated as a separate and independent system by the Authority with the continuing right, upon the election of the Board of Directors, to incorporate such separately Acquired System within the System.

"Variable Rate Indebtedness" means any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

ARTICLE II. AUTHORIZATION AND TERMS OF THE SERIES 2023 BONDS

2.1 Authorization and Purpose. For the purpose of providing funds to acquire the System pursuant to the Purchase and Sale Agreement, fund the Reserve Fund Requirement for the Series 2023 Bonds, if applicable, pay the costs of issuing the Series 2023 Bonds, and finance the Project, the Board of Directors hereby authorizes the issuance of electric system revenue bonds of the Authority.

2.2 General Terms.

- (a) The Series 2023 Bonds shall be issued in an aggregate principal amount not to exceed \$69,000,000.
- (b) The Series 2023 Bonds shall be known as "Electric System Revenue Bonds, Series 2023".
- (c) The Series 2023 Bonds shall be dated their delivery date.
- (d) The Series 2023 Bonds shall be issued in fully registered, book-entry form, without coupons, in \$5,000 denominations or integral multiples thereof as shall be determined by the President.
- (e) The Series 2023 Bonds shall bear interest payable semi-annually on June 1 and December 1 of each year the Series 2023 Bonds are outstanding, commencing June 1, 2024, at an aggregate true interest rate not to exceed the maximum rate permitted by applicable law.
- (f) The Series 2023 Bonds shall mature on each June 1, commencing no earlier than June 1, 2024 and ending no later than June 1, 2043, in such amounts as shall be established by the President; provided that the resulting debt service schedule shall be substantially consistent with the estimated debt service schedule attached hereto as Exhibit A.

2.3 Registration. The Authority hereby authorizes and directs the Registration Agent to maintain Series 2023 Bond registration records with respect to the Series 2023 Bonds, to authenticate and deliver the Series 2023 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2023 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2023 Bonds as provided herein, to cancel and destroy Series 2023 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Authority at least annually a certificate of destruction with respect to Series 2023 Bonds canceled and destroyed, and to furnish the Authority at least annually an audit confirmation of Series 2023 Bonds paid, Series 2023 Bonds outstanding and payments made with respect to interest on the Series 2023 Bonds. The President is hereby authorized to execute and the Secretary is hereby authorized to attest such written agreement between the Authority and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

2.4 Payment. The Series 2023 Bonds shall be payable, both principal and interest, in lawful money of the United States of America. The Registration Agent shall make all interest payments with respect to the Series 2023 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2023 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2023 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2023 Bonds, and all such payments shall discharge the obligations of the Authority in respect of such Series 2023 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2023 Bonds shall be made upon presentation and surrender of such Series 2023 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360 day year comprised of twelve months of 30 days each. If requested by any registered owner (including DTC) of at least \$1,000,000 in aggregate principal amount of the Series 2023 Bonds, payment of interest on such Series 2023 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

2.5 Defaulted Interest. Any interest on any Series 2023 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Authority to the persons in whose names the Series 2023 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Authority shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2023 Bond and the date of the proposed payment, and at the same time the Authority shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than 15 nor less than 10 days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Authority of such Special Record Date and, in the name and at the expense of the Authority, not less than ten days prior to such Special Record Date, shall cause

notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2023 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2023 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Authority to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2023 Bonds when due.

2.6 Transfer. The Series 2023 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series 2023 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2023 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2023 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2023 Bond or the Series 2023 Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2023 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2023 Bond, nor to transfer or exchange any Series 2023 Bond after the publication of notice calling such Series 2023 Bond for redemption has been made, nor to transfer or exchange any Series 2023 Bond during the period following the receipt of instructions from the Authority to call such Series 2023 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. The person in whose name any Series 2023 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Authority nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2023 Bonds shall be overdue. The Series 2023 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2023 Bonds of the same maturity in any authorized denomination or denominations. No charge shall be made to any registered owner for the privilege of transferring or exchanging any Series 2023 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer.

2.7 Execution. The Series 2023 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Authority with the manual or facsimile signature of the President and attested by the manual or facsimile signature of the Secretary of the Board of Directors.

2.8 Book-Entry Provisions. Notwithstanding anything contained herein to the contrary, the Series 2023 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Series 2023 Bond or the Series 2023 Bonds shall be construed to mean the Series 2023 Bond or the Series 2023 Bonds that are held under the Book-Entry System. One Series 2023 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2023 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2023 Bonds. Beneficial ownership interests in the Series 2023 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2023 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial

Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2023 Bonds. Transfers of ownership interests in the Series 2023 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2023 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2023 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS SERIES 2023 RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2023 Bonds, so long as DTC is the only owner of the Series 2023 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Authority (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Authority and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2023 Bonds or (2) the Authority determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2023 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2023 Bonds, the Authority shall discontinue the Book-Entry System with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Registration Agent to authenticate and deliver replacement Series 2023 Bonds in the form of fully registered Series 2023 Bonds to each Beneficial Owner.

THE AUTHORITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2023 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2023 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2023 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2023 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2023 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2023 Bonds and provision of notices with respect to Series 2023 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2023 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

2.9 Lost and Stolen Bonds. In case any Series 2023 Bond shall become mutilated, or be lost, stolen, or destroyed, the Authority, in its discretion, shall issue, and the Registration Agent, upon written direction from the Authority, shall authenticate and deliver, a new Series 2023 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2023 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2023 Bond, or if any such Series 2023 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2023 Bond the Authority may pay or authorize payment of such Series 2023 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Authority and the Registration Agent of the destruction, theft or loss of such Series 2023 Bond, and indemnity satisfactory to the Authority and the Registration Agent; and the Authority may charge the applicant for the issue of such new Series 2023 Bond an amount sufficient to reimburse the Authority for the expense incurred by it in the issue thereof.

ARTICLE III. REDEMPTION

3.1 Optional Redemption. The Series 2023 Bonds maturing on or before June 1, 2033 shall not be subject to optional redemption. The Series 2023 Bonds maturing on or after June 1, 2034 shall be subject to redemption at the option of the Authority at any time on or after June 1, 2033, in whole or part, at price of par plus interest accrued to the redemption date. If less than all the Series 2023 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Directors in its discretion. If less than all of the Series 2023 Bonds within a single maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected as follows:

(a) if the Series 2023 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2023 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Series 2023 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2023 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

3.2 Mandatory Redemption. Pursuant to Article X hereof, the President is authorized to sell the Series 2023 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the President. In the event any or all the Series 2023 Bonds are sold as term bonds, the Authority shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Article X hereof, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be so redeemed shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Series 2023 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2023 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2023 Bond so delivered or previously purchased or

redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2023 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Authority shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

3.3 Redemption Notice. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Authority not less than 30 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2023 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2023 Bond registration records of the Registration Agent as of the date of the notice. Failure to mail such notice or any defect in any such notice so mailed shall not affect the sufficiency of the proceedings for redemption of any of the Series 2023 Bonds for which proper notice was given, and failure of any owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Series 2023 Bonds held by such owner. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2023 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2023 Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Authority pursuant to written instructions from an authorized representative of the Authority (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least 45 days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2023 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Series 2023 Bonds called for redemption and not so paid remain outstanding.

ARTICLE IV. SOURCE OF PAYMENT AND SECURITY

The Bonds shall be payable solely from and secured solely by a pledge of the Net Revenues. The punctual payment of principal of and premium, if any, and interest on the Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due.

**ARTICLE V.
FORM OF SERIES 2023 BONDS**

The Series 2023 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2023 Bonds are prepared and delivered:

REGISTERED

REGISTERED

Number ____

\$ _____

UNITED STATES OF AMERICA

STATE OF TENNESSEE
CLEVELAND UTILITIES AUTHORITY
ELECTRIC SYSTEM REVENUE BOND, SERIES 2023

Interest Rate: Maturity Date: Date of Bond: CUSIP No.:

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the Cleveland Utilities Authority, duly incorporated pursuant to the laws of the State of Tennessee (the "Authority"), for value received, hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on _____, and semi-annually thereafter on the first day of _____ and _____ in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records (unless the registered owner is DTC, as defined herein, in which case payment shall be in accordance with the policies of DTC), without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Authority to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Notwithstanding anything herein or in the Resolution to the contrary, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its

custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution (as hereafter defined), pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Authority and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Authority nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Authority determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Authority may discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Authority nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the Authority for the purpose of providing funds to acquire the assets of the electric transmission and distribution system (the "System") heretofore owned by the City of Cleveland, Tennessee, and operated by the Board of Public Utilities of the City of Cleveland, to finance capital improvements to the System so acquired, and to pay the costs of issuance of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-36-101, *et seq.*, Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the Board of Directors of the Authority on _____, 2023 (the "Resolution").

This Bond is payable solely from and secured solely by a pledge of revenues to be derived from the operation of the System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System. As provided in the Resolution, the punctual payment of principal of and interest on the series of the Bonds of which this Bond is one, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which this Bond is issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on this Bond and the issue of which it is a part promptly as each becomes due and payable. The Authority has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part as each becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a

statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity at the option of the Authority on or after _____, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Authority, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(a) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Authority shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order,

and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Series 2023 Bonds called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Authority nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Authority to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed by its President and attested by the Secretary of its Board of Directors, all as of the date hereinabove set forth.

CLEVELAND UTILITIES AUTHORITY

By: _____
President

ATTESTED:

Secretary of the Board
of Directors

Transferable and Payable at: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

_____,
Registration Agent
By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification of Social Security Number of Assignee _____), the within Bond of the Cleveland Utilities Authority, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without enlargement or alteration, or any change whatsoever.

Signature guaranteed:

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

ARTICLE VI. APPLICATION OF REVENUES

6.1 Application of Revenues. From and after the delivery of any of the Series 2023 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by the Authority to the Revenue Fund hereby established (the "Revenue Fund"), administered and controlled by the Board of Directors. The funds so deposited in the Revenue Fund created under this Series 2023 Resolution shall be used only as follows:

(a) Operating Expenses. The money in the Revenue Fund shall be used first from month to month for the payment of Operating Expenses.

(b) Debt Service Sinking Fund. The money thereafter remaining in the Revenue Fund shall next be used to make deposits into a separate and special fund, to be known as the "Debt Service Sinking Fund" (the "Debt Service Sinking Fund") to be kept separate and apart from all other funds of the Authority and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to Article XII hereof, beginning in the month next following delivery of the Series 2023 Bonds.

For the period commencing with the month next following the delivery of any Bonds, to and including the month of the next interest payment date for such Bonds, each monthly deposit as to interest shall be an amount that, together with all other monthly deposits of approximately equal amounts during such period and amounts otherwise in said Fund, will be equal to interest due on such Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth ($1/6^{\text{th}}$) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts.

For the period commencing with the month next following the delivery of any Bonds to and including the month of the next principal payment for such Bonds, each monthly deposit as to principal shall be an amount that, together with all other monthly deposits during such period and amounts otherwise in said Fund, will be equal to the principal due on such Bonds on the next principal payment date (provided that, in the event that the next principal payment date is more than 12 months following the month next following delivery of such Bonds, monthly deposits to the Debt Service Sinking Fund in respect of principal shall begin in the month which is 12 months prior to the month of the next principal payment date), and for each twelve-month period thereafter, each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth ($1/12^{\text{th}}$) of the principal amount or Maturity Amount, as the case may be, coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts.

No further deposit shall be required as to any Bonds when the Debt Service Sinking Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date, the total of

the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the Authority as provided in the resolution authorizing the issuance of such Bonds. Money in the Debt Service Sinking Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.

(c) Repayment of Reserve Fund Credit Facility Issuers. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

(d) Reserve Fund. To the extent the Reserve Fund Requirement for the Bonds, if any, is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the Authority, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into a separate and special fund, to be known and designated as the "Debt Service Reserve Fund" (the "Reserve Fund") to be kept separate and apart from all other funds of the Authority. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the Reserve Fund Requirement, if any.

In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments.

Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Debt Service Sinking Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Operating Expenses, be transferred into the Debt Service Sinking Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Debt Service Sinking Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the Authority for legally permissible purposes.

At the option of the Authority, it may satisfy the Reserve Fund Requirement, or a portion thereof, by providing for the benefit of owners of the Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to the Bonds and release an equal amount of funds on deposit in the Reserve Fund to be used by the Authority for legally permissible purposes. At any time during the term hereof, the Authority shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor.

In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of Article IX hereof or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Authority shall satisfy the Reserve Fund Requirement, if any, by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the Reserve Fund Requirement for the Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the Authority, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the Authority, from Revenues after payment of Operating Expenses and satisfaction of the required deposits to the Debt Service Sinking Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of Article XII hereof, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the Authority (as applicable) shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

If the Authority is ever required to fund the Reserve Fund Requirement for the Series 2023 Bonds, the President is hereby authorized and directed to either (1) cause to be deposited to the Reserve Fund funds of the Authority in an amount sufficient to cause the amount being held in the Reserve Fund to be equal to the Reserve Fund Requirement for the Series 2023 Bonds or (2) purchase a Reserve Fund Credit Facility in the amount of the Reserve Fund Requirement for the Series 2023 Bonds and to pay the premium therefor from the Authority funds. In the event the President elects to fund the Reserve Fund with a Reserve Fund Credit Facility, he is authorized to execute a Financial Guaranty Agreement and any associated certificates and agreements, as may be required by the Reserve Fund Credit Facility Issuer.

(e) Surplus Funds. The next available money in the Revenue Fund shall be used for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from revenues of the System, but junior and subordinate to the Bonds,

and may thereafter be used by the Authority for any legally permissible purpose, as the Board of Directors shall determine.

6.2 Investments and Maintenance of Funds. Money on deposit in the Funds described in this Section may be invested by the Authority in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Authority, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature or are subject to repurchase more than two years from the date the money is so invested. The Authority is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

The Revenue Fund, the Debt Service Sinking Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Authority and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

The proceeds of the investments described in this Section 6.2 shall be administered in manner consistent with the Federal Tax Certificate and Agreement.

ARTICLE VII. COVENANTS

7.1 Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Authority covenants and agrees that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of this resolution.

7.2 Insurance. The Authority shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business; provided, the Authority shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

7.3 Books and Accounts; Audits. The Authority will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants, which such audit shall be prepared in accordance with generally accepted accounting practices.

7.4 Rate Covenant. The Authority shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times

prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System fully sufficient at all times, such that Net Revenues in each Fiscal Year:

(a) will equal at least 120% of the Debt Service Requirement on all Bonds, and 100% of the Debt Service Requirement on all other bonds or other obligations then outstanding for such Fiscal Year;

(b) will enable the Authority to make all required payments, if any, into the Reserve Fund and on any Credit Facility;

(c) will enable the Authority to accumulate an amount, which, in the judgment of the Board of Directors, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and

(d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in this resolution from prior Fiscal Years.

7.5 Sale or Disposal of System. The Authority will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or otherwise disposed of or any of the System facilities sold at fair market value, provided that:

(a) The Authority is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

(b) Any sale proceeds will be applied either (A) to redemption of Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (B) to the purchase of Bonds at the market price thereof so long as such price does not exceed the amount at which the Bonds could be redeemed on such date or the next optional redemption date as set forth herein or in the resolutions authorizing the Parity Bonds, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

(c) (i) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System or (ii) the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

(d) If the facilities are being sold or disposed to an entity that is not a state or local government and the facilities were financed with the proceeds of Bonds the interest on which is excludable from gross income for federal income tax purposes, the Authority shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Authority is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

7.6 Budgets. Prior to the beginning of each Fiscal Year, the Board of Directors shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Operating Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant set forth in Section 7.4, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request.

7.7 Franchises. The Authority will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently or hereafter served by the Authority by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Authority is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

ARTICLE VIII. REMEDIES OF BOND OWNERS

Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Authority by the provisions of this resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Authority or the Authority with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution.

ARTICLE IX. PROHIBITION OF PRIOR LIEN; PARITY BONDS

9.1 Prohibition of Prior Liens. The Authority will not issue other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Bonds.

9.2 Parity Bonds. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on parity with the Bonds under the following conditions but not otherwise:

(a) Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) or all of a series of the Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such bonds, and the refunding bonds so

issued shall constitute Parity Bonds secured on a parity with the Bonds thereafter outstanding, if all of the following conditions are satisfied:

(i) the Authority shall have obtained a report from a Financial Adviser or the Chief Financial Officer of the Authority demonstrating that the refunding is expected to reduce the total debt service payments on the Bonds, including payments on related Credit Facilities; and

(ii) the requirements of subsections (b)(ii) and (iv) below are met with respect to such refunding.

(b) Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with Series 2023 Bonds, and the Parity Bonds so issued shall be secured on a parity with such Series 2023 Bonds, if all of the following conditions are satisfied:

(i) There shall have been procured and filed with the Authority a report by a Financial Adviser or a certificate by the Chief Financial Officer of the Authority, or his designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the delivery of the proposed Parity Bonds and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used; (y) if the Authority has a contract to purchase or otherwise acquire an Acquired System that will become part of the System, the historical Net Revenues may be adjusted to include the anticipated Net Revenues from the Acquired System; and (z) if the Authority has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) the Authority shall have received, at or before issuance of the Parity Bonds, a report from a Financial Adviser or a certificate of the Chief Financial Officer of the Authority, or his designee, to the effect that (x) the payments required to be made into the Debt Service Sinking Fund have been made and the balance in the Debt Service Sinking Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement, if any, and will be funded to the Reserve Fund Requirement, if any, immediately following the issuance of the proposed Parity Bonds.

(iii) The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to pre-purchase supplies of electrical power, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of Bond Counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

(iv) The President shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the Authority is in compliance with all requirements of this resolution.

(c) Upon the determination of the Authority to combine an Acquired System into the System, any bonds, notes and other obligations of the Acquired System outstanding upon such combination may, at the election of the Authority, be payable from Net Revenues of the combined System on a parity and equality of lien with each other, provided that there shall be filed with the Authority:

(i) a report by a Financial Adviser or a certificate by the Chief Financial Officer of the Authority, or his designee the Net Revenues of such combined System for a period of 12 consecutive months of the most recent 18 consecutive months prior to such combination were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds and any bonds, notes and other obligations of the Acquired System which will be outstanding immediately after the combination, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the combination and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of the combination and not fully reflected in the historical related Net Revenues actually received during such historical period used; and (y) if the Authority has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) A certificate of the President, as of the date of the combination, that the Authority is in compliance with all requirements of this resolution.

9.3 Applicability of Resolution to Parity Bonds. All the provisions and covenants of this resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of this resolution, the defeasance of Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued or assumed pursuant to the terms of this Article IX in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

ARTICLE X. SALE OF THE SERIES 2023 BONDS

10.1 Sale of Bonds.

(a) The Series 2023 Bonds shall be offered for competitive public sale in one or more series at a price of not less than ninety-eight percent (98%) of par exclusive of original issue discount, and accrued interest, as shall be determined by the President.

(b) The President is further authorized with respect to each series of the Series 2023 Bonds to:

(i) to change the dated date of the Series 2023 Bonds to a date other than the date of issuance;

(ii) to change the series designation of the Series 2023 Bonds;

(iii) to change the first interest payment date for the Series 2023 Bonds to a date other than June 1, 2024;

(iv) to adjust the principal and interest payment dates and maturity amounts of the Series 2023 Bonds, provided that (A) the total principal amount of the Series 2023 Bonds does not exceed the total amount of Series 2023 Bonds authorized herein, (B) the final maturity date shall not be later than June 1, 2043, and (C) the resulting debt service schedule shall be substantially consistent with the estimated debt service schedule attached hereto as Exhibit A;

(v) to change or remove the Authority's optional redemption provisions of the Series 2023 Bonds;

(vi) to establish the Reserve Fund Requirement, if any, for the Series 2023 Bonds; and

(vii) to sell the Series 2023 Bonds or any maturities thereof as serial Bonds or Term Bonds with mandatory redemption requirements.

(c) The President is authorized to award the Series 2023 Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Authority, provided the rate or rates on the Series 2023 Bonds does not exceed the maximum rate permitted by applicable Tennessee law.

(d) Notwithstanding anything in this Section 10 to the contrary, if the President determines, in consultation with the Financial Adviser, that a competitive sale is less likely to produce the lower interest cost to the Authority with respect to the Series 2023 Bonds, then the President is hereby authorized to cause the Series 2023 Bonds to be sold by negotiated sale to one or more underwriters as may be selected by the President, in consultation with the Financial Adviser. In such event, the President is further authorized to cause the Financial Adviser and the Authority's counsel and bond counsel to prepare a bond purchase agreement to memorialize the negotiated sale, and the President and Secretary are authorized to execute and deliver the bond purchase agreement so prepared.

10.2 Delivery of Bonds; Closing Documentation. The President is authorized to cause the Series 2023 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the successful bidder or underwriter, as applicable, and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds.

10.3 Authentication and Delivery. The Registration Agent is hereby authorized to authenticate and deliver the Series 2023 Bonds to the successful bidder or underwriter, as applicable, upon receipt by the Authority of the proceeds of the sale of the Series 2023 Bonds and to authenticate and deliver Series 2023 Bonds in exchange for Series 2023 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2023 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2023 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Series 2023 Bond form.

10.4 Engagement of Financial Adviser and Bond Counsel. The President is authorized to take all steps necessary to engage Raymond James & Associates, Inc. and Bass, Berry & Sims PLC as Financial Adviser and bond counsel, respectively, for the issuance of the Series 2023 Bonds, and to execute and deliver engagements letters with respect thereto in such forms as may be approved by the President and counsel to the Authority.

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**ARTICLE XI.
DISPOSITION OF BOND PROCEEDS**

11.1 Disposition of Bond Proceeds. The proceeds of the sale of the Series 2023 Bonds shall be deposited in a special fund of the Authority known as the "Bond Proceeds Fund" to be kept separate and apart from all other funds of the Authority. Moneys in the Bond Proceeds Fund, including any investment earnings thereon, shall be disbursed solely to (i) acquire the System from the City by payment to the City of the portion of the purchase price prescribed by the Purchase and Sale Agreement to be paid from proceeds of the Series 2023 Bonds, (ii) fund the Reserve Fund Requirement, if any and to the extent not funded with other moneys of the Authority, (iii) pay costs of issuance of the Series 2023 Bonds and (iv) pay (or reimburse the Authority for the prior payment of) the costs of the Project. Moneys in the Bond Proceeds Fund shall be invested by the Authority in such investments as shall be permitted by applicable law. Money in the Bond Proceeds Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Bond Proceeds Fund. Money in the Bond Proceeds Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Bond Proceeds Fund after the payment to the City of the purchase price prescribed by the Purchase and Sale Agreement, payment of costs of issuance, and payment of Project costs shall be applied to the defeasance of the Bonds and/or such other purposes as may be permitted by the Federal Tax Certificate and Agreement.

11.2 Authority to Cooperate with the City in the City's Retirement of the City Debt. The officers of the Authority are hereby authorized to take all steps and execute all documents and certificates that they may deem to be appropriate to cooperate with the City in its retirement of the City Debt.

**ARTICLE XII.
DISCHARGE AND SATISFACTION OF BONDS**

If the Authority shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority with respect to such Bonds, or make adequate provision therefor, and by resolution of the Board of Directors instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and

in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Authority and the Authority to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Authority shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Registration Agent.

ARTICLE XIII. MODIFICATION OF RESOLUTION

13.1 Amendment Without Bondholder Consent. This resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; provided such amendment shall not adversely affect the registered owners, without taking into account any bond insurance policy.

13.2 Other Amendments. In addition to the amendments to this resolution without the consent of registered owners as referred to in Section 13.1 above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Authority but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the Authority) shall have the right from time to time to consent to and approve the adoption by the Board of Directors of a resolution or resolutions modifying any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

- (a) Make any change in the maturities or redemption dates of the Bonds;
- (b) Make any change in the rates of interest borne by the Bonds;
- (c) Reduce the amount of the principal payments or redemption premiums payable on the Bonds;
- (d) Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;
- (e) Affect the rights of the registered owners of less than all of the Bonds then outstanding; or

(f) Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

13.3 Procedure for Modification. Whenever the Authority shall propose to amend or modify this resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Authority for public inspection.

Whenever at any time within one year from the date of mailing of said notice there shall be filed with the Secretary of the Board of Directors an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Authority may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Authority from taking any action pursuant to the provisions thereof.

Any consent given by the registered owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the Authority office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

Notwithstanding the foregoing, if any Bonds are insured by a bond insurance policy, the bond insurer issuing such bond insurance policy shall be entitled to consent to any modifications to this Resolution on behalf of the owners of the Bonds insured by such bond insurer, provided that no bond

insurer shall be entitled to consent to any modifications to this Resolution that require the unanimous consent of the owners of the Bonds as described above.

**ARTICLE XIV.
OFFICIAL STATEMENT**

The officers of the Authority are hereby authorized and directed to provide for the preparation and distribution of Preliminary Official Statement describing the Series 2023 Bonds and the Authority. The officers of the Authority shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The officers of the Authority shall arrange for the delivery to the purchaser of a reasonable number of copies of the Official Statement within seven business days after the Series 2023 Bonds have been sold for delivery to each potential investor requesting a copy of the Official Statement.

The President is authorized, on behalf of the Authority, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Authority except for the omission in the Preliminary Official Statement of such pricing and other information.

**ARTICLE XV.
FEDERAL TAX MATTERS**

15.1 Covenant to Maintain Tax-Exemption of Series 2023 Bonds. The Series 2023 Bonds will be issued as federally tax-exempt bonds. The Authority hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2023 Bonds in a manner that would cause the Series 2023 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the Authority shall comply with applicable regulations adopted under said Section 148 of the Code. The Authority further covenants with the registered owners from time to time of the Series 2023 Bonds that it will, throughout the term of the Series 2023 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2023 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code. The President is authorized and directed to execute and deliver the Federal Tax Certificate and Agreement on behalf of the Authority, which shall be in such form as shall be required by the Authority's bond counsel.

15.2 Reimbursement. It is reasonably expected that the Authority will reimburse itself for certain expenditures made by it in connection with the Project by issuing the Series 2023 Bonds. This resolution shall be placed in the minutes of the Board of Directors and shall be made available for inspection by the general public at the office of the Board of Directors. This resolution constitutes a declaration of official intent under Treas. Reg. § 1.150-2.

**ARTICLE XVI.
CONTINUING DISCLOSURE**

The Authority shall provide financial information and enumerated event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2023 Bonds. The President is authorized to execute at the closing of the sale of the Series 2023 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2023 Bonds specifying the details of the financial information and enumerated event notices to be provided and its obligations relating thereto. Failure of the Authority to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2023 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Authority to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specified performance.

ARTICLE XVII. MISCELLANEOUS

17.1 Resolution a Contract. The provisions of this resolution shall constitute a contract between the Authority and the registered owners of the Bonds, and after the issuance of the Series 2023 Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner, except as provided in Article XIII hereof, until such time as the Bonds shall have been paid in full or discharged pursuant to Article XII hereof.

17.2 Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

17.3 Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

17.4 Authority. The bonds authorized by this resolution are issued pursuant to the Act and other applicable provisions of law.

17.5 Compliance with Debt Management Policy. The Board of Directors hereby finds that the issuance of the Series 2023 Bonds as contemplated by this resolution is consistent with the Authority's debt management policy.

Adoption Date: _____, 2023

Chairman

Secretary

DRAFT

EXHIBIT A

Estimated Debt Service Schedule

PRINCIPAL REQUIREMENTS

INTEREST REQUIREMENTS

FYE 6/30	City Issued - Use and Benefit of CUB		Series 2023 Bonds			% Total Debt Retired	City Issued - Use and Benefit of CUB		Series 2023 Bonds			Total Debt Service
	Current Obligated Principal	Less: Obligated Principal	Acquired Principal	New Improv. Principal	Total Principal		Current Obligated Interest	Less: Obligated Interest	Acquired Interest	New Improv. Interest	Total Interest	
2024	\$ 1,100,860	\$ (1,100,860)	\$ 1,230,000	\$ 1,275,000	\$ 2,505,000		\$ 422,635	\$ (422,635)	\$ 298,059	\$ 1,437,738	\$ 1,735,797	\$ 4,240,797
2025	1,127,635	(1,127,635)	1,070,000	1,685,000	2,755,000		377,884	(377,884)	447,038	2,389,263	2,836,300	5,591,300
2026	780,807	(780,807)	735,000	1,765,000	2,500,000		332,882	(332,882)	393,538	2,305,013	2,698,550	5,198,550
2027	786,398	(786,398)	740,000	1,855,000	2,595,000		294,600	(294,600)	356,788	2,216,763	2,573,550	5,168,550
2028	811,989	(811,989)	760,000	1,950,000	2,710,000		255,551	(255,551)	319,788	2,124,013	2,443,800	5,153,800
2029	809,355	(809,355)	750,000	2,045,000	2,795,000	25.37%	215,982	(215,982)	281,788	2,026,513	2,308,300	5,103,300
2030	824,946	(824,946)	765,000	2,145,000	2,910,000		176,089	(176,089)	244,288	1,924,263	2,168,550	5,078,550
2031	852,903	(852,903)	790,000	2,255,000	3,045,000		135,178	(135,178)	206,038	1,817,013	2,023,050	5,068,050
2032	588,495	(588,495)	535,000	2,365,000	2,900,000		103,474	(103,474)	166,538	1,704,263	1,870,800	4,770,800
2033	609,086	(609,086)	555,000	2,485,000	3,040,000		82,176	(82,176)	139,788	1,586,013	1,725,800	4,765,800
2034	619,678	(619,678)	580,000	2,610,000	3,190,000	49.49%	64,560	(64,560)	112,038	1,461,763	1,573,800	4,763,800
2035	455,860	(455,860)	435,000	2,740,000	3,175,000		50,500	(50,500)	83,038	1,331,263	1,414,300	4,589,300
2036	307,043	(307,043)	290,000	2,875,000	3,165,000		40,178	(40,178)	61,288	1,194,263	1,255,550	4,420,550
2037	270,000	(270,000)	260,000	3,020,000	3,280,000		30,394	(30,394)	46,788	1,050,513	1,097,300	4,377,300
2038	275,000	(275,000)	270,000	3,170,000	3,440,000		21,794	(21,794)	33,788	899,513	933,300	4,373,300
2039	285,000	(285,000)	285,000	3,305,000	3,590,000	76.12%	12,944	(12,944)	22,313	764,788	787,100	4,377,100
2040	115,000	(115,000)	115,000	3,445,000	3,560,000		3,772	(3,772)	10,200	624,325	634,525	4,194,525
2041	120,000	(120,000)	125,000	3,595,000	3,720,000		1,275	(1,275)	5,313	477,913	483,225	4,203,225
2042	-	-	-	3,745,000	3,745,000		-	-	-	325,125	325,125	4,070,125
2043	-	-	-	3,905,000	3,905,000	100.00%	-	-	-	165,963	165,963	4,070,963
	<u>\$ 10,740,055</u>	<u>\$ (10,740,055)</u>	<u>\$ 10,290,000</u>	<u>\$ 52,235,000</u>	<u>\$ 62,525,000</u>		<u>\$ 2,621,867</u>	<u>\$ (2,621,867)</u>	<u>\$ 3,228,409</u>	<u>\$ 27,826,275</u>	<u>\$ 31,054,685</u>	<u>\$ 93,579,685</u>

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$28,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2023 OF THE CLEVELAND UTILITIES AUTHORITY; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS OF THE BONDS; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES FROM THE WATER AND WASTEWATER SYSTEM OF THE AUTHORITY; AND MAKING PROVISION FOR THE OPERATION OF SAID SYSTEM.

WHEREAS, the Cleveland Utilities Authority (the "Authority") has been created as a governmental authority and public corporation pursuant to the Municipal Energy Authority Act, Sections 7-36-101 *et seq.*, Tennessee Code Annotated, as amended (the "Act") for the purpose, among others, of acquiring and operating the water and wastewater system (the "System") heretofore owned by the City of Cleveland, Tennessee (the "City") and operated on behalf of the City by the Board of Public Utilities of the City of Cleveland (the "Board"); and

WHEREAS, the City, the Board and the Authority plan to enter into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") pursuant to which the City and the Board have agreed to sell the assets comprising the System to the Authority; and

WHEREAS, the Purchase and Sale Agreement will require the Authority to pay to the City, as the purchase price for the System, an amount sufficient for the City to retire the City's outstanding System-related debt, namely, the portions of the following series of bonds allocable to the System: General Obligation Refunding Bond, Series 2016B, dated May 27, 2016, General Obligation Bonds, Series 2018B, dated December 7, 2018, General Obligation Refunding Bonds, Series 2019, dated March 26, 2019, General Obligation Bonds, Series 2020, dated November 10, 2020, and General Obligation Bonds, Series 2022, dated May 5, 2022 (collectively, the "City Debt"); and

WHEREAS, the Act authorizes the Authority to issue its revenue bonds to provide for the payment of said purchase price; and

WHEREAS, in order to obtain funds for such purposes, the Board of Directors of the Authority has determined that it is necessary and advisable for the Authority to issue its revenue bonds; and

WHEREAS, pursuant to the terms of the Purchase and Sale Agreement, the Authority will take assignment of those certain Revolving Fund Loan Agreements more fully described herein (the "SRF Loan Agreements") with the Tennessee Local Development Authority (the "TLDA") and the Tennessee Department of Environment and Conservation, the proceeds of which were or will be used to finance improvements to the System;

WHEREAS, as required by the SRF Loan Agreements, the TLDA must consent to the issuance of the bonds authorized herein, and agree that said bonds may be issued on parity with the SRF Loan Agreements relative to the pledge of revenues of the System; and the Authority has requested that consent and agreement;

WHEREAS, as required by the Act, the Authority has submitted a proposed plan of finance to the office of the Comptroller of the State of Tennessee, and his office has issued its report thereon, a copy of which has been published on the Authority website and distributed to each member of the Board of Directors; and

WHEREAS, it is the intention of the Board of Directors of the Authority to adopt this resolution for the purpose of authorizing not to exceed \$28,500,000 in aggregate principal amount of water and wastewater system revenue bonds for the purposes described above; establishing the terms of the bonds; and providing for the issuance, sale and payment of said bonds, the disposition of proceeds therefrom, and the collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cleveland Utilities Authority as follows:

ARTICLE I. DEFINITIONS

The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

"Acquired System" shall mean any water and/or wastewater systems acquired by the Authority and/or any such facilities hereafter constructed or otherwise established by the Authority pursuant to the Act.

"Act" shall mean Sections 7-36-101 et seq., Tennessee Code Annotated, as amended.

"Authority" means the Cleveland Utilities Authority.

"Balloon Indebtedness" shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period.

"Board" means the Board of Public Utilities of the City of Cleveland, a board of public utilities of the City.

"Board of Directors" means the Board of Directors of the Authority.

"Bonds" means the Series 2023 Bonds and any Parity Bonds.

"Bond Proceeds Fund" means the Bond Proceeds Fund established pursuant to Article XI of this resolution.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as registered owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Authority or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds.

"Capital Appreciation Bonds" shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

"City" means the City of Cleveland, Tennessee.

"City Debt" means the City's outstanding System-related debt other than the SRF Loan Agreements, namely, the portions of the following series of bonds allocable to the System: General Obligation Refunding Bond, Series 2016B, dated May 27, 2016, General Obligation Bonds, Series 2018B, dated December 7, 2018, General Obligation Refunding Bonds, Series 2019, dated March 26, 2019, General Obligation Bonds, Series 2020, dated November 10, 2020, and General Obligation Bonds, Series 2022, dated May 5, 2022.

"Code" means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder.

"Compound Accreted Value" shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

"Consulting Engineer" means (i) an engineering firm or individual engineer employed by the Authority with substantial experience in advising water and wastewater systems as to the construction and maintenance of such systems and in the projection of costs of expansion of such systems or (ii) an engineer or engineers who are employees of the Authority whose reports or projections are certified by a Financial Adviser.

"Credit Facility" means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the Authority provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

"Debt Service Requirement" means the total principal, Maturity Amounts and interest coming due on the SRF Loan Agreements and the Bonds, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the Authority or any paying agent for the Bonds or other obligations of the Authority payable from all or some portion of Gross Earnings), for any period of 12 consecutive calendar months for which such a determination is made, provided:

(a) The Debt Service Requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the Authority, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Financial Adviser.

(b) For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short-Term Indebtedness, at the option of the Authority, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Adviser to be the interest rate at which the

Authority could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph shall not be applicable for purposes of determining the Debt Service Requirement for purposes of Section 7.4 of this resolution unless the Authority has expressly resolved prior to the commencement of the relevant Fiscal Year to refinance, or retire from available System funds, such Balloon Indebtedness or Short-Term Indebtedness coming due in such Fiscal Year.

"Debt Service Sinking Fund" shall mean the Debt Service Sinking Fund established pursuant to Section 6.1(b) hereof.

"Defeasance Obligations" shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

"DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

"DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

"Federal Tax Certificate and Agreement" means a certificate and agreement of the Authority to establish and preserve the tax-exempt status of the Series 2023 Bonds under Sections 103 and Sections 141-150 of the Code.

"Financial Adviser" means an investment banking or financial advisory firm, commercial bank, or any other person who or which is retained by the Authority for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Authority, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Financial Adviser has been retained. With respect to the Series 2023 Bonds, the Financial Adviser shall be Raymond James & Associates, Inc.

"Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

"Fiscal Year" means each fiscal year of the Authority, which initially is the twelve-month period commencing July 1st of each year and ending June 30th of the following year.

"Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles; proceeds from the sale of System property; proceeds of System-related insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and

improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by this resolution, and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Board of Directors, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

"Loan Agreement" shall mean any agreement or contract entered into by the Authority whereby a third party agrees to advance funds to the Authority and the Authority agrees to repay those funds with interest from all or a portion of Gross Earnings.

"Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

"Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year.

"Net Revenues" shall mean (i) Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and further excluding non-cash or non-recurring items, including but not limited to, contributions in aid of construction, less (ii) Operating Expenses.

"Operating Expenses" means and shall include but not be limited to, expenses for ordinary repairs, removals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses (including legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting or technical services not funded with proceeds of bonds, notes or other debt obligations), insurance expenses, taxes, payments in-lieu-of-taxes and other governmental charges, the imposition or amount of which is not subject to control of the Board of Directors, any payments made by the Authority during any Fiscal Year to purchase water or wastewater supplies, production and/or treatment services. Operating Expenses do not include depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, on bonds, notes or other debt obligations of the System payable from Net Revenues of the System, costs or charges made therefor, capital additions, replacements, betterments, extensions or improvements to or retirement from the System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System, nor such property items, including taxes and fuels, which are capitalized pursuant to the then existing accounting practices of the Authority or expenses of an Acquired System if revenues of the Acquired System are not included in Gross Earnings at the election of the Board of Directors.

"Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short-Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Authority on a parity with the Series 2023 Bonds herein authorized in accordance with the restrictive provisions of Article IX hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being

operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

"President" means the duly appointed President of the Authority or such person as may be lawfully acting in his or her place.

"Purchase and Sale Agreement" means that certain Purchase and Sale Agreement, dated as of pursuant to which the City and the Board will agree to sell the assets comprising the System to the Authority.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or "Rating Agency" means Fitch Ratings, Inc., Moody's Investors Service, Inc., and S&P Global Ratings, or any successors thereto and any other nationally recognized credit rating agency.

"Registration Agent" means the registration and paying agent selected by the President or any successor designated by the Board of Directors.

"Reserve Fund" shall mean the Debt Service Reserve Fund established pursuant to Section 6.1(d) hereof.

"Reserve Fund Credit Facility" means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Debt Service Sinking Fund to pay when due principal of and interest on all or a portion of the Bonds.

"Reserve Fund Credit Facility Issuer" means, at the time at which such Reserve Fund Credit Facility is purchased, an issuer of a Reserve Fund Credit Facility that has a credit rating not lower than the rating on any Bonds to be secured thereby from each Rating Agency that rates both such issuer and such Bonds.

"Reserve Fund Requirement" means an amount determined from time to time by the Authority as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant to the resolution authorizing such Bonds. With respect to the Series 2023 Bonds authorized herein, the President shall be authorized to establish the Reserve Fund Requirement, if any, in connection with the sale of the Series 2023 Bonds and set forth the Reserve Fund Requirement in either the notice of sale or bond purchase agreement for the Series 2023 Bonds.

"Revenue Fund" shall have the meaning ascribed in Section 6.1 hereof.

"Series 2023 Bonds" means the water and wastewater system revenue bonds authorized to be issued by this resolution.

"Short-Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five years or less from their date of issuance, issued by the Authority as Parity Bonds in accordance with the restrictive provisions of Article IX hereof.

"SRF Loan Agreements" shall mean the loan agreements by and among the Authority, TDEC, and TLDA listed on Exhibit B.

"SRF Security Deposit" means any and all security deposits required to be maintained by the SRF Loan Agreements.

"State" means the State of Tennessee.

"System" means the water and wastewater system to be acquired by the Authority from the City pursuant to the Purchase and Sale Agreement and subsequently owned and operated by the Authority, any water and/or wastewater system hereafter acquired, constructed or otherwise established, including all improvements and extensions made by the Authority while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Board of Directors, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Board of Directors, not become a part of the System but be operated as a separate and independent system by the Authority with the continuing right, upon the election of the Board of Directors, to incorporate such separately Acquired System within the System.

"TDEC" means the Tennessee Department of Environment and Conservation.

"TLDA" means the Tennessee Local Development Authority.

"Variable Rate Indebtedness" means any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

ARTICLE II.
AUTHORIZATION AND TERMS OF THE SERIES 2023 BONDS

2.1 Authorization and Purpose. For the purpose of providing funds to acquire the System pursuant to the Purchase and Sale Agreement, fund the Reserve Fund Requirement for the Series 2023 Bonds, if applicable, and to pay the costs of issuing the Series 2023 Bonds, the Board of Directors hereby authorizes the issuance of water and wastewater system revenue bonds of the Authority.

2.2 General Terms.

(a) The Series 2023 Bonds shall be issued in an aggregate principal amount not to exceed the lesser of \$28,500,000 or the amount necessary to accomplish the purposes set forth in Section 2.1 above.

(b) The Series 2023 Bonds shall be known as "Water and Wastewater System Revenue Bonds, Series 2023".

(c) The Series 2023 Bonds shall be dated their delivery date.

(d) The Series 2023 Bonds shall be issued in fully registered, book-entry form, without coupons, in \$5,000 denominations or integral multiples thereof as shall be determined by the President.

(e) The Series 2023 Bonds shall bear interest payable semi-annually on June 1 and December 1 of each year the Series 2023 Bonds are outstanding, commencing June 1, 2024, at an aggregate true interest rate not to exceed the maximum rate permitted by applicable law.

(f) The Series 2023 Bonds shall mature on each June 1, commencing no earlier than June 1, 2024 and ending no later than June 1, 2042, in such amounts as shall be established by the President; provided that the resulting debt service schedule shall be substantially consistent with the estimated debt service schedule attached hereto as Exhibit A.

2.3 Registration. The Authority hereby authorizes and directs the Registration Agent to maintain Series 2023 Bond registration records with respect to the Series 2023 Bonds, to authenticate and deliver the Series 2023 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2023 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2023 Bonds as provided herein, to cancel and destroy Series 2023 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Authority at least annually a certificate of destruction with respect to Series 2023 Bonds canceled and destroyed, and to furnish the Authority at least annually an audit confirmation of Series 2023 Bonds paid, Series 2023 Bonds outstanding and payments made with respect to interest on the Series 2023 Bonds. The President is hereby authorized to execute and the Secretary is hereby authorized to attest such written agreement between the Authority and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

2.4 Payment. The Series 2023 Bonds shall be payable, both principal and interest, in lawful money of the United States of America. The Registration Agent shall make all interest payments with respect to the Series 2023 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2023 Bond registration records maintained by the Registration Agent as of

the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2023 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2023 Bonds, and all such payments shall discharge the obligations of the Authority in respect of such Series 2023 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2023 Bonds shall be made upon presentation and surrender of such Series 2023 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360 day year comprised of twelve months of 30 days each. If requested by any registered owner (including DTC) of at least \$1,000,000 in aggregate principal amount of the Series 2023 Bonds, payment of interest on such Series 2023 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

2.5 Defaulted Interest. Any interest on any Series 2023 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Authority to the persons in whose names the Series 2023 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Authority shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2023 Bond and the date of the proposed payment, and at the same time the Authority shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than 15 nor less than 10 days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Authority of such Special Record Date and, in the name and at the expense of the Authority, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2023 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2023 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Authority to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2023 Bonds when due.

2.6 Transfer. The Series 2023 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series 2023 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2023 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2023 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2023 Bond or the Series 2023 Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2023 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2023 Bond, nor to transfer or exchange any Series

2023 Bond after the publication of notice calling such Series 2023 Bond for redemption has been made, nor to transfer or exchange any Series 2023 Bond during the period following the receipt of instructions from the Authority to call such Series 2023 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. The person in whose name any Series 2023 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Authority nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2023 Bonds shall be overdue. The Series 2023 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2023 Bonds of the same maturity in any authorized denomination or denominations. No charge shall be made to any registered owner for the privilege of transferring or exchanging any Series 2023 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer.

2.7 Execution. The Series 2023 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Authority with the manual or facsimile signature of the President and attested by the manual or facsimile signature of the Secretary of the Board of Directors.

2.8 Book-Entry Provisions. Notwithstanding anything contained herein to the contrary, the Series 2023 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Series 2023 Bond or the Series 2023 Bonds shall be construed to mean the Series 2023 Bond or the Series 2023 Bonds that are held under the Book-Entry System. One Series 2023 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2023 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2023 Bonds. Beneficial ownership interests in the Series 2023 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2023 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2023 Bonds. Transfers of ownership interests in the Series 2023 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2023 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2023 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS SERIES 2023 RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2023 Bonds, so long as DTC is the only owner of the Series 2023 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Authority (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Authority and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for

sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2023 Bonds or (2) the Authority determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2023 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2023 Bonds, the Authority shall discontinue the Book-Entry System with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Registration Agent to authenticate and deliver replacement Series 2023 Bonds in the form of fully registered Series 2023 Bonds to each Beneficial Owner.

THE AUTHORITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2023 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2023 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2023 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2023 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2023 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2023 Bonds and provision of notices with respect to Series 2023 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2023 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

2.9 Lost and Stolen Bonds. In case any Series 2023 Bond shall become mutilated, or be lost, stolen, or destroyed, the Authority, in its discretion, shall issue, and the Registration Agent, upon written direction from the Authority, shall authenticate and deliver, a new Series 2023 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2023 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2023 Bond, or if any such Series 2023 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2023 Bond the Authority may pay or authorize payment of such Series 2023 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Authority and the Registration Agent of the destruction, theft or loss of such Series 2023 Bond, and indemnity satisfactory to the Authority and the Registration Agent; and the Authority may charge the applicant for the issue of such new Series 2023 Bond an amount sufficient to reimburse the Authority for the expense incurred by it in the issue thereof.

ARTICLE III. REDEMPTION

3.1 Optional Redemption. The Series 2023 Bonds maturing on or before June 1, 2033 shall not be subject to optional redemption. The Series 2023 Bonds maturing on or after June 1, 2034 shall be subject to redemption at the option of the Authority at any time on or after June 1, 2033, in whole or part, at price of par plus interest accrued to the redemption date. If less than all the Series 2023 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Directors in its discretion. If less than all of the Series 2023 Bonds within a single maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected as follows:

(a) if the Series 2023 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2023 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Series 2023 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2023 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

3.2 Mandatory Redemption. Pursuant to Article X hereof, the President is authorized to sell the Series 2023 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the President. In the event any or all the Series 2023 Bonds are sold as term bonds, the Authority shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Article X hereof, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be so redeemed shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Series 2023 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2023 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2023 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2023 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Authority shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

3.3 Redemption Notice. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Authority not less than 30 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2023 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the

Series 2023 Bond registration records of the Registration Agent as of the date of the notice. Failure to mail such notice or any defect in any such notice so mailed shall not affect the sufficiency of the proceedings for redemption of any of the Series 2023 Bonds for which proper notice was given, and failure of any owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Series 2023 Bonds held by such owner. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2023 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2023 Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Authority pursuant to written instructions from an authorized representative of the Authority (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least 45 days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2023 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Series 2023 Bonds called for redemption and not so paid remain outstanding.

ARTICLE IV. SOURCE OF PAYMENT AND SECURITY

The Bonds shall be payable solely from and secured solely by a pledge of the Net Revenues, on parity with the pledge thereof in favor of TDEC and TLDA, relative to the SRF Loan Agreements. The punctual payment of principal of and premium, if any, and interest on the SRF Loan Agreements and the Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due.

**ARTICLE V.
FORM OF SERIES 2023 BONDS**

The Series 2023 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2023 Bonds are prepared and delivered:

REGISTERED

REGISTERED

Number _____

\$ _____

UNITED STATES OF AMERICA

STATE OF TENNESSEE
CLEVELAND UTILITIES AUTHORITY
WATER AND WASTEWATER SYSTEM REVENUE BOND, SERIES 2023

Interest Rate: Maturity Date: Date of Bond: CUSIP No.:

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the Cleveland Utilities Authority, duly incorporated pursuant to the laws of the State of Tennessee (the "Authority"), for value received, hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on _____, and semi-annually thereafter on the first day of _____ and _____ in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records (unless the registered owner is DTC, as defined herein, in which case payment shall be in accordance with the policies of DTC), without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Authority to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Notwithstanding anything herein or in the Resolution to the contrary, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its

custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution (as hereafter defined), pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Authority and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Authority nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Authority determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Authority may discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Authority nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the Authority for the purpose of providing funds to acquire the assets of the water and wastewater system (the "System") heretofore owned by the City of Cleveland, Tennessee, and operated by the Board of Public Utilities of the City of Cleveland, and to pay the costs of issuance of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-36-101, et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the Board of Directors of the Authority on _____, 2023 (the "Resolution").

This Bond is payable solely from and secured solely by a pledge of revenues to be derived from the operation of the System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, on parity with the pledge thereof in favor of the SRF Loan Agreements (as such term is defined in the Resolution). As provided in the Resolution, the punctual payment of principal of and interest on the SRF Loan Agreements, the series of the Bonds of which this Bond is one, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which this Bond is issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on this Bond and the issue of which it is a part promptly as each becomes due and payable. The Authority has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part as each becomes due. For a more complete statement of the revenues from which and conditions

under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity at the option of the Authority on or after _____, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Authority, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(a) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Authority shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Authority on such

payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Series 2023 Bonds called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Authority nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Authority to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed by its President and attested by the Secretary of its Board of Directors, all as of the date hereinabove set forth.

CLEVELAND UTILITIES AUTHORITY

By: _____
President

ATTESTED:

Secretary of the Board
of Directors

Transferable and Payable at: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification of Social Security Number of Assignee _____), the within Bond of the Cleveland Utilities Authority, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within

bond in every particular, without enlargement or alteration, or any change whatsoever.

Signature guaranteed:

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

ARTICLE VI. APPLICATION OF REVENUES

6.1 Application of Revenues. From and after the delivery of any of the Series 2023 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by the Authority to the Revenue Fund hereby established (the "Revenue Fund"), administered and controlled by the Board of Directors. The funds so deposited in the Revenue Fund created hereunder shall be used as follows:

(a) Operating Expenses. The money in the Revenue Fund shall be used first from month to month for the payment of Operating Expenses.

(b) Payment of SRF Loan Agreements; Debt Service Sinking Fund. The money thereafter remaining in the Revenue Fund shall next be used to pay debt service on the SRF Loan Agreements, and to make deposits into a separate and special fund, to be known as the "Debt Service Sinking Fund" (the "Debt Service Sinking Fund") to be kept separate and apart from all other funds of the Authority and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to Article XII hereof, beginning in the month next following delivery of the Series 2023 Bonds. In the event the money remaining in the Revenue Fund is insufficient to pay debt service on the SRF Loan Agreements, and to make the required deposits to the Debt Service Sinking Fund, such money shall be applied to the SRF Loan Agreements and the Debt Service Sinking Fund pro rata in proportion to the scheduled payment thereon or deposit thereto (as applicable).

For the period commencing with the month next following the delivery of any Bonds, to and including the month of the next interest payment date for such Bonds, each monthly deposit as to interest shall be an amount that, together with all other monthly deposits of approximately equal amounts during such period and amounts otherwise in said Fund, will be equal to interest due on such Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth (1/6th) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts.

For the period commencing with the month next following the delivery of any Bonds to and including the month of the next principal payment for such Bonds, each monthly deposit as to principal shall be an amount that, together with all other monthly deposits during such period and amounts otherwise in said Fund, will be equal to the principal due on such Bonds on the next principal payment date (provided that, in the event that the next principal payment date is more than 12 months following the month next following delivery of such Bonds, monthly deposits to the Debt Service Sinking Fund in

respect of principal shall begin in the month which is 12 months prior to the month of the next principal payment date), and for each twelve-month period thereafter, each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth (1/12th) of the principal amount or Maturity Amount, as the case may be, coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts.

No further deposit shall be required as to any Bonds when the Debt Service Sinking Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date, the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the Authority as provided in the resolution authorizing the issuance of such Bonds. Money in the Debt Service Sinking Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.

(c) Repayment of Reserve Fund Credit Facility Issuers. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

(d) Reserve Fund. The next available money in the Revenue Fund shall be used to replenish any deficiency in the SRF Security Deposit, and to the extent the Reserve Fund Requirement for the Bonds, if any, is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the Authority, or a combination thereof, to make deposits into a separate and special fund, to be known and designated as the "Debt Service Reserve Fund" (the "Reserve Fund") to be kept separate and apart from all other funds of the Authority. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the Reserve Fund Requirement, if any.

In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments.

When monies are required to replenish two or more of the SRF Security Deposit and the Reserve Fund, available monies shall be allocated pro rata between the SRF Security Deposit and the Reserve Fund (as applicable), in proportion to the respective deficiency; provided that, if the allocation to the Reserve Fund for any month is in excess of 1/24th of the deficiency therein, and if there remains a deficiency in the SRF Security Deposit, then such excess shall be reallocated to replenishing the SRF Security Deposit.

Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Debt Service Sinking Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund

Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Operating Expenses, pay the SRF Loan Agreements, be transferred into the Debt Service Sinking Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Debt Service Sinking Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the Authority for legally permissible purposes.

At the option of the Authority, it may satisfy the Reserve Fund Requirement, or a portion thereof, by providing for the benefit of owners of the Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to the Bonds and release an equal amount of funds on deposit in the Reserve Fund to be used by the Authority for legally permissible purposes. At any time during the term hereof, the Authority shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor.

In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of Article IX hereof or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Authority shall satisfy the Reserve Fund Requirement, if any, by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the Reserve Fund Requirement for the Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the Authority, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the Authority, from Revenues after payment of Operating Expenses and satisfaction of the required deposits to the Debt Service Sinking Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of Article XII hereof, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the Authority (as applicable) shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and

to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

If the Authority is ever required to fund the Reserve Fund Requirement for the Series 2023 Bonds, the President is hereby authorized and directed to either (1) cause to be deposited to the Reserve Fund funds of the Authority in an amount sufficient to cause the amount being held in the Reserve Fund to be equal to the Reserve Fund Requirement for the Series 2023 Bonds or (2) purchase a Reserve Fund Credit Facility in the amount of the Reserve Fund Requirement for the Series 2023 Bonds and to pay the premium therefor from the Authority funds. In the event the President elects to fund the Reserve Fund with a Reserve Fund Credit Facility, he is authorized to execute a Financial Guaranty Agreement and any associated certificates and agreements, as may be required by the Reserve Fund Credit Facility Issuer.

(e) Surplus Funds. The next available money in the Revenue Fund shall be used for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from revenues of the System, but junior and subordinate to the Bonds, and may thereafter be used by the Authority for any legally permissible purpose, as the Board of Directors shall determine.

6.2 Investments and Maintenance of Funds. Money on deposit in the Funds described in this Section may be invested by the Authority in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Authority, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature or are subject to repurchase more than two years from the date the money is so invested. The Authority is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

The Revenue Fund, the Debt Service Sinking Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Authority and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

The proceeds of the investments described in this Section 6.2 shall be administered in manner consistent with the Federal Tax Certificate and Agreement.

ARTICLE VII. COVENANTS

7.1 Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Authority covenants and agrees that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of this resolution and the SRF Loan Agreements.

7.2 Insurance. The Authority shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business; provided, the Authority shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

7.3 Books and Accounts; Audits. The Authority will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants, which such audit shall be prepared in accordance with generally accepted accounting practices.

7.4 Rate Covenant. The Authority shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System fully sufficient at all times, such that Net Revenues in each Fiscal Year:

(a) will equal at least 120% of the Debt Service Requirement on the SRF Loan Agreements and all Bonds, and 100% of the Debt Service Requirement on all other bonds or other obligations then outstanding for such Fiscal Year;

(b) will enable the Authority to make all required payments, if any, with respect to the SRF Security Deposit or into the Reserve Fund and on any Credit Facility;

(c) will enable the Authority to accumulate an amount, which, in the judgment of the Board of Directors, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and

(d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in this resolution from prior Fiscal Years.

7.5 Sale or Disposal of System. The Authority will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of

any of the System facilities may at any time be permanently abandoned or otherwise disposed of or any of the System facilities sold at fair market value, provided that:

(a) The Authority is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

(b) Any sale proceeds will be applied either (A) to the redemption of Bonds and the prepayment of the SRF Loan Agreements, pro rata in proportion to outstanding principal amount, in accordance (with respect to the Bonds) with the provisions governing repayment of Bonds in advance of maturity, or (B) to the purchase of Bonds at the market price thereof (so long as such price does not exceed the amount at which the Bonds could be redeemed on such date or the next optional redemption date as set forth herein or in the resolutions authorizing the Parity Bonds) and the prepayment of the SRF Loan Agreements, pro rata in proportion to outstanding principal amount, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

(c) (i) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System or (ii) the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

(d) If the facilities are being sold or disposed to an entity that is not a state or local government and the facilities were financed with the proceeds of Bonds the interest on which is excludable from gross income for federal income tax purposes, the Authority shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Authority is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

7.6 Budgets. Prior to the beginning of each Fiscal Year, the Board of Directors shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Operating Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant set forth in Section 7.4, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request.

7.7 Franchises. The Authority will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently or hereafter served by the Authority by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of

the System so long as the Authority is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

7.8 SRF Loan Agreements. The Authority shall timely pay the amounts owed pursuant to the SRF Loan Agreements and duly perform its covenants and agreements thereunder and with respect thereto. The Authority will not consent or agree to or permit any amendment to or otherwise take any action under or in connection with the SRF Loan Agreements which will increase the payments required thereunder or which will in any manner impair or adversely affect the rights of the holders of the Bonds.

ARTICLE VIII. REMEDIES OF BOND OWNERS

Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Authority by the provisions of this resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Authority or the Authority with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution.

In addition to the foregoing, whenever the TLDA and/or TDEC has declared (and not subsequently rescinded such declaration) all unpaid principal and interest on any SRF Loan Agreements to be immediately due and payable (an "SRF Acceleration Event"), then all unpaid principal and interest on any outstanding Bonds shall likewise be immediately due and payable unless and until the registered owners of a majority in aggregate principal amount of the Bonds then outstanding shall have directed otherwise. Upon an SRF Acceleration Event, the Authority shall cause notice of the SRF Acceleration Event to be mailed by first-class mail, postage prepaid, to the registered holder of each Bond then outstanding. Such notice shall briefly set forth the nature of the SRF Acceleration Event and describe the rights of Bondholders with respect thereto.

Whenever at any time from the date of mailing of said notice there shall be filed with the Secretary of the Board of Directors an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to SRF Acceleration Event and specifically direct that acceleration of the Bonds not occur, then the Bonds shall immediately cease to be immediately due and payable and shall be payable as to principal and interest as originally issued.

Any direction given by the registered owner of a Bond pursuant to the provisions of this section shall be irrevocable once given, but solely with respect to the specific SRF Acceleration Event, and shall be conclusive and binding upon all future registered owners of the same Bond during such period. The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

Notwithstanding the foregoing, if any Bonds are insured by a bond insurance policy, the bond insurer issuing such bond insurance policy shall be entitled to consent to any modifications to this Resolution on behalf of the owners of the Bonds insured by such bond insurer.

ARTICLE IX. PROHIBITION OF PRIOR LIEN; PARITY BONDS

9.1 Prohibition of Prior Liens. The Authority will not issue other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Bonds.

9.2 Parity Bonds. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on parity with the Bonds under the following conditions but not otherwise:

(a) Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) or all of the SRF Loan Agreements or any series of the Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such bonds, and the refunding bonds so issued shall constitute Parity Bonds secured on a parity with the Bonds thereafter outstanding, if all of the following conditions are satisfied:

(i) the Authority shall have obtained a report from a Financial Adviser or the Chief Financial Officer of the Authority demonstrating that the refunding is expected to reduce the total debt service payments on the SRF Loan Agreements and the Bonds, including payments on related Credit Facilities; and

(ii) the requirements of subsections (b)(ii) and (iv) below are met with respect to such refunding.

(b) Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with Series 2023 Bonds, and the Parity Bonds so issued shall be secured on a parity with such Series 2023 Bonds, if all of the following conditions are satisfied:

(i) There shall have been procured and filed with the Authority a report by a Financial Adviser or a certificate by the Chief Financial Officer of the Authority, or his designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds and SRF Loan Agreements which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the delivery of the proposed Parity Bonds and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual

amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used; (y) if the Authority has a contract to purchase or otherwise acquire an Acquired System that will become part of the System, the historical Net Revenues may be adjusted to include the anticipated Net Revenues from the Acquired System; and (z) if the Authority has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) the Authority shall have received, at or before issuance of the Parity Bonds, a report from a Financial Adviser or a certificate of the Chief Financial Officer of the Authority, or his designee, to the effect that (x) the payments required to be made into the Debt Service Sinking Fund have been made and the balance in the Debt Service Sinking Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement, if any, and will be funded to the Reserve Fund Requirement, if any, immediately following the issuance of the proposed Parity Bonds.

(iii) The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of Bond Counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

(iv) The President shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the Authority is in compliance with all requirements of this resolution and the SRF Loan Agreements.

(c) Upon the determination of the Authority to combine an Acquired System into the System, any bonds, notes and other obligations of the Acquired System outstanding upon such combination may, at the election of the Authority, be payable from Net Revenues of the combined System on a parity and equality of lien with each other, provided that there shall be filed with the Authority:

(i) a report by a Financial Adviser or a certificate by the Chief Financial Officer of the Authority, or his designee the Net Revenues of such combined System for a period of 12 consecutive months of the most recent 18 consecutive months prior to such combination were equal to at least 120% of the Maximum Annual Debt Service Requirement on all SRF Loan Agreements, Bonds and any bonds, notes and other obligations of the Acquired System which will be outstanding immediately after the combination, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the combination and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of the combination and not fully reflected in the historical related Net Revenues actually received during such historical period used; and (y) if the Authority has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) A certificate of the President, as of the date of the combination, that the Authority is in compliance with all requirements of this resolution and the SRF Loan Agreements.

9.3 Applicability of Resolution to Parity Bonds. All the provisions and covenants of this resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of this resolution, the defeasance of Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued or assumed pursuant to the terms of this Article IX in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

ARTICLE X. SALE OF THE SERIES 2023 BONDS

10.1 Sale of Series 2023 Bonds.

(a) The Series 2023 Bonds shall be offered for competitive public sale in one or more series at a price of not less than ninety-eight percent (98%) of par exclusive of original issue discount, and accrued interest, as shall be determined by the President.

(b) The President is further authorized with respect to each series of the Series 2023 Bonds to:

(i) to change the dated date of the Series 2023 Bonds to a date other than the date of issuance;

(ii) to change the series designation of the Series 2023 Bonds;

(iii) to change the first interest payment date for the Series 2023 Bonds to a date other than June 1, 2024;

(iv) to adjust the principal and interest payment dates and maturity amounts of the Series 2023 Bonds, provided that (A) the total principal amount of the Series 2023 Bonds does not exceed the total amount of Series 2023 Bonds authorized herein, (B) the final maturity date shall not be later than June 1, 2042, and (C) the resulting debt service schedule shall be substantially consistent with the estimated debt service schedule attached hereto as Exhibit A;

(v) to change or remove the Authority's optional redemption provisions of the Series 2023 Bonds;

(vi) to establish the Reserve Fund Requirement, if any, for the Series 2023 Bonds; and

(vii) to sell the Series 2023 Bonds or any maturities thereof as serial Bonds or Term Bonds with mandatory redemption requirements.

(c) The President is authorized to award the Series 2023 Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Authority,

provided the rate or rates on the Series 2023 Bonds does not exceed the maximum rate permitted by applicable Tennessee law.

(d) Notwithstanding anything in this Section 10 to the contrary, if the President determines, in consultation with the Financial Adviser, that a competitive sale is less likely to produce the lower interest cost to the Authority with respect to the Series 2023 Bonds, then the President is hereby authorized to cause the Series 2023 Bonds to be sold by negotiated sale to one or more underwriters as may be selected by the President, in consultation with the Financial Adviser. In such event, the President is further authorized to cause the Financial Advisor and the Authority's counsel and bond counsel to prepare a bond purchase agreement to memorialize the negotiated sale, and the President and Secretary are authorized to execute and deliver the bond purchase agreement so prepared.

10.2 Delivery of Bonds; Closing Documentation. The President is authorized to cause the Series 2023 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the successful bidder or underwriter, as applicable, and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds.

10.3 Authentication and Delivery. The Registration Agent is hereby authorized to authenticate and deliver the Series 2023 Bonds to the successful bidder or underwriter, as applicable, upon receipt by the Authority of the proceeds of the sale of the Series 2023 Bonds and to authenticate and deliver Series 2023 Bonds in exchange for Series 2023 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2023 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2023 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Series 2023 Bond form.

10.4 Engagement of Financial Adviser and Bond Counsel. The President is authorized to take all steps necessary to engage Raymond James & Associates, Inc. and Bass, Berry & Sims PLC as Financial Adviser and bond counsel, respectively, for the issuance of the Series 2023 Bonds, and to execute and deliver engagements letters with respect thereto in such forms as may be approved by the President and counsel to the Authority.

ARTICLE XI. DISPOSITION OF BOND PROCEEDS

11.1 Disposition of Bond Proceeds. The proceeds of the sale of the Series 2023 Bonds shall be deposited in a special fund of the Authority known as the "Bond Proceeds Fund" to be kept separate and apart from all other funds of the Authority. Moneys in the Bond Proceeds Fund shall be disbursed solely to (i) acquire the System from the City by payment to the City of the portion of the purchase price prescribed by the Purchase and Sale Agreement to be paid from proceeds of the Series 2023 Bonds, (ii) fund the Reserve Fund Requirement, if any and to the extent not funded with other moneys of the Authority, and (iii) pay costs of issuance of the Series 2023 Bonds. Moneys in the Bond Proceeds Fund shall be invested by the Authority in such investments as shall be permitted by applicable law. Money in the Bond Proceeds Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Bond Proceeds Fund. Money in the Bond Proceeds Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Bond Proceeds Fund after the payment to the City of the purchase price prescribed by the Purchase and Sale Agreement and payment of costs of issuance shall be applied to

the defeasance of the Bonds and/or such other purposes as may be permitted by the Federal Tax Certificate and Agreement.

11.2 Authority to Cooperate with the City in the City's Retirement of the City Debt. The officers of the Authority are hereby authorized to take all steps and execute all documents and certificates that they may deem to be appropriate to cooperate with the City in its retirement of the City Debt.

ARTICLE XII. DISCHARGE AND SATISFACTION OF BONDS

If the Authority shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority with respect to such Bonds, or make adequate provision therefor, and by resolution of the Board of Directors instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Authority and the Authority to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Authority shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on

said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Registration Agent.

ARTICLE XIII. MODIFICATION OF RESOLUTION

13.1 Amendment Without Bondholder Consent. This resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; provided such amendment shall not adversely affect the registered owners, without taking into account any bond insurance policy.

13.2 Other Amendments. In addition to the amendments to this resolution without the consent of registered owners as referred to in Section 13.1 above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Authority but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the Authority) shall have the right from time to time to consent to and approve the adoption by the Board of Directors of a resolution or resolutions modifying any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

- (a) Make any change in the maturities or redemption dates of the Bonds;
- (b) Make any change in the rates of interest borne by the Bonds;
- (c) Reduce the amount of the principal payments or redemption premiums payable on the Bonds;
- (d) Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;
- (e) Affect the rights of the registered owners of less than all of the Bonds then outstanding; or
- (f) Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

13.3 Procedure for Modification. Whenever the Authority shall propose to amend or modify this resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Authority for public inspection.

Whenever at any time within one year from the date of mailing of said notice there shall be filed with the Secretary of the Board of Directors an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Authority may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Authority from taking any action pursuant to the provisions thereof.

Any consent given by the registered owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the Authority office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

Notwithstanding the foregoing, if any Bonds are insured by a bond insurance policy, the bond insurer issuing such bond insurance policy shall be entitled to consent to any modifications to this Resolution on behalf of the owners of the Bonds insured by such bond insurer, provided that no bond insurer shall be entitled to consent to any modifications to this Resolution that require the unanimous consent of the owners of the Bonds as described above.

**ARTICLE XIV.
OFFICIAL STATEMENT**

The officers of the Authority are hereby authorized and directed to provide for the preparation and distribution of Preliminary Official Statement describing the Series 2023 Bonds and the Authority. The officers of the Authority shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The officers of the Authority shall arrange for the delivery to the purchaser of a reasonable number of copies of the Official Statement within seven business days after the Series 2023 Bonds have been sold for delivery to each potential investor requesting a copy of the Official Statement.

The President is authorized, on behalf of the Authority, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Authority except for the omission in the Preliminary Official Statement of such pricing and other information.

**ARTICLE XV.
FEDERAL TAX MATTERS**

15.1 Covenant to Maintain Tax-Exemption of Series 2023 Bonds. The Series 2023 Bonds will be issued as federally tax-exempt bonds. The Authority hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2023 Bonds in a manner that would cause the Series 2023 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the Authority shall comply with applicable regulations adopted under said Section 148 of the Code. The Authority further covenants with the registered owners from time to time of the Series 2023 Bonds that it will, throughout the term of the Series 2023 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2023 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code. The President is authorized and directed to execute and deliver the Federal Tax Certificate and Agreement on behalf of the Authority, which shall be in such form as shall be required by the Authority's bond counsel.

**ARTICLE XVI.
CONTINUING DISCLOSURE**

The Authority shall provide financial information and enumerated event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2023 Bonds. The President is authorized to execute at the closing of the sale of the Series 2023 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2023 Bonds specifying the details of the financial information and enumerated event notices to be provided and its obligations relating thereto. Failure of the Authority to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2023 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Authority to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specified performance.

**ARTICLE XVII.
MISCELLANEOUS**

17.1 Resolution a Contract. The provisions of this resolution shall constitute a contract between the Authority and the registered owners of the Bonds, and after the issuance of the Series 2023 Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner, except as provided in Article XIII hereof, until such time as the Bonds shall have been paid in full or discharged pursuant to Article XII hereof.

17.2 Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

17.3 Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

17.4 Authority. The bonds authorized by this resolution are issued pursuant to the Act and other applicable provisions of law.

17.5 Compliance with Debt Management Policy. The Board of Directors hereby finds that the issuance of the Series 2023 Bonds as contemplated by this resolution is consistent with the Authority's debt management policy.

Adoption Date: _____, 2023

Chairman

Secretary

EXHIBIT A

Estimated Debt Service Schedule

F.Y. FY Ended	City Issued - Use and Benefit of CUB ⁽¹⁾			SRF Assumed/ Transferred Principal	Series 2023 Bonds ⁽³⁾		% Total Debt Retired	City Issued - Use and Benefit of CUB			SRF Assumed/ Transferred Interest	Series 2023 Bonds		Total Debt Service
	SRF Principal	Open Market Principal	Less: Obligated Principal		Principal	Total Principal		SRF Interest	Open Market Interest	Less: Obligated Interest		Interest	Total Interest	
2024	\$ 2,370,960	\$ 2,604,140	\$ (4,975,100)	\$ 2,370,960	\$ 2,890,000	\$ 5,260,960		\$ 490,116	\$ 973,318	\$ (1,463,434)	\$ 490,116	\$ 723,019	\$ 1,213,135	\$ 6,474,095
2025	2,707,836	2,482,365	(5,190,201)	2,707,836	2,360,000	5,067,836		556,320	916,250	(1,472,570)	556,320	1,089,088	1,645,408	6,713,244
2026	2,738,856	2,499,193	(5,238,049)	2,738,856	2,375,000	5,113,856		525,300	799,630	(1,324,930)	525,300	971,088	1,496,388	6,610,244
2027	2,770,272	2,503,602	(5,273,874)	2,770,272	2,385,000	5,155,272		493,884	680,703	(1,174,587)	493,884	852,338	1,346,222	6,501,494
2028	2,802,120	2,413,011	(5,215,131)	2,802,120	2,295,000	5,097,120		462,036	564,013	(1,026,049)	462,036	733,088	1,195,124	6,292,244
2029	2,834,328	1,720,645	(4,554,973)	2,834,328	1,605,000	4,439,328	38.83%	429,828	467,184	(897,012)	429,828	618,338	1,048,166	5,487,494
2030	2,866,956	1,420,054	(4,287,010)	2,866,956	1,300,000	4,166,956		397,200	395,302	(792,502)	397,200	538,088	935,288	5,102,244
2031	2,899,944	1,462,097	(4,362,041)	2,899,944	1,345,000	4,244,944		364,212	330,406	(694,618)	364,212	473,088	837,300	5,082,244
2032	2,933,388	1,346,505	(4,279,893)	2,933,388	1,230,000	4,163,388		330,768	272,368	(603,136)	330,768	405,838	736,606	4,899,994
2033	2,967,252	1,195,914	(4,163,166)	2,967,252	1,100,000	4,067,252		296,904	226,017	(522,921)	296,904	344,338	641,242	4,708,494
2034	3,001,536	1,235,322	(4,236,858)	3,001,536	1,165,000	4,166,536	65.64%	262,620	187,027	(449,647)	262,620	289,338	551,958	4,718,494
2035	3,036,240	1,124,140	(4,160,380)	3,036,240	1,065,000	4,101,240		227,916	152,199	(380,115)	227,916	231,088	459,004	4,560,244
2036	3,003,678	987,957	(3,991,635)	3,003,678	965,000	3,968,678		192,981	121,651	(314,632)	192,981	177,838	370,819	4,339,497
2037	2,827,709	610,000	(3,437,709)	2,827,709	590,000	3,417,709		159,909	90,831	(250,740)	159,909	129,588	289,497	3,707,206
2038	2,710,819	630,000	(3,340,819)	2,710,819	615,000	3,325,819		128,452	71,556	(200,008)	128,452	100,088	228,540	3,554,359
2039	2,421,488	655,000	(3,076,488)	2,421,488	655,000	3,076,488	88.68%	98,809	51,606	(150,415)	98,809	73,950	172,759	3,249,247
2040	2,150,482	425,000	(2,575,482)	2,150,482	425,000	2,575,482		73,779	30,663	(104,442)	73,779	46,113	119,892	2,695,374
2041	2,131,320	435,000	(2,566,320)	2,131,320	445,000	2,576,320		50,088	18,897	(68,985)	50,088	28,050	78,138	2,654,458
2042	2,085,035	210,000	(2,295,035)	2,085,035	215,000	2,300,035		26,497	8,400	(34,897)	26,497	9,138	35,635	2,335,670
2043	930,280	-	(930,280)	930,280	-	930,280		10,349	-	(10,349)	10,349	-	10,349	940,629
4044	400,140	-	(400,140)	400,140	-	400,140	100.00%	2,897	-	(2,897)	2,897	-	2,897	403,037
	<u>\$ 52,590,639</u>	<u>\$ 25,959,945</u>	<u>\$ (78,550,584)</u>	<u>\$ 52,590,639</u>	<u>\$ 25,025,000</u>	<u>\$ 77,615,639</u>		<u>\$ 5,580,865</u>	<u>\$ 6,358,022</u>	<u>\$ (11,938,887)</u>	<u>\$ 5,580,865</u>	<u>\$ 7,833,495</u>	<u>\$ 13,414,360</u>	<u>\$ 91,029,999</u>



EXHIBIT B

State Revolving Fund Loan Agreements

SRF Loan CW0 13-319
SRF Loan SRF 13-320
SRF Loan CG4 15-349
SRF Loan CG3 17-379
SRF Loan CW6 18-415
SRF Loan SRF 18-416
SRF Loan SRF 18-417
SRF Loan CW7 19-431
SRF Loan SRF 18-471-01
SRF Loan DG2 14-151
SRF Loan DWF 16-172
SRF Loan DW6 17-192
SRF Loan DWF 17-193
SRF Loan DWF 18-205
SRF Loan SRF 22-473
SRF Loan DWF 22-247
SRF Loan SRF 2023-484
SRF Loan SRF 2022-473-01

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