

AGENDA

SPECIAL MONTHLY MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

Monday, August 26, 2024 @ 11:00 AM

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Minutes approval for the August 5, 2024, monthly meeting.
4. Recognition of any person wishing to address the Board.
5. **Presentation - Update on the Class A Power Project.**
6. **e2i2 Sanitary Sewer Overflow (SSO)**

Resolution:

- a. A resolution authorizing the Chair or Vice-Chair to execute Change Order No. 2 to the Progressive Design Build Contract for the e2i2 Sanitary Sewer Overflow (SSO) Abatement Program – South Lee Hwy. and West Chickamauga Equalization Stations, Contract No. W-20-001-201, with Brasfield & Gorrie, LLC, to execute Phase 2 of the project and approving Exhibit F - Form of Contract Price Amendment, in substantially the form attached, in the amount of \$147,719,244.00, for a total amount of \$153,087,868.00.

7. **South Broad District Plan Area**

Resolutions:

- a. A resolution of the Board of Directors of the Industrial Development Board of the City of Chattanooga authorizing the execution of an Interlocal Cooperative Agreement (transfer of Tax Increment Revenues to and from Sports Authority) with the Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee.
- b. A resolution of the Board of Directors of the Industrial Development Board of the City of Chattanooga authorizing the execution of Tax Increment Financing documents related to the South Broad District Plan Area.

8. **Growing Small Business Incentive Grants**

Resolutions:

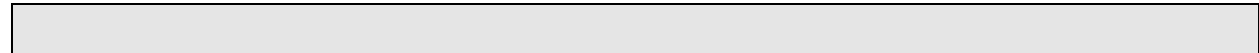
- a. A resolution authorizing an award of a Growing Small Business Incentive Grant to Big Sky Landscapes, LLC, in the amount of \$10,000.00. **(SBI-30)**
 - b. A resolution authorizing an award of a Growing Small Business Incentive Grant to Beautiful Game, Inc. d/b/a Chattanooga Football Club, in the amount of \$10,000.00. **(SBI-31)**
9. Other Business – Discussion Items
10. Adjournment.



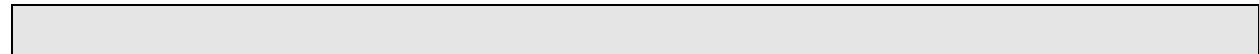
**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
John P. Franklin Sr. City Council Building
Assembly Room
Chattanooga, Tennessee
for
Monday, August 5, 2024
11:05 AM**

Present were Kerry Hayes (Chair), Althea Jones (Vice-Chair), Gordon Parker (Secretary), Ray Adkins, Jimmy F. Rodgers, Jr., and Melody Shekari. Absent was Jim Floyd (Assistant Secretary) and Nadia Kain.

Also Present were: Attorney for the Board, Phillip A. Noblett; Elizabeth Goss (Public Works); Gail Hart (Real Property); Mike Pare (Times-Free Press); Steve Jay and Shane Cook (Brasfield & Gorrie); Justin Bolender (Jacobs Engineering); Janice Gooden (CALEB); Eleanor Liu, Javaid Majid, and Paul Boylan (Finance); Mark Mamantov (Bass Berry & Sims); Daniel Bowley (Hamilton County); Jermaine Freeman (Chief of Staff); and Mark Heinzer (Wastewater).



Chairman Hayes called the meeting to order, confirmed the meeting was duly advertised, and established that a quorum was present to conduct business.



MONTHLY MEETING OF JULY 1, 2024 – MINUTES APPROVAL

On motion of Mr. Rodgers, seconded by Mr. Adkins, the minutes of the July 1, 2024, monthly meeting were unanimously approved.



PUBLIC COMMENTS

No one from the public had comments.



**PRESENTATION OF e2i2 QUARTERLY REPORT AND
CLASS A POWER PROJECT UPDATE**

Mr. Mark Heinzer (Administrator for the City’s Wastewater Department) gave the presentation with the assistance of Justin Bolender (Jacobs Engineering). This is for the temporary storage tanks for high flow wastewater. SSO Abatement is Sanitary Sewer Overflow.

Program Overview, Project Cost, Project Schedule, and Next Steps:

Program Overview – e2i2 = Environmental and Economic Infrastructure Improvement.

This is a joint project between the City of Chattanooga in partnership with the IDB and the Hamilton County Water and Wastewater Treatment Authority (WWTA). They are financial partners in this project as well.

The goals are to reduce the Sanitary Sewer Overflows (SSO). It is also a project that is dictated in our Consent Decree. We do have to do this project. The main thing is to improve our water quality and will allow for more economic growth. This will increase capacity in our collection system so we can accept new flows from new industries and new developments around the region.

We are doing a Progressive Design-Build (PDB). We selected our design builder last summer. The City will take ownership of the project once construction is complete. This phase of the project where we are in construction is where the IDB and City have its partnership having this project delivered, and then the City will take it over and maintain in perpetuity after that.

A slide of the Hamm Road facility was shown. The facility has been working very well and saved millions of gallons of wastewater. It has been operational for little over a year and a half. We are replicating that model on two different sites. One is the West Chickamauga Site near the interchange of I-24/I-75 which will be 30 million gallons, and another 10 million gallon facility on South Lee Highway.

Mr. Bolender spoke at this point. He is with Jacobs Engineering and also the Deputy Program Manager for the Consent Decree Program. As a project status and update, we wanted to present this information to you and allow you to ask any questions.

Project Status:

We have been on a journey for the past year starting last summer and completed the Phase 1 Design. That is from start to 60% design and they have reached the milestone where we received the 60% (Guaranteed Maximum Price) (GMP) which is \$147.8 million which is the cost for the remainder of the design and the completion of the construction.

Today we are discussing Change Order No. 1, which is a resolution today for the Board's consideration and approval. Also, is approval for money to be used for easement acquisition. We have approximately 20 easements and this lump sum here will account for what we are able to use to purchase the easements. In the present process, we use a firm to help us with negotiations and all those offers are backed up by the appraisals.

We completed our 60% design in June, and we are continuing with permitting and easement acquisition. Upon approval of the GMP, we will complete the final design and move forward with the rest of the project.

The Change Order has a lot of details which include:

- Deduct for removal of pipeline upgrades
- Additional permitting
- Additional waterline extension
- Easements, surveying, and site access design
- Addition of retaining wall design

Overall in financing the project with the WIFIA loan, there is a deadline on executing this work. Overall we are funding the project with approximately half of the WIFIA loan and half of the fund balance. The total \$153.7 million does include the Phase 1 cost as well. The GMP is \$147.8 million change including the original Phase 1 work that the total project cost is \$153.7 million.

The cost sharing and partnership with WWTA. WWTA is invested in part of this project in the West Chickamauga site. They are responsible for exactly 30% of that cost. The approximate amount there we have not agreed on that final cost with City and WWTA and listing that as an approximate. WWTA is responsible for a down payment and monthly payments for 20 years to complete that amount which matches the payback on the WIFIA loan as well. They do not have investment in operating maintenance. They are just financing the project and their IJA is being adjusted to get that benefit. The City is responsible for the engineering, construction, maintenance, and operation of the part that WWTA is contributing to.

This project began in July 2023 and expecting to complete in May 2027. The WIFIA deadline is December 31, 2028. We are well within that deadline and will expect much change from that May 2027. We have some room if we have to change scope. The main thing is that we have our GMP, schedule, and plan to present this GMP at the next meeting on August 26th for consideration and approval so we can move forward with issuing the Phase 2 Design Build Phase.

Overall, we will be presenting this approval at the next IDB meeting on August 26th. With that you will see execution of the final design starting in September of this year, including next spring, and construction completing in May 2027.

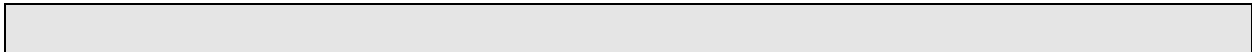
Discussion:

Mr. Adkins asked if their work would include working with the Tennessee American Water Company. They have had extremely large amount of water bursting and leakage lately. This project does not address that specifically. They are supplying water to use at these facilities so we will have connections to their system, but this project does not address the reliability of their system.

Attorney Noblett asked how big is this system that we are adding in comparison to what you already have on Hamm Road? Hamm Road is 30 million gallons. You have three 10 million gallon tanks. At the West Chickamauga site, we are going to have two 15 million gallon tanks and the other location north of there is the 10 million gallon which is about 25% more capacity overall than what we had at Hamm Road. The purpose of this is during peak weather event seasons this will help hold the effluent which is coming in the flood waters here in there as well as sewage coming through a combined system? Correct.

Mr. Heinzer said when we get a big rain event, a lot of water finds its way into the old pipes. The pipes are very old in some parts of town and water will find its way in and increases the flow. What that does is overruns the collection system, overruns the pipes, and they cannot handle the rain. You get a mix of rainwater and wastewater spilling out of the collection system whether it is out of a manhole or something like that. The whole Consent Decree was around stopping those instances from happening and this is a continuation of all the efforts that we have done. We are going to resolve a number of different points of overflow that we know we have. We get reports of overflows. We map them and know them, and how often they occur. These projects are situated to address those prime locations. This is something that EPA and TDEC will approve here based on what we have been doing previously? Correct.

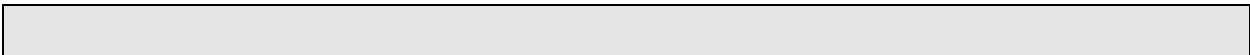
Mr. Rodgers asked if this situation was unique to Chattanooga? Has Knoxville, Nashville encountered this? Nashville has some combined sewer areas. They have a lot of infiltration in their system as well. Knoxville had a consent decree before we did and have made a lot of improvements up there. It is not unique across the nation. Having a consent decree and having these storage facilities is not unique. Atlanta dug tunnels. They have massive tunnels underground to hold their excess flow. That is a very expensive proposition. Their real estate they felt was worth to put it underground but for us we have a location that made sense financially for above ground. That is what we do. Cleveland, Ohio, also has some underground storage. It is not unique. You do not usually see them above ground necessarily but those do exist in other cities as well. It is a common way to handle this situation. One of the number of things they do. They have pipes, they upgrade pump stations, and use some storage. We do a little bit of everything to handle everything going on.



On motion of Mr. Parker, seconded by Ms. Jones,

A RESOLUTION AUTHORIZING THE EXPENDITURE OF UP TO FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000.00) FOR THE PURCHASE OF TEMPORARY AND PERMANENT SANITARY SEWER EASEMENTS, IN ACCORDANCE WITH CITY PURCHASING RULES, FOR THE CONSTRUCTION OF CONTRACT NO. W-20-001-201, E2I2 SSO ABATEMENT PROGRAM PHASE 1 – SOUTH LEE HWY. AND WEST CHICKAMAUGA EQ STATIONS.

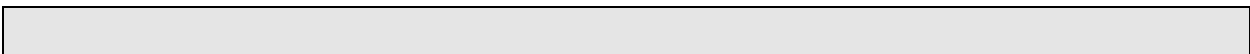
The motion carried.



On motion of Mr. Parker, seconded by Mr. Rodgers,

A RESOLUTION APPROVING CHANGE ORDER NO. 1 WITH BRASFIELD & GORRIE, LLC, OF BIRMINGHAM, AL, FOR CONTRACT NO. W-20-001-201, E2I2 SSO ABATEMENT PROGRAM PHASE 1 – SOUTH LEE HWY. AND WEST CHICKAMAUGA EQ STATIONS, TO INCREASE BY TWO HUNDRED THIRTY-EIGHT THOUSAND SIX HUNDRED TWENTY-FOUR DOLLARS (\$238,624.00) DUE TO ADDITIONAL DESIGN AND PROPERTY SERVICES, FOR A REVISED AMOUNT OF FIVE MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS (\$5,130,000.00), FOR A TOTAL AMOUNT OF FIVE MILLION THREE HUNDRED SIXTY-EIGHT THOUSAND SIX HUNDRED TWENTY-FOUR DOLLARS (\$5,368,624.00).

The motion carried.



**PRESENTATION OVERVIEW OF THE SUBORDINATE TIF FINANCING
NEEDED FOR THE SOUTH BROAD STADIUM PROJECT**

Mr. Jermaine Freeman said as many are aware, we have held the groundbreaking for the stadium project. Work is commencing. As some may remember that in order to make financing possible for the new stadium, the City Council and County Commission each approved amendments to the Economic Impact Plan for the project back in mid-June. Those amendments allow for a restructured financing that allows for excess tax increment from the City to be used to pay for around \$26 million of subordinate financing that is necessary to get the stadium to completion.

Mr. Mark Mamantov went over what will be brought to the Board in a few weeks. The sources of financing for the stadium were discussed. The bonds are \$80 million. One series is taxable which will be paid from the lease payments and one series is tax exempt. To bridge the gap, the City has agreed to back an additional \$5 million in debt from the hotel/motel taxes and sales taxes that will hopefully be generated within the area of the stadium outside the stadium itself for a total of \$85 million. The difference of \$26 million is the tax increment financing where the IDB comes in. This is a critical portion of the financing. There is also \$30 million in equity coming from the team and \$1 million of interest on the \$80 million that we expect for a grand total of \$115 million (inaudible) to pay for the entire project.

There is a special law that says that we get the state sales tax off the stadium itself. Five and a half percent which is a significant amount of money, roughly \$700,000 to \$900,000 a year based on what estimates we have. The rent is \$1 million a year payable by the team. The City's tax increment revenues pursuant to the Economic Impact Plan. The County tax increment revenues from the South Broad District also approved by the County IDB. The City and County agreed to make up any shortfall on the Series A/B Bonds with the City agreeing to do the same thing on the \$5 million Series C/1. The chart was shown at this point.

The Series B Bonds are the Sports Authority bonds. The Series A Bonds will come from the sales tax. The tax increment with the City and County providing the backstop. The Series B Bonds are expected to be paid from team rent. If the team defaulted, it would be paid from the tax increment, and given the backstop from the City and County equally. The subordinate \$5 million Series C Bonds backstopped by the City and \$26 million would be this Board's borrowing. Non-recourse for this Board solely payable from tax increment revenues. This is a critical part of the financing.

Sales tax revenues are paid monthly and collected by the state to the Sports Authority and will flow directly to the Bond Trustee for the Sports Authority. Team rents will get paid semi-annually to the Sports Authority. The County collects their taxes and figure out what the increment is from the South Broad District. It flows through the County IDB, because they do a separate Economic Impact Plan under the Interlocal Agreement which this Board has already approved and signed. It will flow from the County IDB to this Board and this Board will agree to contribute it to the Sports Authority to pay debt service.

It will be segregated by the Bond Trustee into two accounts. County Increment Account and the City Increment Account to be tracked. Once it goes to the City Increment Account, it will be used to pay debt service on the Series A/B Bonds, debt service on the Series C Bonds (\$85 million), once it crosses the threshold that between team rent, sales tax revenues, and these tax increment revenues, once they are adequate to pay debt service on those bonds, the Series A/B/C Bonds, then the City portion only, not the County portion, will flow back to this Board to be available to pay the \$26 million tax increment note held by the team and the site owner. This is \$10 million of the \$26 million, and the team is \$16 million of the \$26 million, and the team is

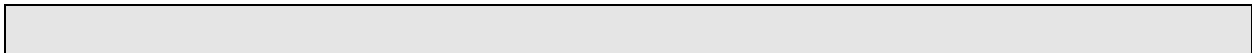
contributing an additional \$3 million for a total of \$19 million. They are taking the risk that if the area is developed, there is no backstop in any form whatsoever from this entity, from the City or County on that tax increment note. The Board has approved the Economic Impact Plan and Amendment to revise the financing plan. The Board has also approved the Intergovernmental Agreement with the County IDB where they give you their increment to flow through.

On August 26th, we will have the tax increment financing documents, two Loan Agreements, one between the team and this Board and one between the site owner, Pipe Properties, and this Board. Pipe Properties is to do the initial pad-ready type work to have the stadium site. They are donating the site, and they are going to spend \$10 million on getting it ready for any remaining environmental needs and coordinate the mutual construction aspects of the deal. The team's increment financing is going to be used to finish out the stadium. Everything from the equipment needed, netting, seating, and things like that. That is where their \$19 million will go.

Those documents are ready but the issue is trying to finalize what we do not want to happen from a community perspective that while we are building the stadium if there is any default on any of those things, we want to make sure the \$19 million is there when we need it. Jason Freier is working with First Bank and want to give a positive report at the next meeting. We will have a revised Interlocal Agreement with the Sports Authority. Originally, all of the money was flowing from the Sports Authority and staying here, now it is coming back to this Board for the debt service. We are fixing it so that once the Bond Trustee says there is enough to pay the bonds, we will get the excess back to the Board to pay debt service on the TIF note. This is what will be coming to the Board on the 26th.

Chairman Hayes asked if the Intergovernmental Agreement would sort of memorialize the transfers of the funds? The IDB will not have to do monthly approvals. Reports will be brought to the Board on a quarterly basis.

Ms. Shekari said the last time this had come up before this body there were discussions about a Community Benefits Agreement and then read in the paper that it fell apart. Mr. Freeman said that it has not fallen apart from what you probably saw in the media. The primary group that is working on behalf of the community to negotiate the Community Benefits Agreement is the Bethlehem Center who is working with the developers and have a meeting today. Not all of the original parties are in the group. From the City's perspective, we continue to say that we want a CBA. However, we also understand we are not a party to it, but we are encouraged that the Bethlehem Center is working with the developers along with the South Chattanooga Community Association to continue to move it forward.



OTHER BUSINESS – DISCUSSION ITEMS

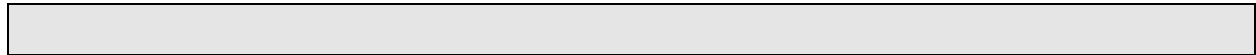
- **Discuss response letter to the Tennessee Comptroller of the Treasury for the financial audit by Eleanor Liu.**

This letter is in response to the letter received from the State Comptroller’s Office. As we discussed before in previous meetings that we did with our internal auditor’s approval, the liability will be removed and leave it in the notes section. That will remove the deficit in the financial report. The Chair can sign the letter with approval and this addresses it satisfactorily. Mr. Rodgers asked Ms. Liu if she has been in contact with the Comptroller’s Office such as you thought this will work. Ms. Liu was not in contact with them but from the conversation we had this was all they needed. Mr. Parker asked if this was just an accounting, we are moving it to another bucket *per se*. Ms. Liu said correct. Attorney Noblett said that we are responding and if there is anything else they want us to do, to let us know.

- **FYI – copy of the IDB Annual Debt Report filed with the State Comptroller’s Office.**

Attorney Noblett said that we do an update each year that we file with the State Comptroller’s Office telling them of any outstanding Tax Increment Financing or bond arrangements that this body has. We list those and send them each year as required by law.

Please note that our next meeting will have some time sensitive needs, and we have a quorum for the August 26th meeting. Chairman Hayes will not be able to attend the meeting, however, Vice-Chair Jones will Chair the meeting.



There being no further business, on motion of Mr. Adkins, the meeting adjourned at 11:40 AM.

GORDON PARKER, *Secretary*

APPROVED:

KERRY HAYES, *Chair*

RESOLUTION

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE CHANGE ORDER NO. 2 TO THE PROGRESSIVE DESIGN BUILD CONTRACT FOR THE E2I2 SANITARY SEWER OVERFLOW (SSO) ABATEMENT PROGRAM – SOUTH LEE HWY. AND WEST CHICKAMAUGA EQUALIZATION STATIONS, CONTRACT NO. W-20-001-201, WITH BRASFIELD & GORRIE, LLC, TO EXECUTE PHASE 2 OF THE PROJECT AND APPROVING EXHIBIT F - FORM OF CONTRACT PRICE AMENDMENT, IN SUBSTANTIALLY THE FORM ATTACHED, IN THE AMOUNT OF ONE HUNDRED FORTY-SEVEN MILLION SEVEN HUNDRED NINETEEN THOUSAND TWO HUNDRED FORTY-FOUR DOLLARS (\$147,719,244.00), FOR A TOTAL AMOUNT OF ONE HUNDRED FIFTY-THREE MILLION EIGHTY-SEVEN THOUSAND EIGHT HUNDRED SIXTY-EIGHT DOLLARS (\$153,087,868.00).

BE IT RESOLVED, that the Industrial Development Board of the City of Chattanooga is hereby authorizing the Chair or Vice-Chair to execute Change Order No. 2 to the Progressive Design Build Contract for the e2i2 Sanitary Sewer Overflow (SSO) Abatement Program – South Lee Hwy. and West Chickamauga Equalization Stations, Contract No. W-20-001-201, with Brasfield & Gorrie, LLC, to execute Phase 2 of the project and approving Exhibit F - Form of Contract Price Amendment, in substantially the form attached, in the amount of \$147,719,244.00, for a total amount of \$153,087,868.00.

ADOPTED: August 26, 2024

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

KERRY HAYES, Chair

GORDON PARKER, Secretary



Design-Build Change Order Form

For use with DBIA Document No. 535 *Standard Form of General Conditions of Contract Between Owner and Design-Builder.*

Change Order Number: 2	Change Order Effective Date: August 26, 2024 (date when executed by both parties)
Project: e2i2 SSO Abatement Program Phase 1-South Lee Hwy and West Chickamauga EQ Stations Contract No. W-20-001-201	Design-Builder's Project No: 26633
	Date of Agreement: April 25, 2023
Owner: Industrial Development Board of the City of Chattanooga	Design-Builder: Brasfield & Gorrie, L.L.C.

Scope of the Change: This Design-Build Change Order incorporates Exhibit F Form of Contract Price Amendment (attached) into the Agreement. This includes incorporating the Guaranteed Maximum Price Proposal Deliverable Including Sections 1 – 18, 07-24-2024, Updated 08-15-2024 and all Exhibits into the Agreement.

Original Contract Price:	\$ 5,130,000.00
Net Change by Previous Change Order No: 1 to: 1	\$ 238,624.00
This Change Order Increase/Decrease (attached):	\$ 147,719,244.00
New Contract Price:	\$ 153,087,868.00

Original Phase 1 Contract Completion Date:	July 25, 2024
Adjustments by Change Order No 1 to: 1	0 (calendar days)
This Change Order Contract Time Increase:	870 (calendar days after Phase 2 Construction Mobilization)
Revised Phase 2 Substantial Completion Date:	Will be Calculated Based on Actual Phase 2 Construction Mobilization Date

By executing this Change Order, Owner and Design-Builder agree to modify the Agreement's Scope of Work, Contract Price and Contract Time as stated above. Upon execution, this Change Order becomes a Contract Document issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder.*

OWNER:

DESIGN-BUILDER:

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: Ben Harris
Title: Vice President & Division Manager
Date: _____

DBIA Change Log

Contract No.		W-20-001-201	
Project Name:		e2i2 SSO Abatement Program Phase 1 - South Lee Hwy and West Chickamauga EQ Stations	
Design Builder:		Brasfield & Gorrie, L.L.C.	
	Brief Description	Change Order Amount	TOTALS
Executed Contract			\$ 5,130,000.00
DBIA Change Order 1	Executes Professional Services Change Orders 1 thru 5	\$ 238,624.00	\$ 238,624.00
DBIA Change Order 2	Executes Exhibit F - Form of Contract Price Amendment	\$ 147,719,244.00	\$ 147,719,244.00
DBIA Change Order 3			\$ -
DBIA Change Order 4			\$ -
DBIA Change Order 5			\$ -
Revised Contract Amount		\$ 147,957,868.00	\$ 153,087,868.00

Exhibit F
Form of Contract Price Amendment

LUMP SUM

Updated 08-15-2024

Exhibit F

Form of Contract Price Amendment

Owner:	Industrial Development Board of the City of Chattanooga
Design-Builder:	Brasfield & Gorrie, L.L.C.
Project:	e2i2 SSO Abatement Program Phase 1 - South Lee Hwy and West Chickamauga EQ Stations
Agreement:	Contract No. W-20-001-201
Effective Date:	August 30, 2024

Pursuant to Section 2.3.2.3 of the Agreement, dated April 25, 2023, the Owner and the Design-Builder amend the Agreement to (i) establish a Guaranteed Maximum Price, as set forth in Section 7.6 of the Agreement, (ii) set or amend any Contract Times for the Work, as set forth in Article 6 of the Agreement, and (iii) amend any other terms and conditions of the Agreement, all as provided herein. Capitalized Terms not otherwise defined in this Contract Price Amendment shall have the meaning set forth in the Contract Documents.

1. Guaranteed Maximum Price:

1.1. The Lump Sum Price referenced in Section 7.2 of the Agreement is \$147,719,244.

1.2. The Basis of Design Documents, as defined in Section 1.2.5 of the General Conditions of Contract, are as follows:

Exhibit	Basis of Design Document (including Owner-Approved 60% Design)
GMP-A	e2i2 South Lee Hwy EQ Station Plans, 07-19-2024
GMP-B	e2i2 West Chickamauga EQ Station Plans, 07-19-2024
GMP-C	e2i2 North Lee Hwy Conveyance Improvements Plans, 02-15-2024
GMP-D	e2i2 South Lee Hwy Conveyance Improvements Plans, 02-15-2024
GMP-E	e2i2 North Lee Hwy Conveyance Improvements – Preliminary Restoration Plans, 07-10-2024
GMP-F	e2i2 South Lee Hwy Conveyance Improvements – Preliminary Restoration Plans, 07-10-2024
GMP-G	e2i2 Project Manual Specifications, 07-19-2024

1.3. Additional Exhibits: Any additional exhibits incorporated by this Contract Price Amendment are as follows:

Exhibit	Exhibit Description
GMP-H	Schedule of Values of GMP
GMP-I	Project Team Selections
GMP-J	Annual Adverse Weather Days, Updated 08-12-2024
GMP-K	Guaranteed Maximum Price Proposal Including Section 1 - 18, 07-24-2024, Updated 08-15-2024
GMP-L	Clarifications, Assumptions and Exclusions, Updated 08-15-2024
GMP-M	Owner's Permit List, Updated 08-15-2024

1.4. Allowances: Any allowances agreed upon by the parties, as provided in Section 7.7 of the Agreement, are as follows:

Allowance Items	Allowance Values
Materials Testing	\$455,000
Camera / Access Control / Security	\$450,000
Landscaping / Trees	\$225,000
Permanent Power	\$280,000
Home Serve SLEQ Tank Site Permanent Access Work	\$510,000

1.5. Unit Prices: Any unit prices agreed upon by the parties are as follows:

Unit Price Work	Unit Price
Not Applicable (N/A)	N/A
Not Applicable (N/A)	N/A

1.6. Contingency: Any contingency prices agreed upon by the parties are as follows:

Contingency Items	Contingency Values
Design-Builder Contingency	\$4,710,459
Owner Contingency	\$4,521,887

2. Other Adjustments to Contract Price (if any): If the parties have agreed on any change to the Design-Builder's Fee or Design-Builder's General Conditions Percent, or have agreed on any other change to the Contract Price, such agreement is as follows:

N/A	N/A
N/A	N/A
Other Changes: N/A	

3. Contract Times:

3.1. Design-Builder shall achieve Substantial Completion of the Work no later than 870 calendar days after construction mobilization of the Phase 2 Services, which shall be the Scheduled Substantial Completion Date, under Section 6.2 of the Agreement.

3.2. Pursuant to Section 6.2.2 of the Agreement, the Design-Builder shall achieve the following activities by the associated Milestone Dates:

Activities	Milestone Dates
Final Design	Phase 2 NTP + 270 days
S Lee Hwy EQ Station Substantial Completion	Phase 2 Construction Mobilization + 660 days

3.3. Liquidated Damages. As provided in Section 6.4 of the Agreement, Liquidated Damages are established or modified as follows:

Deadline	Liquidated Damages Daily Rate
Failure to achieve Substantial Completion	\$2,000 (No Change)
Failure to achieve Final Completion	\$2,000 (No Change)

4. If the parties have agreed to amend any other terms or conditions of the Contract Documents, such agreement is as follows:

Reference Agreement Article 7.6.3, the “Savings” shall be shared as follows:

- a. Design Builder Contingency savings shall be shared with 65% savings to the Owner and 35% savings to the Design Builder.
- b. Allowances are not subject to shared savings. All Allowance savings go to the Owner and all allowance overruns are the Owner’s responsibility to pay.
- c. Owner Contingency is not subject to shared savings. All Owner Contingency savings go to the Owner.
- d. The West Chickamauga EQ tank slab and foundation design will be finalized during Phase 2 design. This will be treated similar to an allowance and any associated cost savings will go to the Owner.

Agreement Article 8.3.1 is hereby revised as follows:

8.3.1 Owner will retain five percent (5%) of each Application for Payment. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project.

5. Unless otherwise explicitly provided herein, all terms and conditions of the Contract Documents remain in full force and effect. Unless otherwise explicitly incorporated and referenced herein, neither the Design-Builder’s Proposal (as defined in Section 2.3 of the Agreement) nor any portion thereof, nor any document attached thereto or referenced therein, is incorporated herein. The terms and provisions of this Contract Price Amendment constitute the full and complete agreement between the parties concerning the subject matter hereof.

a

In executing this Contract Price Amendment, Owner and Design-Builder each individually represents that it has the necessary approvals to execute this Contract Price Amendment. Design-Builder executes this Contract Price Amendment under seal.

OWNER:
City of Chattanooga

DESIGN-BUILDER:

(Signature)

(Signature)

(Seal)

(Printed Name)

(Printed Name)

(Title)

(Title)

Date:

Date:

Attest

Attest

The following Surety or Sureties execute solely for the purpose of consenting to the modifications made by this Contract Price Amendment.

Surety:

(Name)

(Signature)

(Printed Name)

(Title)

Date:

Attest

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA AUTHORIZING THE EXECUTION OF AN INTERLOCAL COOPERATIVE AGREEMENT (TRANSFER OF TAX INCREMENT REVENUES TO AND FROM SPORTS AUTHORITY) WITH THE SPORTS AUTHORITY OF THE COUNTY OF HAMILTON AND THE CITY OF CHATTANOOGA, TENNESSEE

WHEREAS, the Industrial Development Board of the City of Chattanooga (the “Board”) is duly incorporated pursuant to Sections 7-53-101 et seq., Tennessee Code Annotated (the “Act”); and

WHEREAS, the Board of Commissioners (the “Commission”) of Hamilton County, Tennessee (the “County”) and the City Council (the “City Council”) of the City of Chattanooga, Tennessee (the “City”), have determined that the construction of a multi-use sports and entertainment stadium (the “Stadium”) and related facilities in the South Broad District of the City will be in the public interest of the citizens of the City and the County and will encourage and foster economic development and prosperity for the City and the County; and

WHEREAS, The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee (the “Authority”) intends to issue bonds to pay for the costs of construction and development of the Stadium (the “Sports Authority Bonds”), the issuance of which will require a fund or funds required to be held to pay debt service on the Sports Authority Bonds or to serve as a reserve therefor (collectively, the “Debt Service Fund”); and

WHEREAS, the City Council and the Commission have approved providing assistance to support the Authority’s financing of the construction and development of the Stadium by allocating certain incremental property tax revenues payable to the Authority through the Board and The Industrial Development Board of the County of Hamilton, Tennessee, as previously approved by the City Council and the Commission (the “Tax Increment Revenues”); and

WHEREAS, the Authority has agreed to pay the Tax Increment Revenues it receives from the City and the County toward the debt service of the Sports Authority Bonds to the extent needed; and

WHEREAS, to the extent the Tax Increment Revenues exceed the amounts needed to pay debt service on the Sports Authority Bonds, the Authority, through the indenture under which the Sports Authority Bonds will be issued, will return Tax Increment Revenues to the County (as to the County’s Tax Increment Revenues) through the Board and the County IDB;

WHEREAS, to the extent the Tax Increment Revenues exceed the amounts needed to pay debt service on the Sports Authority Bonds, the Authority, through the indenture under which the Sports Authority Bonds will be issued, will return Tax Increment Revenues to the Board (as to the City's Tax Increment Revenues), to pay debt service with respect to certain tax increment financing being undertaken by the Board; and

WHEREAS, there has been submitted to the Board a form of interlocal cooperative agreement (the "Interlocal Cooperative Agreement") between the Board and the Authority, which the Authority proposes to execute, pursuant to Sections 12-9-101, *et seq.*, Tenn. Code Ann., in connection with the issuance of the Sports Authority Bonds by the Authority and the transfer of the Tax Increment Revenues to and from the Sports Authority.

NOW, THEREFORE, BE IT RESOLVED by the Industrial Development Board of the City of Chattanooga, as follows:

RESOLVED, that the Chair of the Board (or in the Chair's absence, the Vice Chair) is hereby authorized to cause the Interlocal Cooperative Agreement to be executed and delivered, and the Secretary or any other officer of the Board, when requested, is authorized to attest Interlocal Cooperative Agreement.

RESOLVED, the officers of the Board are authorized to cause the Board to perform the obligations of the Board thereunder.

RESOLVED, that the Interlocal Cooperative Agreement shall be in substantially the form presented to the Board and approved by the Board's counsel with such changes as are approved by the officers executing same, their execution constituting conclusive evidence of such approval.

RESOLVED, that the officers of the Board, individually or collectively, are authorized execute and deliver such additional certificates, instruments and other documents as may be request of the Board and approved by the Board's counsel as are deemed necessary or desirable in connection with the closing and issuance of the Sports Authority Bonds.

RESOLVED, that this Resolution will take effect from and after its passage.

I hereby certify that attached hereto is a resolution of the Industrial Development Board of City of Chattanooga, duly and lawfully adopted by its Board of Directors on August 26, 2024, at a meeting at which a quorum was acting throughout and I furthermore certify that such resolution has not been amended or modified in any respect.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF CHATTANOOGA**

By: _____

Name: Kerry Hayes

Title: Chair

Attested:

Gordon Parker, Secretary

Exhibit A

INTERLOCAL COOPERATIVE AGREEMENT
(Transfer of Tax Increment Revenues to the Sports Authority)

45288443.2

INTERLOCAL COOPERATIVE AGREEMENT
(Transfer of Tax Increment Revenues to and from Sports Authority)

This Interlocal Cooperative Agreement is made and entered into as of the __ day of _____, 2024, by and between the Industrial Development Board of the City of Chattanooga (the “City IDB”) and The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee (the “Sports Authority”) and, together with the City IDB, the “Parties” and each a “Party”).

WITNESSETH:

WHEREAS, the City IDB is an industrial development corporation duly incorporated pursuant to Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”); and

WHEREAS, the Sports Authority is a sports authority created pursuant to Chapter 67, Title 7, Tenn. Code Ann., by the City Council (the “City Council”) of Chattanooga, Tennessee (the “City”), and the Board of Commissioners (the “County Commission”) of Hamilton County, Tennessee (the “County”); and

WHEREAS, the City IDB has submitted and the City Council has approved an Economic Impact Plan for South Broad District Plan Area (the “City Plan”) in order to promote and accelerate the economic development of the South Broad District and certain parcels adjacent to the District that would benefit from redevelopment of the District (the “Plan Area”); and

WHEREAS, The Industrial Development Board of the County of Hamilton, Tennessee (the “County IDB”) has submitted and the County Commission has approved an economic impact plan similar to the City Plan (the “County Plan” and, together with the Plan, the “Plans”), in order to promote and accelerate the economic development of the Plan Area; and

WHEREAS, as described in the Plans, a new stadium (the “Stadium”) is expected to be constructed within the Plan Area and is intended to be a catalytic project to promote and accelerate the redevelopment of the Plan Area; and

WHEREAS, the Sports Authority is financing a portion of the cost of the construction of the Stadium through the issuance of its (i) Public Facility Revenue Bonds (Stadium Project), Series 2024A and Public Facility Revenue Bonds (Stadium Project), Series 2024B (Federally Taxable) (together, the “Senior Bonds”) pursuant to a Trust Indenture (the “Indenture”), between the Sports Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), in an aggregate principal amount of up to \$85,000,000 and (ii) Public Facility Revenue Bond (Stadium Project), Series 2024C in a principal amount of up to \$5,000,000 (the “Subordinate Bond” and, together with the Senior Bonds, the “Stadium Bonds”); and

WHEREAS, pursuant to the City Plan, the City IDB is financing a portion of the cost of the construction of the Stadium through the issuance of one or more of its Tax Increment Revenue Notes (South Broad District) in an aggregate principal amount of up to \$26,000,000 (the “IDB Notes), and the City IDB will cause the application of the proceeds of the IDB Notes for the benefit of the Sports Authority for such purposes; and

WHEREAS, the City Plan contemplates that certain incremental property tax revenues derived from the Plan Area (the “City Tax Increment Revenues”) will be allocated by the City to the City IDB to be applied, in order to promote economic development, to the purposes set forth in the City Plan, including without limitation transfer to the Sports Authority for the payment of debt service on the Stadium Bonds and then to the payment of the IDB Notes; and

WHEREAS, the County Plan contemplates that certain incremental property tax revenues derived from the Plan Area (the “County Tax Increment Revenues”) will be allocated by the County to the County IDB to be applied, in order to promote economic development, for transfer to the Sports Authority through the City IDB for the payment of debt service on the Senior Bonds; and

WHEREAS, the County IDB and the City IDB entered into an Amended and Restated Interlocal Cooperative Agreement, dated June 12, 2024 (the “IDB Interlocal Agreement”), pursuant to which, for administrative convenience and efficiency, the County IDB has agreed to pay the County Tax Increment Revenues to the City IDB for further transfer to the Sports Authority, as further described therein and herein; and

WHEREAS, the City IDB and the Sports Authority wish to provide for the administration of the City Tax Increment Revenues and the County Tax Increment Revenues in the manner contemplated by the Plans, the IDB Interlocal Agreement and the Indenture; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the Parties agree as follows:

1. Transfer of the City and County Tax Increment Revenues from the City IDB to the Sports Authority. The City IDB will promptly transfer all of the City Tax Increment Revenues and County Tax Increment Revenues (together, the “Tax Increment Revenues”) to the Trustee for the benefit of Sports Authority, pursuant to payment instructions provided from time to time to the City IDB by the Trustee. So long as the Stadium Bonds remain outstanding, all Tax Increment Revenues shall be transferred directly to the Trustee for deposit in those accounts established by the Indenture to hold the Tax Increment Revenues.

2. Application of Tax Increment Revenues by the Sports Authority.

(a) County Tax Increment Revenues. The Sports Authority shall cause the Trustee to segregate the County Tax Increment Revenues from the City Tax Increment Revenues and from any other revenues held by the Trustee. The County Tax Increment Revenues transferred to the Sports Authority shall be applied to the payment of debt service on the Senior Bonds in such year on a proportionate basis (as defined below) with the City Tax Increment Revenues, and any County Tax Increment Revenues not needed therefor shall be promptly returned on an annual basis to the City IDB, which will return such amount to the County IDB pursuant to the IDB Interlocal Agreement. In no event shall the County Tax Increment Revenues be used to pay debt service on the Subordinate Bond or for any other purpose not expressly set forth in the County Plan and the IDB Interlocal Agreement. As used above, “proportionate basis” means that County Tax Increment Revenues and City Tax Increment Revenues will be applied to the payment of debt service on the Senior Bonds in proportion to the relative amounts of County Tax Increment Revenues and City Tax Increment Revenues transferred by the City IDB to the Sports Authority pursuant to the terms of this Agreement.

(b) City Tax Increment Revenues.

(i) The Sports Authority shall cause the Trustee to segregate the City Tax Increment Revenues from the County Tax Increment Revenues and from any other revenues held by the Trustee. The City Tax Increment Revenues transferred to the Sports Authority shall be

applied to the payment of debt service on the Senior Bonds on a proportionate basis (as defined above) with the County Tax Increment Revenues as provided in the Indenture.

(ii) The Sports Authority will cause the Trustee to apply any excess City Tax Increment Revenues thereafter remaining to the payment of principal of and interest on the Subordinate Bond. After such payment, the Sports Authority will cause any excess City Tax Increment Revenues to be repaid to the City IDB which will apply such City Tax Increment Revenues for the following purposes and in the following order:

- (A) Payment of debt service on the IDB Notes;
- (B) Prepayment of principal of the IDB Notes; and
- (C) Return of any remaining City Tax Increment Revenues to the City.

3. Term. Subject to the approvals and conditions herein, the duties and responsibilities of the Parties hereunder shall commence as of the date hereof and shall continue until the earliest to occur of the following: (a) all City and County Tax Increment Revenues have been allocated pursuant to the Plans; or (b) the Stadium Bonds have been discharged in accordance with their terms.

4. Interlocal Cooperation Provisions. For purposes of Section 12-9-104 of the Tenn. Code Ann., as amended, the Parties agree that (i) no separate legal entity shall be established to conduct the cooperative undertaking being undertaken pursuant to this Agreement; (ii) no real or personal property is expected to be acquired in connection with the cooperative undertaking being undertaken pursuant to this Agreement; and (iii) the City shall serve an administrator to oversee the performance of the provisions of this Agreement.

5. Default. In the event any of the Parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then the non-defaulting Party, so long as said Party is not itself in default hereunder, may seek specific performance, mandamus or other extraordinary relief to compel the defaulting Party to perform hereunder.

6. Establishment of Funds. The Parties agree to establish such funds and accounts that may be required with respect to the matters set forth herein and such further funds and accounts as shall be determined necessary and advisable for the payment of the Combined Tax Increment Revenues; costs of constructing, operating, and maintaining the Stadium; and paying the principal of and interest on the Stadium Bonds.

7. Cooperation of Parties. The Parties agree to cooperate with each other to facilitate the transactions described herein.

8. Notices. Any notice, request, demand, instruction or other communication (a "Notice") to be given to any Party with respect to this Agreement may be given either by the Party or its counsel and shall be deemed to have been properly sent and given when (a) delivered by hand, (b) sent by certified mail, return receipt requested, or (c) sent by reputable courier service. If delivered by hand or courier service, a Notice shall be deemed to have been sent, given and received on the date when actually received by the addressee (or on the date when the addressee refuses to accept delivery of same). If sent by certified mail, a Notice shall be deemed to have been sent and given when properly deposited with the United States Postal Service with the proper address and postage paid therewith, and shall be deemed to have been received on

the fifth (5th) business day following the date of such deposit, whether or not actually received by addressee. The addresses to which Notices shall be sent are:

If to the Sports Authority: c/o Office of the City Attorney
City of Chattanooga
101 East 11th Street, Suite 200
Chattanooga, Tennessee 37402
Attention: Chairman

If to the City IDB: Industrial Development Board of the City of Chattanooga
101 East 11th Street, 2nd Floor
City Hall Annex, Suite 200
Chattanooga, Tennessee 37402
Attention: Chairman

9. Assignment. Neither Party shall assign any right or obligation hereunder without first receiving the written consent of the other Party.

10. Severability. If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Chancery Court and/or the Circuit Court of Hamilton County, Tennessee, shall have exclusive and concurrent jurisdiction of any disputes which arise hereunder.

12. Entire Agreement. This Agreement contains the entire understanding among the Parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the Parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein between the Parties, the terms of said documents or agreements shall control.

13. Amendments and Modifications. No amendment, modification, or alteration to this Agreement shall be valid or enforceable nor shall any waiver of any provision be effective unless such amendment, modification, or alteration is approved, in writing, by the governing body of the Parties.

14. Successors and Assigns. Subject to restrictions on assignment provided in Section 9 above, this Agreement shall inure to the benefit of and be binding upon the parties hereto and the successors and assigns of the parties.

15. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

16. Authorized Representatives. Any action required of or permitted to be taken pursuant to this Agreement by any of the Parties hereto may be performed by an authorized representative of the respective Party without further action by the governing body of such Party.

17. Limitation of Liability. All covenants, stipulations, promises, agreements and obligations of the Parties contained in this Agreement shall be deemed to be the respective limited covenants, stipulations, promises, agreements and obligations of the Parties, as applicable, and not of any officer, director, employee or agent of such Parties nor of any incorporator, director, employee or agent of any successor corporation to any such Party, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith.

[Signature page follows]

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

THE SPORTS AUTHORITY OF THE COUNTY
OF HAMILTON AND THE CITY OF
CHATTANOOGA, TENNESSEE

By: _____
Chairman

Attest: _____
Secretary

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: _____
Its: _____

37448179.6

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
CHATTANOOGA AUTHORIZING THE EXECUTION OF TAX
INCREMENT FINANCING DOCUMENTS RELATED TO THE
SOUTH BROAD DISTRICT PLAN AREA**

WHEREAS, the Industrial Development Board of the City of Chattanooga (the "Board") has previously submitted to the Council of the City of Chattanooga, Tennessee (the "City") an economic impact plan regarding the development of an area consisting of more than 450 acres located south of downtown Chattanooga, Hamilton, County, Tennessee identified as the South Broad District Plan Area (the "Plan Area"); and

WHEREAS, the IDB previously submitted to City Council and the Board of Commissioners of Hamilton County, Tennessee (the "County"), an economic impact plan and an amendment to such plan authorizing tax increment financing for the South Broad District (the "Amended Economic Impact Plan"), pursuant to Title 7, Chapter 53 of the Tennessee Code Annotated, as amended; and

WHEREAS, both the City and the County approved the Amended Economic Impact Plan; and

WHEREAS, the Amended Economic Impact Plan authorizes the Board to engage in tax increment financing, through the issuance of the Board's debt obligations, to finance costs of the development and construction of a multi-use stadium and related facilities (the "Project"), the primary financing of which will be accomplished by The Sports Authority of the City of Chattanooga and Hamilton County of its revenue bonds; and

WHEREAS, to finance certain costs of the Project, the Board proposes to enter into (i) tax increment revenue note A ("Note A") to evidence and secure a tax increment financing loan from the Chattanooga Professional Baseball, LLC (or an affiliate thereof) to the Board and (ii) tax increment revenue note B ("Note B") to evidence and secure a tax increment financing loan from Pipe Properties, LLC (or an affiliate thereof) to the Board; and

WHEREAS, the Board proposes to enter into various tax increment financing documents related to Note A and Note B, including but not limited to loan and security agreements (collectively, the "Financing Documents"); and

WHEREAS, the forms of the Financing Documents have been presented to the Board for its consideration.

NOW, THEREFORE, BE IT RESOLVED by the Industrial Development Board of the City of Chattanooga, as follows:

RESOLVED, that the Chair of the Board (or in the Chair's absence, the Vice Chair) is hereby authorized to cause the Financing Documents to be executed and delivered, and the Secretary or any other officer of the Board, when requested, is authorized to attest any of the Financing Documents.

RESOLVED, the officers of the Board are authorized to cause the Board to perform the obligations of the Board thereunder and to authorize, execute and/or deliver such further documents, including closing certificates, as are requested of the Board and approved by the Board's legal counsel in order to properly document the transactions described in the Financing Documents.

RESOLVED, that the Financing Documents shall be in substantially the forms presented to the Board and approved by the Board's counsel with such changes as are approved by the officers executing same, their execution constituting conclusive evidence of such approval.

RESOLVED, that this Resolution will take effect from and after its passage.

I hereby certify that attached hereto is a resolution of the Industrial Development Board of City of Chattanooga, duly and lawfully adopted by its Board of Directors on August 26, 2024, at a meeting at which a quorum was acting throughout and I furthermore certify that such resolution has not been amended or modified in any respect.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF CHATTANOOGA**

By: _____
Name: Kerry Hayes
Title: Chair

Attested:

Gordon Parker, Secretary

PIPE PROPERTIES, LLC

and

**INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA**

LOAN AND SECURITY AGREEMENT

Dated as of _____, 2024

LOAN AND SECURITY AGREEMENT

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- Exhibit A - Form of TIF Note
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- Exhibit C - Stadium Site Prep Development Agreement
- Exhibit D - Project Draw Certificate
- Exhibit E - Development Agreement

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this “Agreement”) is made and entered into as of _____, 2024, between PIPE PROPERTIES, LLC, a Tennessee limited liability company (the “Lender”), and INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (the “City IDB”), an industrial development corporation duly incorporated pursuant to Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”).

RECITALS:

A. In furtherance of its statutory purposes established by the Act and in order to promote redevelopment of 450 acres located south of downtown Chattanooga, Tennessee (the “City”), the City IDB has prepared, and the City Council (“City Council”) of the City adopted an Economic Impact Plan for South Broad District Plan Area on August 1, 2022, as amended on March 25, 2024 (the “Economic Impact Plan”).

B. The Economic Impact Plan authorizes the City IDB to engage in tax increment financing, through the issuance of the City IDB’s debt obligations, to finance costs of the planning, development and construction of a multi-use stadium, related facilities and other site improvements (the “Project”), the primary financing of which will be accomplished by The Sports Authority of the City of Chattanooga and Hamilton County (the “Sports Authority”) of its revenue bonds.

C. In order to provide financing for a portion of the costs of the Project, the City IDB desires to borrow funds from Lender in the maximum principal amount of Ten Million and No/100 Dollars (\$10,000,000.00).

D. The City IDB’s obligation to repay said borrowing shall be evidenced by TIF Note B and shall be payable from and secured by a pledge of Tax Increment Revenues, as evidenced by this Agreement, all as defined and further described herein.

NOW, THEREFORE, in consideration of the Recitals above, the premises and the mutual covenants and undertakings below, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

In addition to the terms defined in the recitals above, the following words and phrases shall have the following meanings:

“Administrative Fee” shall mean any annual fee payable to the City IDB in an amount of .25% of the Tax Increment Revenues allocable to the City IDB pursuant to the Economic Impact Plan in each Tax Year during the Allocation Period.

“Allocation Period” shall mean, with respect to each Parcel, the thirty (30) Tax Years commencing no later than the 2027 tax year and not earlier than the 2024 tax year as provided in the TIF Intercreditor Agreement. Any Tax Increment Revenues collected with respect to the Allocation Period shall be available to pay debt service on TIF Note B even if such Tax Increment Revenues are collected after the end of the Allocation Period as long as such Tax Increment Revenues relate to taxes imposed during the Allocation Period.

“Applicable Interest Rate” shall mean a variable rate per annum equal to the SOFR plus the Margin. The interest rate will adjust, without notice to City IDB, on the first day of each Interest Rate Period. When a range of rates for the Index has been published, the higher of the rates will be used.

“Business Day” means any day on which banking institutions are regularly open for business in Chattanooga, Tennessee.

“City IDB/Sports Authority Agreement” means that certain Interlocal Agreement, dated _____, 2024, between the City IDB and the Sports Authority, pursuant to which the City IDB has agreed to transfer and apply Tax Increment Revenues in favor of the Sports Authority Bonds, a copy of which is attached hereto as Exhibit B.

“Closing Date” means the date on which TIF Note B is issued by the City IDB to Lender.

“Default” means any Default under this Agreement as specified in and defined in Article V hereof.

“Development Agreement” means that certain Development Agreement between the Sports Authority and Pipe Properties, LLC and Perimeter Properties, LLC, dated as of _____, 2024, a copy of which is attached hereto as Exhibit D.

“Escrow Agreement” means that certain Escrow Agreement entered into between the Sports Authority, Lender, Pipe Properties, LLC and Perimeter Properties, LLC and _____, as escrow agent, to implement certain terms of the Development Agreement.

“Final Maturity Date” shall have the meaning given to such term in Section 2.2 hereof.

“Interest Rate Period” means each consecutive one (1) month period of time commencing on the first (1st) day of the first full calendar month commencing after the date of the Note, provided, however, that (i) the first Interest Rate Period shall commence on the date of the Note; (ii) should an Interest Rate Period begin on a day other than a Business Day, then the beginning of such Interest Period shall be extended to the next Business Day, the immediately preceding Interest Rate Period shall be extended on a day to day basis, and such adjustment shall be included in the calculation of interest; and (iii) the last Interest Rate Period shall end on the Final Maturity Date.

“Loan” means the loan made under this Agreement and evidenced by TIF Note B.

“Margin” shall mean two and fifty hundredths percent (2.50%).

“Parcel” means a tax parcel in the TIF District.

“Site Prep Development Agreement” means that certain Stadium Site Prep Development Agreement between Lender and the Sports Authority, dated as of _____, 2024, a copy of which is attached hereto as Exhibit C.

“SOFR” means for each Interest Rate Period, the rate per annum equal to the thirty (30) day average Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator) and published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Lender from time to time) that is two Business Days prior to the first day of each Interest Rate Period.

“Sports Authority Bonds” means the Sports Authority’s \$ _____ Public Facility Revenue Bonds

(Stadium Project), Series 2024A, \$_____ Public Facility Revenue Bonds (Stadium Project), Series 2024B (Federally Taxable), and \$_____ Subordinate Public Facility Revenue Bonds (Stadium Project), Series 2024C.

“State” means the State of Tennessee.

“Tax Increment Fund” shall mean that certain segregated account of the City IDB established pursuant to the TIF Intercreditor Agreement to serve a repository for Tax Increment Revenues.

“Tax Increment Revenues” means, with respect to each Parcel, all ad valorem property taxes assessed annually by the City which are payable to the City with respect to any Tax Year during the Allocation Period, less (i) the base Tax Amount and the City Percentage, as such terms are defined in Section VI of the Economic Impact Plan, and (ii) the Administrative Fee.

“Tax Year” shall mean each calendar year as to which property taxes are payable with respect to each Parcel.

“TIF District” means those parcels of real property generally described as the South Broad District and more particularly described in Exhibit B to the Economic Impact Plan, as such parcels may be subdivided and/or aggregated from time to time.

“TIF Intercreditor Agreement” means the Intercreditor Agreement among the City IDB, Lender, the Team and _____ [bank to be selected by Team and Lender], providing for the collection and distribution of the Tax Increment Revenues available to pay TIF Note B and TIF Note A.

“TIF Note A” means the City IDB’s \$16,000,000 Tax Increment Revenue Note A, dated the date hereof, and issued to Chattanooga Professional Baseball LLC.

“TIF Note B” means the Tax Increment Revenue Note issued pursuant to Article II hereof, the form of which is attached hereto as Exhibit A.

“Trust Indenture” means the Trust Indenture dated as of September 1, 2024 between the Sports Authority and U.S. Bank Trust Company, National Association, as trustee, pursuant to which certain of the Sports Authority Bonds are issued.

ARTICLE II TIF NOTE B

Section 2.1 Designation; Form of TIF Note B. TIF Note B shall be designated “Industrial Development Board of the City of Chattanooga Subordinate Tax Increment Revenue Note B (Stadium Development Project).” TIF Note B is to be in substantially the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Agreement, with such changes being conclusively approved by execution of TIF Note B by the City IDB and acceptance of TIF Note B by Lender.

Section 2.2 Principal Amount. TIF Note B shall be issued in the maximum principal amount of up to Ten Million and No/100 Dollars (\$10,000,000.00), with the actual principal amount adjusted commensurately with the costs incurred by Lender in furtherance of the Project, including but not limited to costs incurred under the Site Prep Development Agreement (and specifically including attorneys’ fees and other professional service costs that specifically relate to the work being undertaken under the Site Prep Development Agreement).

Section 2.3 Interest Rate. Amounts disbursed under TIF Note B shall bear interest at a variable rate per annum equal to the Applicable Interest Rate, payable on June 1 of each year, calculated based on a 365/366-day year at the interest rate specified above based on the actual number of days elapsed since the last interest payment.

Section 2.4 Maturity. TIF Note B shall mature on June 1, 2057 (the “Final Maturity Date”), unless prepaid earlier as provided herein and in TIF Note B. Notwithstanding the Final Maturity Date, any Tax Increment Revenues received with respect to taxes imposed during the Allocation Period but received after the Final Maturity Date shall be applied to the payment of TIF Note B.

Section 2.5 Principal and Interest Payments. On each date that Tax Increment Revenues are on deposit in the Tax Increment Fund, all available Tax Increment Revenues, on each such date after payment of Administrative Fees, shall be applied first to the payment of accrued interest and then to the payment of principal of TIF Note B. In no event shall the City’s IDB’s failure to timely pay principal or interest in full be deemed constitute a default hereunder or with respect to TIF Note B if Tax Increment Revenues are not available to provide for such payment. In no event shall interest accrue on any delinquent payments of interest under TIF Note B.

Section 2.6 Prepayment. The City IDB shall prepay TIF Note B with available amounts in the Tax Increment Fund as provided in Section 2.5 without notice. The City IDB may also prepay TIF Note B from any other amounts as are available to the City IDB, as and when such respective amounts become available to the City IDB, without premium or penalty, upon ten (10) days’ notice to Lender with respect to each such prepayment.

Section 2.7 Lender to Maintain Register. Lender shall maintain a register of the amounts of principal and accrued interest paid by the City IDB pursuant hereto and TIF Note B, and such register shall be available for inspection by the City IDB on any Business Day. Upon request, Lender shall provide to the City IDB statements of such interest payments and any principal reductions.

Section 2.8 Purchase Price for TIF Note; Disbursement of Proceeds; Security for Advances. The purchase price for TIF Note B shall be deemed to have advanced by Lender, on such dates and in such amounts as are set forth in certificates in the form attached hereto as Exhibit D (the “Project Funding Certificate”), signed by Lender and approved by the Sports Authority, and submitted to the City IDB. The advances of the purchase price shall correlate with the payment of costs by Lender or its affiliates pursuant to the Site Prep Development Agreement. In order to secure the payment of advances by Lender hereunder to pay costs under the Site Prep Development Agreement, Lender shall either (i) deposit such funds with an escrow agent on the date hereof pursuant to an escrow agreement in a form mutually satisfactory to Lender and the Sports Authority or (ii) provide an irrevocable letter of credit in a form acceptable to the Sports Authority in the amount of TIF Note B that can be drawn upon by the Sports Authority if Lender defaults in the payment of any obligations under the Site Prep Development Agreement or (iii) provide such other security to the City IDB as to the availability of funds as is acceptable to the City IDB in its sole discretion. If Lender provides an irrevocable letter of credit, the stated amount of the letter of credit may be reduced by the amount of each approved advance hereunder.

Section 2.9 Delivery of TIF Note B. In connection with the delivery of TIF Note B, there shall be delivered to or deposited with Lender:

- (a) copies, certified by the Secretary of the City IDB, of the Charter and Bylaws of the City IDB and the resolutions authorizing the issuance of TIF Note B and the execution, delivery and performance of this Agreement and TIF Note B;

- (b) a Tennessee certificate of existence for the City IDB indicating that it is in good standing;
- (c) originally executed complete counterparts of this Agreement; and
- (d) TIF Note B, duly executed and issued by the City IDB in the maximum principal amount of \$10,000,000.00.

By its execution and delivery of this Agreement, Lender hereby acknowledges that each of the deliveries in this Section 2.9 has been satisfied.

Section 2.10 Execution, Limited Obligations. TIF Note B shall be executed on behalf of the City IDB with the manual signature of the Chairman, Vice Chairman or other duly authorized officer of the City IDB. TIF Note B and the obligations of the City IDB under this Agreement and the other documents described herein that evidence or secure TIF Note B, shall not constitute an indebtedness of the City within the meaning of the Constitution and statutes of the State or the charter or ordinances of the City. In the event that a Default occurs under this Agreement, no judgment for any deficiency for the obligations of the City IDB under TIF Note B or this Agreement shall be sought or obtained against the City IDB, except to the extent payable solely from the Tax Increment Revenues pledged to or designated for the payment of such obligations. Nothing contained in this Section 2.10 shall (x) be deemed to be a release or impairment of the indebtedness evidenced by TIF Note B or the lien of this Agreement, except for the nonrecourse provisions of the immediately preceding sentence, or (y) preclude Lender from enforcing any other rights of Lender against third parties other than the City IDB, including, without limitation, any remedies Lender may have under this Agreement.

ARTICLE III SECURITY AND SOURCE OF PAYMENT OF TIF NOTE B

Section 3.1 Pledge and Assignment of Tax Increment Revenues. TIF Note B is payable from and secured by a lien on the Tax Increment Revenues and any other monies held within the Tax Increment Fund, on parity and equality with TIF Note A, and subject to the prior application and pledge of the Tax Increment Revenues in favor of the Sports Authority Bonds, as set forth in the City IDB/Sports Authority Agreement.

Section 3.2 Manner of Application of TIF Revenues Among Parcels and Obligations. The parties agree that, in each Tax Year, the Tax Increment Revenues attributable to each Parcel shall be applied, after payment of the Sports Authority Bonds as provided in the Trust Indenture, pro rata, in proportion to the relative amounts of such Tax Increment Revenues generated by such Parcel in such Tax Year, to the payment of TIF Note A and TIF Note B. As between TIF Note B A and TIF Note B, available Tax Increment Revenues shall be allocated to the payment of the two Notes on each June 1 in proportion to the outstanding principal amount of TIF Note B A and TIF Note B on such June 1 (and without regard to the amount of any accrued but unpaid interest thereon).

Section 3.3 Withholding of Certain Tax Increment Revenues in the Event Development Thresholds Are Not Met. Notwithstanding anything herein to the contrary, the City IDB shall withhold Tax Increment Revenues otherwise payable on TIF Note B (with the understanding that interest shall continue to accrue during any such period of withholding), and subsequently release such Tax Increment Revenues to the payment of TIF Note B, all on the terms set forth in Section 6 of the Development Agreement, if and to the extent applicable, and pursuant to the Escrow Agreement. The parties hereby confirm _____ as the escrow agent (the “Escrowee”) under the Escrow Agreement, and agree

to cooperate in good faith to regularly and timely document and report to the Escrowee the progress made toward achieving the Targeted Development Thresholds (as defined in the Development Agreement). The parties agree that any Tax Increment Revenues released by the Escrowee shall be applied on the ensuing June 1 to provide for the payment of principal of and interest on TIF Note B. Following the release of such escrowed funds, the City IDB shall resume the application of the Tax Increment Revenues in proportion to the respective outstanding principal amounts of TIF Note A and TIF Note B. The parties agree to cooperate in good faith to execute and deliver to the Escrowee such agreements and instruments as the Escrowee may request in order to document its obligations hereunder and under the Development Agreement.

Section 3.4 Assignment, Lien and Pledge of Tax Increment Revenues. To secure the payment and performance of TIF Note B, the City IDB hereby pledges and assigns to the Lender and grants to the Lender a lien upon, the City IDB's right to receive the Tax Increment Revenues on a parity of lien with the lender under TIF Note A, subject to the foregoing provisions of this Article III and the prior use of such revenues as provided in the Trust Indenture. The City IDB agrees to execute any and all necessary financing statements or other documents in order to perfect the lien and pledge granted herein or otherwise to complete and/or perfect this Agreement. The City IDB authorizes the Lender to file Uniform Commercial Code financing statements (and any financing statement amendments and correction statements thereto deemed necessary by the Lender) at any time deemed necessary or desirable by the Lender, covering the Lender's lien against the Tax Increment Revenues and containing such legends, descriptions or statements as the Lender shall deem necessary or desirable to protect the Lender's interest. The City IDB shall not file any amendments, correction statements or termination statements relating hereto or the Lender's rights hereunder without the prior written consent of the Lender.

ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties of the City IDB. The City IDB represents and warrants that:

(a) the City IDB is a duly established, organized and existing public corporation under the laws of the State of Tennessee.

(b) the City IDB has all requisite power, authority and legal right to execute and deliver this Agreement, TIF Note B, and all other instruments and documents to be executed and delivered by the City IDB pursuant hereto or thereto, to perform and observe the provisions hereof and thereof, and to carry out the transactions contemplated hereby and thereby. All corporate action on the part of the City IDB which is required for the execution, delivery, performance and observance by the City IDB of this Agreement and TIF Note B has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the City IDB do not contravene applicable law or any contractual restriction binding on or affecting the City IDB.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body (not already obtained or given) is required for the due execution and delivery by the City IDB of, and performance by the City IDB of its obligations under, this Agreement or TIF Note B.

(d) This Agreement is, and TIF Note B, when delivered, will be legal, valid, and binding special obligations of the City IDB enforceable against the City IDB in accordance with their respective terms.

(e) There is no pending or, to the knowledge of the undersigned officers of the City

IDB, threatened action or proceeding before any court, governmental agency, or arbitrator (i) to restrain or enjoin the issuance or delivery of TIF Note B or the collection of any revenues pledged under this Agreement, (ii) in any way contesting or affecting the validity, authorization, or enforceability of this Agreement or TIF Note B, the availability of Tax Increment Revenues to pay and secure this Agreement and TIF Note B, or (iii) in any way contesting the existence or powers of the City IDB which could have an adverse effect on the validity, authorization, or enforceability of this Agreement and TIF Note B with respect to the City IDB or on the ability of the City IDB to carry out its obligations hereunder or thereunder.

(f) In connection with the authorization, issuance and sale of TIF Note B, the City IDB has complied with all provisions of the Constitution and laws of the State, including the Act and Sections 8-44-104, et seq., of Tennessee Code Annotated.

(g) With the exception of (i) the City IDB's obligations under the City IDB/Sports Authority Agreement with respect to the Sports Authority Bonds, and (ii) TIF Note A (collectively, the "Permitted Obligations"), the City IDB has not assigned or pledged and will not assign or pledge its interest in the Tax Increment Revenues for any purpose other than to secure TIF Note B under this Agreement, unless otherwise agreed to by Lender.

(h) The City IDB is not in default under any provision of its Charter or Bylaws and is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in Section 4.1(b) hereof.

Section 4.2 Covenants of the City IDB. The City IDB covenants with Lender as follows:

(a) The City IDB will not allow the Tax Increment Fund to become subject to any lien, security interest or right of set-off in favor of any lender, creditor or claimant of the City IDB, other than in favor of the Permitted Obligations or pursuant to this Agreement, unless otherwise agreed to by Lender.

(b) Other than with respect to the Permitted Obligations, the City IDB will not enter into any agreement or instrument which might in any way prevent or materially impair its ability to perform its obligations hereunder or under this Agreement or TIF Note B. Without limiting the foregoing, the City IDB agrees not to enter into or consent to any transaction that would result in the abatement of taxes (such as agreements relating to the payment in lieu of taxes) within the TIF District without the consent of Lender.

(c) The City IDB agrees at all times to maintain the Tax Increment Revenues in the Tax Increment Fund, subject to the required application thereof in favor of the Sports Authority Bonds as provided in the Trust Indenture and as set forth in the City IDB/Sports Authority Agreement. The City IDB agrees that it will not amend the City IDB/Sports Authority Agreement, or take any other action with respect thereto, that would diminish the amount of Tax Increment Revenues available to pay debt service on TIF Note B, without the prior written consent of the Lender.

(d) So long as TIF Note B shall remain outstanding, the City IDB will, upon the reasonable request of Lender:

(i) take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under this Agreement and TIF Note B; and

(ii) execute, acknowledge where appropriate, and deliver from time to time, promptly at the request of Lender, all such instruments and documents as in the reasonable opinion of Lender are necessary or desirable to carry out the intent and purpose of this Agreement and TIF Note B.

(e) So long as TIF Note B shall remain outstanding, the City IDB will not, without the prior written consent of Lender:

(i) take any action, or fail to take any required action, that, directly or indirectly, adversely affects its existence or status as a public corporation under the laws of the State;

(ii) take any action, or fail to take any required action, that would adversely affect the availability of Tax Increment Revenues for the payment of TIF Note B; or

(iii) take any action that would cause or permit the City not to collect and pay to the City IDB (or deposit into the Tax Increment Fund) the Tax Increment Revenues.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.1 Defaults. Each of the following events shall constitute a “Default” hereunder:

(a) default in the due and punctual payment of interest on or principal of TIF Note B on any scheduled payment date, but in no event if such payment default is a result of an insufficiency of Tax Increment Revenues available to make such payment; and

(b) the occurrence of a material breach under or failure to comply with terms of any other of the covenants, agreements or conditions on the part of the City IDB contained in this Agreement or TIF Note B and the failure to remedy the same within thirty (30) days after written notice thereof to the City IDB; provided, however, that if any such breach or failure to comply (i) is such that it cannot be cured or remedied within such thirty (30) day period, (ii) does not involve the payment of any monetary sum, (iii) is not willful or intentional, and (iv) does not place any rights or interest in collateral of Lender in immediate jeopardy, and Lender is given additional security reasonably satisfactory to it to protect it from loss under TIF Note B, all as determined by Lender in its reasonable discretion, then such breach or failure to comply shall not constitute a Default if corrective action is instituted by the City IDB to the reasonable satisfaction of Lender within such thirty (30) day period and diligently pursued until such breach or failure to comply is corrected; provided, further, however, that in no event shall any such cure period exceed ninety (90) days without the express written consent of Lender, which may be withheld for any reason or no reason. If the City IDB shall fail to correct or cure such breach or failure to comply within such ninety (90) day period, a Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required.

Section 5.2 Remedies.

(a) Upon the occurrence of a Default, and subject to the provisions of Section 3.3 hereof, Lender may pursue any available remedy at law or in equity, to enforce the payment of the principal of and interest on TIF Note B, and to enforce this Agreement and the lien and pledge created hereby, and all rights derived therefrom. The resort to any remedy provided hereunder or

provided by the Uniform Commercial Code as adopted in the State of Tennessee, or by any other applicable law, shall not prevent the concurrent employment of any other appropriate remedy or remedies. The subsequent taking of additional collateral for TIF Note B or any part thereof shall not effect a release or termination of this Agreement or any terms or provisions hereof. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies hereunder are cumulative and may be exercised by the Lender either independently of or concurrently with any other right, power or remedy of the Lender contained herein or otherwise. The Lender shall have the right, but without the obligation so to do, to take any such action that the Lender may deem necessary to prevent the material impairment of the lien and pledge of the Tax Increment Revenues provided by this Agreement, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the lien and pledge of this Agreement or the rights or powers of the Lender.

(b) No remedy conferred upon or reserved to Lender by the terms of this Agreement is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to Lender hereunder or now or hereafter existing at law or in equity.

(c) No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver of any such Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

(d) No waiver of any Default hereunder, whether by Lender or by any holder of TIF Note B, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

Section 5.3 Waiver. Upon the occurrence of a Default, to the extent that such rights may then lawfully be waived, neither the City IDB nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay or extension laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the collection of TIF Note B or the enforcement of this Agreement, and the City IDB, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

By written notice to the City IDB provided in accordance with Section 6.2 hereof, Lender shall have the right to waive any breach of any promise made in TIF Note B, or any Default under Section 5.1 hereof, and to rescind any declaration of the acceleration of the payment of the principal and interest thereunder. In case of any such waiver or rescission, then and in every such case the City IDB and Lender shall be restored to their former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other breach, Default or default or impair any right consequent thereon.

Section 5.4 Application of Moneys. All moneys received by Lender pursuant to any right given or action taken under the provisions of this Article V shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, Lender, be allocated to and applied first to interest and then to principal due on TIF Note B.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Term of Agreement. This Agreement shall remain in full force and effect from the date hereof to and including the earlier of (a) such time as all of TIF Note B and the fees and expenses of Lender relating to this Agreement and TIF Note B have been fully paid, or (b) such time as all Tax Increment Revenues payable during the Allocation Period have been collected and applied in accordance with the terms of this Agreement.

Section 6.2 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, or delivered by courier (such as Federal Express), all charges prepaid, addressed as follows:

If to the City IDB:

Industrial Development Board of the City of Chattanooga
100 E. 11th Street
Suite 200
Chattanooga, TN 37402
Attention: Chair

with a copy to its counsel:

Phillip A. Noblett
Attorney for Authority
100 East 11th Street
Suite 200
Chattanooga, TN 37402

If to Lender:

Pipe Properties, LLC
2650 Sidney Street
Chattanooga, Tennessee 37408
Attention: Andrew Stone

with a copy to its counsel:

Kirby W. Yost
Chambliss, Bahner & Stophel, P.C.
Liberty Tower
605 Chestnut Street, Suite 1700
Chattanooga, TN 37450

the City IDB and Lender may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 6.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lender and the City IDB and their respective successors and assigns.

Section 6.4 Severability. In any event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or thereof.

Section 6.5 Amendments, Changes and Modifications. This Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender and the City IDB.

Section 6.6 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State, and the venue of any litigation with respect hereto shall be exclusively in federal or state court in Hamilton County, Tennessee.

Section 6.8 Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

Section 6.9 Payment or Performance on Business Days. If the date for any payment hereunder, or the last date for performance of any act or the exercising of any right as provided in this Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day.

Section 6.10 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement herein or in TIF Note B, or under any judgment obtained against the City IDB, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, employee, director or officer, as such, past, present, or future, of the City IDB, either directly or through the City IDB, or otherwise, for the payment for or to the City IDB or any receiver thereof, or for or to the holder of TIF Note B, of any sum that may be due and unpaid by the City IDB upon TIF Note B. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, employee, director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the City IDB or any receiver thereof, or for or to the holder of TIF Note B, of any sum that may remain due and unpaid upon TIF Note B, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of TIF Note B.

Section 6.11 No Liability of the City. The City shall in no event be liable for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by the City IDB, and neither TIF Note B nor any of the agreements or obligations of the City IDB contained in this Agreement or otherwise shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory provision whatsoever, provided, however, that the terms of this Section 6.11 shall in no way limit or affect the obligation of the City to remit the Tax Increment Revenues for the benefit of Lender and the City IDB.

(Signatures appear on following page.)

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

LENDER:

PIPE PROPERTIES, LLC

By: _____

Title: _____

CITY IDB:

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF CHATTANOOGA

By: _____
Chairman

Attest:

Secretary

EXHIBIT A

Form of TIF Note B

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA
TAX INCREMENT REVENUE NOTE B
(STADIUM DEVELOPMENT PROJECT)**

\$10,000,000.00

_____, 2024

FOR VALUE RECEIVED, INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, an industrial development corporation duly incorporated pursuant to Chapter 53, Title 7, Tennessee Code Annotated (“Borrower”), promises and agrees to pay to the order of PIPE PROPERTIES, LLC, a Tennessee limited liability company (“Lender”), or at such other place as may be designated in writing by the holder, in lawful money of the United States of America, the principal sum of TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00), or such lesser amount as is advanced hereunder pursuant to the Loan Agreement, as hereinafter defined, together with interest from the date hereof on the unpaid principal balance outstanding from time to time, at the interest rate provided in the Loan Agreement, as defined herein. This Note is issued pursuant to that certain Loan and Security Agreement of even date herewith (as it may be amended, modified, extended, or renewed from time to time, the “Loan Agreement”), by and between Lender and Borrower. Any capitalized term used in this Note that is not otherwise defined herein shall have the meaning given to it in the Loan Agreement.

On each June 1 or as otherwise provided in the Loan Agreement, all available Tax Increment Revenues, if any, shall be applied first to the payment of accrued interest and then to the payment of principal of this Note until the earlier of (i) June 1, 2057 or (ii) the payment in full of this Note, as provided in the Loan Agreement.

Borrower may prepay all or any portion of the outstanding balance under this Note at any time without premium in accordance with the terms of the Loan Agreement.

The proceeds of this Note shall be disbursed in accordance with the Loan Agreement and other applicable documents.

This Note is payable from and secured by a pledge and assignment of, and lien on, the Tax Increment Revenues, as set forth in the Loan Agreement, subject to the prior application and pledge thereof in favor of certain obligations of the Sports Authority and the withholding of a portion of Tax Increment Revenues for failure to meet certain development thresholds, and on parity with the application and pledged thereof in favor of Borrower’s \$16,000,000 Tax Increment Revenue Note A, all as described more fully in the Loan Agreement. In accordance with Article II of the Loan Agreement, all payments hereunder, including any prepayments, will be applied first to accrued interest, and then to the payment of principal.

In the case of Default, all moneys received by Lender pursuant to any right given or action taken under the provisions of Article V of the Loan Agreement shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, Lender, be allocated to and applied first to interest and then to principal due on this Note.

This Note and all obligations relating hereto or hereunder shall not be general obligations of the City IDB and shall in any event be payable only from any Tax Increment Revenues. Nothing contained in this paragraph shall (x) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the lien of any of the loan documents, or (y) preclude the Lender from enforcing any other rights of the Lender against third parties other than the City IDB, including any remedies the Lender may have under the Loan Agreement.

The validity, interpretation, enforcement and effect of this Note shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

This Note may not be changed or terminated without the prior written approval of the holder hereof and Borrower. No waiver of any term or provision hereof shall be valid unless in writing signed by the holder.

This Note has been executed as of the date first above written.

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: _____
Chairman

Attest:

Secretary

EXHIBIT B

City IDB/Sports Authority Agreement

EXHIBIT C

Stadium Site Prep Development Agreement

EXHIBIT D

Project Funding Certificate

[Date]

Industrial Development Board of the City of Chattanooga
100 E. 11th Street
Suite 200
Chattanooga, TN 37402

Re: Project Funding Certificate with respect to Industrial Development Board of the City of Chattanooga Tax Increment Revenue Note A (Stadium Development Project)

Ladies and Gentlemen:

The undersigned hereby certify that Pipe Properties, LLC has caused to be contributed the amount of \$_____ for the purpose of funding costs payable pursuant to the Site Prep Development Agreement or otherwise in furtherance of the Project and hereby request that such amounts be credited as advances with respect to TIF Note B. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Loan Agreement dated as of _____ between the undersigned and the Industrial Development Board of the City of Chattanooga pursuant to which TIF Note B has been issued.

Pipe Properties, LLC

By: _____

Name: _____

Title: _____

Approved by:

The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee

By: _____

Name: _____

Title: _____

EXHIBIT E

Development Agreement

37946861.7

CHATTANOOGA PROFESSIONAL BASEBALL, LLC

and

**INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA**

LOAN AND SECURITY AGREEMENT

Dated as of _____, 2024

LOAN AND SECURITY AGREEMENT

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LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this “Agreement”) is made and entered into as of _____, 2024, between CHATTANOOGA PROFESSIONAL BASEBALL, LLC, a Tennessee limited liability company (the “Lender”), and INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (the “City IDB”), an industrial development corporation duly incorporated pursuant to Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”).

RECITALS:

A. In furtherance of its statutory purposes established by the Act and in order to promote redevelopment of 450 acres located south of downtown Chattanooga, Tennessee (the “City”), the City IDB has prepared, and the City Council (“City Council”) of the City adopted an Economic Impact Plan for South Broad District Plan Area on August 1, 2022, as amended on March 25, 2024 (the “Economic Impact Plan”).

B. The Economic Impact Plan authorizes the City IDB to engage in tax increment financing, through the issuance of the City IDB’s debt obligations, to finance costs of the planning, development and construction of a multi-use stadium, related facilities, and other site improvements (the “Project”), the primary financing of which will be accomplished by The Sports Authority of the City of Chattanooga and Hamilton County (the “Sports Authority”) of its revenue bonds.

C. In order to provide financing for a portion of the costs of the Project, the City IDB desires to borrow funds from Lender in the maximum principal amount of Sixteen Million and No/100 Dollars (\$16,000,000.00).

D. The City IDB’s obligation to repay said borrowing shall be evidenced by TIF Note A and shall be payable from and secured by a pledge of Tax Increment Revenues, as evidenced by this Agreement, all as defined and further described herein.

NOW, THEREFORE, in consideration of the Recitals above, the premises and the mutual covenants and undertakings below, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

In addition to the terms defined in the recitals above, the following words and phrases shall have the following meanings:

“Administrative Fee” shall mean any annual fee payable to the City IDB in an amount of .25% of the Tax Increment Revenues allocable to the City IDB pursuant to the Economic Impact Plan in each Tax Year during the Allocation Period.

“Allocation Period” shall mean, with respect to each Parcel, the thirty (30) Tax Years commencing no later than the 2027 tax year and not earlier than the 2024 tax year as provided in the TIF Intercreditor Agreement. Any Tax Increment Revenues collected with respect to the Allocation Period shall be available to pay debt service on TIF Note A even if such Tax Increment Revenues are collected after the end of the Allocation Period as long as such Tax Increment Revenues relate to taxes imposed during the Allocation Period.

“Applicable Interest Rate” shall mean a variable rate per annum equal to the SOFR plus the Margin. The interest rate will adjust, without notice to City IDB, on the first day of each Interest Rate Period. When a range of rates for the Index has been published, the higher of the rates will be used.

“Business Day” means any day on which banking institutions are regularly open for business in Chattanooga, Tennessee.

“City IDB/Sports Authority Agreement” means that certain Interlocal Agreement, dated _____, 2024, between the City IDB and the Sports Authority, pursuant to which the City IDB has agreed to transfer and apply Tax Increment Revenues in favor of the Sports Authority Bonds, a copy of which is attached hereto as Exhibit C.

“Closing Date” means the date on which TIF Note A is issued by the City IDB to Lender.

“Default” means any Default under this Agreement as specified in and defined in Article V hereof.

“Final Maturity Date” shall have the meaning given to such term in Section 2.2 hereof.

“Interest Rate Period” means each consecutive one (1) month period of time commencing on the first (1st) day of the first full calendar month commencing after the date of the Note, provided, however, that (i) the first Interest Rate Period shall commence on the date of the Note; (ii) should an Interest Rate Period begin on a day other than a Business Day, then the beginning of such Interest Period shall be extended to the next Business Day, the immediately preceding Interest Rate Period shall be extended on a day to day basis, and such adjustment shall be included in the calculation of interest; and (iii) the last Interest Rate Period shall end on the Final Maturity Date.

“Lease” means that certain Stadium Lease Agreement dated as of _____, 2024, between Lender and the Sports Authority.

“Loan” means the loan made under this Agreement and evidenced by TIF Note A.

“Margin” shall mean two and fifty hundredths percent (2.50%).

“Parcel” means a tax parcel in the TIF District.

“SOFR” means for each Interest Rate Period, the rate per annum equal to the thirty (30) day average Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator) and published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Lender from time to time) that is two Business Days prior to the first day of each Interest Rate Period.

“Sports Authority Bonds” means the Sports Authority’s \$_____ Public Facility Revenue Bonds (Stadium Project), Series 2024A, \$_____ Public Facility Revenue Bonds (Stadium Project), Series 2024B (Federally Taxable), and \$_____ Subordinate Public Facility Revenue Bonds (Stadium Project), Series 2024C.

“State” means the State of Tennessee.

“Tax Increment Fund” shall mean that certain segregated account of the City IDB established pursuant to the TIF Intercreditor Agreement to serve a repository for Tax Increment Revenues.

“Tax Increment Revenues” means, with respect to each Parcel, all ad valorem property taxes assessed annually by the City which are payable to the City with respect to any Tax Year during the Allocation Period, less (i) the base Tax Amount and the City Percentage, as such terms are defined in Section VI of the Economic Impact Plan, and (ii) the Administrative Fee.

“Tax Year” shall mean each calendar year as to which property taxes are payable with respect to each Parcel.

“TIF District” means those parcels of real property generally described as the South Broad District and more particularly described in Exhibit B to the Economic Impact Plan, as such parcels may be subdivided and/or aggregated from time to time.

“TIF Intercreditor Agreement” means the Intercreditor Agreement among the City IDB, Lender, the Team and _____ [bank to be selected by Team and Lender], providing for the collection and distribution of the Tax Increment Revenues available to pay TIF Note B and TIF Note A.

“TIF Note A” means the Tax Increment Revenue Note issued pursuant to Article II hereof, the form of which is attached hereto as Exhibit A.

“TIF Note B” means the City IDB’s \$10,000,000 Tax Increment Revenue Note B, dated the date hereof, and issued to _____ pursuant to the Economic Impact Plan.

“Trust Indenture” means the Trust Indenture dated as of September 1, 2024 between the Sports Authority and U.S. Bank Trust Company, National Association, as trustee, pursuant to which certain of the Sports Authority Bonds are issued.

ARTICLE II TIF NOTE A

Section 2.1 Designation; Form of TIF Note A. TIF Note A shall be designated “Industrial Development Board of the City of Chattanooga Subordinate Tax Increment Revenue Note A (Stadium Development Project).” TIF Note A is to be in substantially the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Agreement, with such changes being conclusively approved by execution of TIF Note A by the City IDB and acceptance of TIF Note A by Lender.

Section 2.2 Principal Amount. TIF Note A shall be issued in the maximum principal amount of up to Sixteen Million and No/100 Dollars (\$16,000,000.00), with the actual principal amount adjusted commensurately with the costs incurred by Lender in furtherance of the Project, including but not limited to attorneys’ fees and other professional service costs that specifically relate to Tenant Work.

Section 2.3 Interest Rate. Amounts disbursed under TIF Note A shall bear interest at a variable rate per annum equal to the Applicable Interest Rate, payable on June 1 of each year, calculated based on a 365/366-day year at the interest rate specified above based on the actual number of days elapsed since the last interest payment.

Section 2.4 Maturity. TIF Note A shall mature on June 1, 2057 (the “Final Maturity Date”), unless prepaid earlier as provided herein and in TIF Note A. Notwithstanding the Final Maturity Date, any Tax Increment Revenues received with respect to taxes imposed during the Allocation Period but received after the Final Maturity Date shall be applied to the payment of TIF Note A if TIF Note A has not been paid in full at such time.

Section 2.5 Principal and Interest Payments. On each date that Tax Increment Revenues are on deposit in the Tax Increment Fund, all available Tax Increment Revenues, on each such date after payment of Administrative Fees, shall be applied first to the payment of accrued interest and then to the payment of principal of TIF Note B. In no event shall the City's IDB's failure to timely pay principal or interest in full be deemed constitute a default hereunder or with respect to TIF Note A if Tax Increment Revenues are not available to provide for such payment. In no event shall interest accrue on any delinquent payments of interest under TIF Note B.

Section 2.6 Prepayment. The City IDB shall prepay TIF Note A with available amounts in the Tax Increment Fund as provided in Section 2.5 without notice. The City IDB may also prepay TIF Note A from any other amounts as are available to the City IDB, as and when such respective amounts become available to the City IDB, without premium or penalty, upon ten (10) days' notice to Lender with respect to each such prepayment.

Section 2.7 Lender to Maintain Register. Lender shall maintain a register of the amounts of principal and accrued interest paid by the City IDB pursuant hereto and TIF Note A, and such register shall be available for inspection by the City IDB on any Business Day. Upon request, Lender shall provide to the City IDB statements of such interest payments and any principal reductions.

Section 2.8 Purchase Price for TIF Note A; Disbursement of Proceeds; Security for Advances. The purchase price for TIF Note A shall be deemed to have advanced by Lender, on such dates and in such amounts as are set forth in certificates in the form attached hereto as Exhibit B (the "Project Funding Certificate"), signed by Lender and approved by the Sports Authority, and submitted to the City IDB. The advances of the purchase price shall correlate with the payment of costs by Lender pursuant to the Lease. In order to secure the payment of advances by Lender hereunder to pay costs under the Lease, Lender shall either (i) deposit such funds with an escrow agent on the date hereof pursuant to an escrow agreement in a form mutually satisfactory to Lender and the Sports Authority or (ii) provide an irrevocable letter of credit in a form acceptable to the Sports Authority in the amount of TIF Note A that can be drawn upon by the Sports Authority if Lender defaults in the payment of any obligations under the Lease or (iii) provide such other security to the City IDB. If Lender provides an irrevocable letter of credit, the stated amount of the letter of credit may be reduced by the amount of each approved advance hereunder.

Section 2.9 Delivery of TIF Note A. In connection with the delivery of TIF Note A, there shall be delivered to or deposited with Lender:

- (a) copies, certified by the Secretary of the City IDB, of the Charter and Bylaws of the City IDB and the resolutions authorizing the issuance of TIF Note A and the execution, delivery and performance of this Agreement and TIF Note A;
- (b) a Tennessee certificate of existence for the City IDB indicating that it is in good standing;
- (c) originally executed complete counterparts of this Agreement; and
- (d) TIF Note A, duly executed and issued by the City IDB in the maximum principal amount of \$16,000,000.00.

By its execution and delivery of this Agreement, Lender hereby acknowledges that each of the deliveries in this Section 2.9 has been satisfied.

Section 2.10 Execution, Limited Obligations. TIF Note A shall be executed on behalf of the City IDB with the manual signature of the Chairman, the Vice Chairman or other duly authorized officer of the City IDB. TIF Note A and the obligations of the City IDB under this Agreement and the other documents described herein that evidence or secure TIF Note A, shall not constitute an indebtedness of the City within the meaning of the Constitution and statutes of the State or the charter or ordinances of the City. In the event that a Default occurs under this Agreement, no judgment for any deficiency for the obligations of the City IDB under TIF Note A or this Agreement shall be sought or obtained against the City IDB, except to the extent payable solely from the Tax Increment Revenues pledged to or designated for the payment of such obligations. Nothing contained in this Section 2.10 shall (x) be deemed to be a release or impairment of the indebtedness evidenced by TIF Note A or the lien of this Agreement, except for the nonrecourse provisions of the immediately preceding sentence, or (y) preclude Lender from enforcing any other rights of Lender against third parties other than the City IDB, including, without limitation, any remedies Lender may have under this Agreement.

ARTICLE III SECURITY AND SOURCE OF PAYMENT OF TIF NOTE A

Section 3.1 Pledge and Assignment of Tax Increment Revenues. TIF Note A is payable from and secured by a lien on the Tax Increment Revenues and any other monies held within the Tax Increment Fund, on parity and equality with TIF Note A, and subject to the prior application and pledge of the Tax Increment Revenues in favor of the Sports Authority Bonds, as set forth in the City IDB/Sports Authority Agreement.

Section 3.2 Manner of Application of TIF Revenues Among Parcels and Obligations. The parties agree that, in each Tax Year, the Tax Increment Revenues attributable to each Parcel shall be applied, after payment of the Sports Authority Bonds as provided in the Trust Indenture, pro rata, in proportion to the relative amounts of such Tax Increment Revenues generated by such Parcel in such Tax Year, to the payment of TIF Note A and TIF Note B. As between TIF Note A and TIF Note B, available Tax Increment Revenues shall be allocated to the payment of the two Notes on each June 1 in proportion to the outstanding principal amount of TIF Note A and TIF Note B on such June 1 (and without regard to the amount of any accrued but unpaid interest thereon).

Section 3.3 Assignment, Lien and Pledge of Tax Increment Revenues. To secure the payment and performance of TIF Note A, the City IDB hereby pledges and assigns to the Lender and grants to the Lender a lien upon, the City IDB's right to receive the Tax Increment Revenues on a parity of lien with the lender under TIF Note A, subject to the foregoing provisions of this Article III and the prior use of such revenues as provided in the Trust Indenture. The City IDB agrees to execute any and all necessary financing statements or other documents in order to perfect the lien and pledge granted herein or otherwise to complete and/or perfect this Agreement. The City IDB authorizes the Lender to file Uniform Commercial Code financing statements (and any financing statement amendments and correction statements thereto deemed necessary by the Lender) at any time deemed necessary or desirable by the Lender, covering the Lender's lien against the Tax Increment Revenues and containing such legends, descriptions or statements as the Lender shall deem necessary or desirable to protect the Lender's interest. The City IDB shall not file any amendments, correction statements or termination statements relating hereto or the Lender's rights hereunder without the prior written consent of the Lender

ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties of the City IDB. The City IDB represents and warrants that:

(a) the City IDB is a duly established, organized and existing public corporation under the laws of the State of Tennessee.

(b) the City IDB has all requisite power, authority and legal right to execute and deliver this Agreement, TIF Note A, and all other instruments and documents to be executed and delivered by the City IDB pursuant hereto or thereto, to perform and observe the provisions hereof and thereof, and to carry out the transactions contemplated hereby and thereby. All corporate action on the part of the City IDB which is required for the execution, delivery, performance and observance by the City IDB of this Agreement and TIF Note A has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the City IDB do not contravene applicable law or any contractual restriction binding on or affecting the City IDB.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body (not already obtained or given) is required for the due execution and delivery by the City IDB of, and performance by the City IDB of its obligations under, this Agreement or TIF Note A.

(d) This Agreement is, and TIF Note A, when delivered, will be legal, valid, and binding special obligations of the City IDB enforceable against the City IDB in accordance with their respective terms.

(e) There is no pending or, to the knowledge of the undersigned officers of the City IDB, threatened action or proceeding before any court, governmental agency, or arbitrator (i) to restrain or enjoin the issuance or delivery of TIF Note A or the collection of any revenues pledged under this Agreement, (ii) in any way contesting or affecting the validity, authorization, or enforceability of this Agreement or TIF Note A, the availability of Tax Increment Revenues to pay and secure this Agreement and TIF Note A, or (iii) in any way contesting the existence or powers of the City IDB which could have an adverse effect on the validity, authorization, or enforceability of this Agreement and TIF Note A with respect to the City IDB or on the ability of the City IDB to carry out its obligations hereunder or thereunder.

(f) In connection with the authorization, issuance and sale of TIF Note A, the City IDB has complied with all provisions of the Constitution and laws of the State, including the Act and Sections 8-44-104, et seq., of Tennessee Code Annotated.

(g) With the exception of (i) the City IDB's obligations under the City IDB/Sports Authority Agreement with respect to the Sports Authority Bonds, and (ii) TIF Note B (collectively, the "Permitted Obligations"), the City IDB has not assigned or pledged and will not assign or pledge its interest in the Tax Increment Revenues for any purpose other than to secure TIF Note A under this Agreement, unless otherwise agreed to by Lender.

(h) The City IDB is not in default under any provision of its Charter or Bylaws and is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in Section 4.1(b) hereof.

Section 4.2 Covenants of the City IDB. The City IDB covenants with Lender as follows:

(a) The City IDB will not allow the Tax Increment Fund to become subject to any lien, security interest or right of set-off in favor of any lender, creditor or claimant of the City IDB, other than in favor of the Permitted Obligations or pursuant to this Agreement, unless otherwise agreed

to by Lender.

(b) Other than with respect to the Permitted Obligations, the City IDB will not enter into any agreement or instrument which might in any way prevent or materially impair its ability to perform its obligations hereunder or under this Agreement or TIF Note A. Without limiting the foregoing, the City IDB agrees not to enter into or consent to any transaction that would result in the abatement of taxes (such as agreements relating to the payment in lieu of taxes) within the TIF District without the consent of Lender.

(c) The City IDB agrees at all times to maintain the Tax Increment Revenues in the Tax Increment Fund, subject to the required application thereof in favor of the Sports Authority Bonds as provided in the Trust Indenture, as set forth in the City IDB/Sports Authority Agreement. The City IDB agrees that it will not amend the City IDB/Sports Authority Agreement, or take any other action with respect thereto, that would diminish the amount of Tax Increment Revenues available to pay debt service on TIF Note A, without the prior written consent of the Lender.

(d) So long as TIF Note A shall remain outstanding, the City IDB will, upon the reasonable request of Lender:

(i) take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under this Agreement and TIF Note A; and

(ii) execute, acknowledge where appropriate, and deliver from time to time, promptly at the request of Lender, all such instruments and documents as in the reasonable opinion of Lender are necessary or desirable to carry out the intent and purpose of this Agreement and TIF Note A.

(e) So long as TIF Note A shall remain outstanding, the City IDB will not, without the prior written consent of Lender:

(i) take any action, or fail to take any required action, that, directly or indirectly, adversely affects its existence or status as a public corporation under the laws of the State;

(ii) take any action, or fail to take any required action, that would adversely affect the availability of Tax Increment Revenues for the payment of TIF Note A; or

(iii) take any action that would cause or permit the City not to collect and pay to the City IDB (or deposit into the Tax Increment Fund) the Tax Increment Revenues.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.1 Defaults. Each of the following events shall constitute a “Default” hereunder:

(a) default in the due and punctual payment of interest on or principal of TIF Note A on any scheduled payment date, but in no event if such payment default is a result of an insufficiency of Tax Increment Revenues available to make such payment; and

(b) the occurrence of a material breach under or failure to comply with terms of any

other of the covenants, agreements or conditions on the part of the City IDB contained in this Agreement or TIF Note A and the failure to remedy the same within thirty (30) days after written notice thereof to the City IDB; provided, however, that if any such breach or failure to comply (i) is such that it cannot be cured or remedied within such thirty (30) day period, (ii) does not involve the payment of any monetary sum, (iii) is not willful or intentional, and (iv) does not place any rights or interest in collateral of Lender in immediate jeopardy, and Lender is given additional security reasonably satisfactory to it to protect it from loss under TIF Note A, all as determined by Lender in its reasonable discretion, then such breach or failure to comply shall not constitute a Default if corrective action is instituted by the City IDB to the reasonable satisfaction of Lender within such thirty (30) day period and diligently pursued until such breach or failure to comply is corrected; provided, further, however, that in no event shall any such cure period exceed ninety (90) days without the express written consent of Lender, which may be withheld for any reason or no reason. If the City IDB shall fail to correct or cure such breach or failure to comply within such ninety (90) day period, a Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required.

Section 5.2 Remedies.

(a) Upon the occurrence of a Default, and subject to the provisions of Section 2.8 hereof, Lender may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on TIF Note A, and to enforce this Agreement and the lien and pledge created hereby, and all rights derived therefrom. The resort to any remedy provided hereunder or provided by the Uniform Commercial Code as adopted in the State of Tennessee, or by any other applicable law, shall not prevent the concurrent employment of any other appropriate remedy or remedies. The subsequent taking of additional collateral for TIF Note A or any part thereof shall not effect a release or termination of this Agreement or any terms or provisions hereof. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies hereunder are cumulative and may be exercised by the Lender either independently of or concurrently with any other right, power or remedy of the Lender contained herein or otherwise. The Lender shall have the right, but without the obligation so to do, to take any such action that the Lender may deem necessary to prevent the material impairment of the lien and pledge of the Tax Increment Revenues provided by this Agreement, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the lien and pledge of this Agreement or the rights or powers of the Lender.

(b) No remedy conferred upon or reserved to Lender by the terms of this Agreement is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to Lender hereunder or now or hereafter existing at law or in equity.

(c) No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver of any such Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

(d) No waiver of any Default hereunder, whether by Lender or by any holder of TIF Note A, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

Section 5.3 Waiver. Upon the occurrence of a Default, to the extent that such rights may then lawfully be waived, neither the City IDB nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay or extension laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the collection of TIF Note A or the enforcement of this Agreement, and the City IDB, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

By written notice to the City IDB provided in accordance with Section 6.2 hereof, Lender shall have the right to waive any breach of any promise made in TIF Note A, or any Default under Section 5.1 hereof, and to rescind any declaration of the acceleration of the payment of the principal and interest thereunder. In case of any such waiver or rescission, then and in every such case the City IDB and Lender shall be restored to their former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other breach, Default or default or impair any right consequent thereon.

Section 5.4 Application of Moneys. All moneys received by Lender pursuant to any right given or action taken under the provisions of this Article V shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, Lender, be allocated to and applied first to interest and then to principal due on the TIF Note.

ARTICLE VI MISCELLANEOUS

Section 6.1 Term of Agreement. This Agreement shall remain in full force and effect from the date hereof to and including the earlier of (a) such time as all of TIF Note A and the fees and expenses of Lender relating to this Agreement and TIF Note A have been fully paid, or (b) such time as all Tax Increment Revenues payable during the Allocation Period have been collected and applied in accordance with the terms of this Agreement.

Section 6.2 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, or delivered by courier (such as Federal Express), all charges prepaid, addressed as follows:

If to the City IDB:

Industrial Development Board of the City of Chattanooga
100 E. 11th Street
Suite 200
Chattanooga, TN 37402
Attention: Chair

with a copy to its counsel:

Phillip A. Noblett
Attorney for Authority
100 East 11th Street
Suite 200
Chattanooga, TN 37402

If to Lender:

Chattanooga Professional Baseball, LLC

Chattanooga, TN

Attention: _____

the City IDB and Lender may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 6.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lender and the City IDB and their respective successors and assigns.

Section 6.4 Severability. In any event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or thereof.

Section 6.5 Amendments, Changes and Modifications. This Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender and the City IDB.

Section 6.6 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State, and the venue of any litigation with respect hereto shall be exclusively in federal or state court in Hamilton County, Tennessee.

Section 6.8 Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

Section 6.9 Payment or Performance on Business Days. If the date for any payment hereunder, or the last date for performance of any act or the exercising of any right as provided in this Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day.

Section 6.10 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement herein or in TIF Note A, or under any judgment obtained against the City IDB, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, employee, director or officer, as such, past, present, or future, of the City IDB, either directly or through the City IDB, or otherwise, for the payment for or to the City IDB or any receiver thereof, or for or to the holder of TIF Note A, of any sum that may be due and unpaid by the City IDB upon TIF Note A. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, employee, director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the City IDB or any receiver thereof, or for or to the holder of TIF Note A, of any sum that may remain due and unpaid upon TIF Note A, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of TIF Note A.

Section 6.11 No Liability of the City. The City shall in no event be liable for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by the City IDB, and neither TIF Note A nor any of the agreements or obligations of the City IDB contained in this Agreement or otherwise shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory provision whatsoever, provided, however, that the terms of this Section 6.11 shall in no way limit or affect the obligation of the City to remit the Tax Increment Revenues for the benefit of Lender and the City IDB.

(Signatures appear on following page.)

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

LENDER:

CHATTANOOGA PROFESSIONAL BASEBALL,
LLC

By: _____

Title: _____

CITY IDB:

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF CHATTANOOGA

By: _____
Chairman

Attest:

Secretary

EXHIBIT A

Form of TIF Note A

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA
TAX INCREMENT REVENUE NOTE A
(STADIUM DEVELOPMENT PROJECT)**

\$16,000,000.00

_____, 2024

FOR VALUE RECEIVED, INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, an industrial development corporation duly incorporated pursuant to Chapter 53, Title 7, Tennessee Code Annotated (“Borrower”), promises and agrees to pay to the order of _____, a _____ (“Lender”), or at such other place as may be designated in writing by the holder, in lawful money of the United States of America, the principal sum of SIXTEEN MILLION AND NO/100 DOLLARS (\$16,000,000.00), or such lesser amount as is advanced hereunder pursuant to the Loan Agreement, as hereinafter defined, together with interest from the date hereof on the unpaid principal balance outstanding from time to time, at the interest rate provided in the Loan Agreement, as defined herein. This Note is issued pursuant to that certain Loan and Security Agreement of even date herewith (as it may be amended, modified, extended, or renewed from time to time, the “Loan Agreement”), by and between Lender and Borrower. Any capitalized term used in this Note that is not otherwise defined herein shall have the meaning given to it in the Loan Agreement.

On each June 1 or as otherwise provided in the Loan Agreement, all available Tax Increment Revenues, if any, shall be applied first to the payment of accrued interest and then to the payment of principal of this Note until the earlier of (i) June 1, 2057 or (ii) the payment in full of this Note, as provided in the Loan Agreement.

Borrower may prepay all or any portion of the outstanding balance under this Note at any time without premium in accordance with the terms of the Loan Agreement.

The proceeds of this Note shall be disbursed in accordance with the Loan Agreement and other applicable documents.

This Note is payable from and secured by a pledge and assignment of, and lien on, the Tax Increment Revenues, as set forth in the Loan Agreement, subject to the prior application and pledge thereof in favor of certain obligations of the Sports Authority and the withholding of a portion of Tax Increment Revenues for failure to meet certain development thresholds, and on parity with the application and pledged thereof in favor of Borrower’s \$10,000,000 Tax Increment Revenue Note B, all as described more fully in the Loan Agreement. In accordance with Article II of the Loan Agreement, all payments hereunder, including any prepayments, will be applied first to accrued interest, and then to the payment of principal.

In the case of Default, all moneys received by Lender pursuant to any right given or action taken under the provisions of Article V of the Loan Agreement shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, Lender, be allocated to and applied first to interest and then to principal due on this Note.

This Note and all obligations relating hereto or hereunder shall not be general obligations of the City IDB and shall in any event be payable only from any Tax Increment Revenues. Nothing contained in

this paragraph shall (x) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the lien of any of the loan documents, or (y) preclude the Lender from enforcing any other rights of the Lender against third parties other than the City IDB, including any remedies the Lender may have under the Loan Agreement.

The validity, interpretation, enforcement and effect of this Note shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

This Note may not be changed or terminated without the prior written approval of the holder hereof and Borrower. No waiver of any term or provision hereof shall be valid unless in writing signed by the holder.

This Note has been executed as of the date first above written.

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: _____
Chairman

Attest:

Secretary

EXHIBIT B

Project Funding Certificate

[Date]

Industrial Development Board of the City of Chattanooga
100 E. 11th Street
Suite 200
Chattanooga, TN 37402

Re: Project Funding Certificate with respect to Industrial Development Board of the City of Chattanooga Tax Increment Revenue Note A (Stadium Development Project)

Ladies and Gentlemen:

The undersigned hereby certify that Lender has caused to be contributed the amount of \$_____ for the purpose of funding costs payable pursuant to Section 3.7 of the Lease and hereby requests that such amounts be credited as advances with respect to TIF Note A. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Loan Agreement dated as of _____ between the undersigned and the Industrial Development Board of the City of Chattanooga pursuant to which TIF Note A has been issued.

Chattanooga Professional Baseball, LLC

By: _____
Name: _____
Title: _____

Approved by:

The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee

By: _____
Name: _____
Title: _____

EXHIBIT C

City IDB/Sports Authority Agreement

37959065.5

RESOLUTION

A RESOLUTION AUTHORIZING AN AWARD OF A GROWING SMALL BUSINESS INCENTIVE GRANT TO BIG SKY LANDSCAPES, LLC, IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000.00).

BE IT RESOLVED, that the Industrial Development Board be and is hereby authorizing an award of a Growing Small Business Incentive Grant to Big Sky Landscapes, LLC, in the amount of \$10,000.00.

ADOPTED: August 26, 2024

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

KERRY HAYES, *Chair*

GORDON PARKER, *Secretary*

SBI-(30)

RESOLUTION

A RESOLUTION AUTHORIZING AN AWARD OF A GROWING SMALL BUSINESS INCENTIVE GRANT TO BEAUTIFUL GAME, INC. D/B/A CHATTANOOGA FOOTBALL CLUB, IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000.00).

BE IT RESOLVED, that the Industrial Development Board be and is hereby authorizing an award of a Growing Small Business Incentive Grant to Beautiful Game, Inc. d/b/a Chattanooga Football Club, in the amount of \$10,000.00.

ADOPTED: August 26, 2024

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

KERRY HAYES, *Chair*

GORDON PARKER, *Secretary*

SBI-(31)



CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD

AUG 26 2024

SMALL BUSINESS GRANT PRESENTATION

THE STORY OF CFC

16 YEARS OF CHATTANOOGA HISTORY

Our mission is to use soccer to build strong relationships – across age, race, creed and socio-economic status – for the greater good of our city.

- Founded in 2009 by core group of influential Chattanooga locals, athletes, and business owners
- Currently playing in MLS NEXT Pro: men's professional soccer league in the USA and Canada that is affiliated with Major League Soccer
- Chattanooga FC front office and soccer operations teams currently provides over 40 full-time and part-time jobs across all management departments
- The Chattanooga FC Women's team competes in the Women's Premier Soccer League (WPSL), a top amateur women's soccer league based in the USA
- The Chattanooga FC Youth Academy provides coaching and training for over 700 Chattanooga youth and over 40 full-time and part-time jobs for coaches and administration



CHATTANOOGA FOOTBALL CLUB



THE GROWTH OF CFC

GROWTH TO TODAY

- Joined new league, MLS NEXT Pro
- 12 MLS Next Pro teams from major cities across the USA and Canada now traveling to Chattanooga
- Increased full-time staff from 9 to 39, creating new jobs and attracting talent to support growth of the team within the City (26 new full-time jobs created in addition to existing jobs)
- Hired two veterans in Youth Academy (Army and Marine Corps)
- Created dedicated Community Relations Department with goal to execute 150 community events in 2024 (on track)
- Moved offices to 436 Market St in the heart of Chattanooga's Downtown
- Became a finalist for the Chattanooga Small Business Awards in 2024
- Jointly with Business Network International (BNI), organized 3 networking events with focus on supporting Chattanooga small businesses
- Announced acceptance into MLS NEXT for 2025; will drive elite youth player development growth in the City and recognition of Chattanooga as an elite soccer destination
- Celebrated groundbreaking for new building (1620 Riverfront Parkway) to open in 2026; will drive significant new business and new job opportunities to the downtown area



THE GROWTH OF CFC

THE SMALL BUSINESS GRANT WILL SUPPORT FURTHER GROWTH, JOB OPPORTUNITIES AND CREATION THROUGH THE FOLLOWING:

- The launch of 191 River St: A centrally-located and soccer-focused retail store that will bring new business to Chattanooga's North Shore
- Youth Academy support through coach education and development (including Futsal platform) with goal to engage more Chattanooga youth and families
- Increased investment to directly support activities of CFC's Community Relations department, leading to more community engagement in the city
- Further development of CFC Women's Team with goal of increasing the footprint of women's sports on Chattanooga youth and families
- Estimated 20 additional jobs created, full-time and part-time, across these growing ventures

