



City of Mt. Pleasant, Tennessee

Summary of Indicative Terms

12/23/2024

United Community Bank (“Bank”), on behalf of itself and any designated affiliate (individually and collectively, “Lender”) is pleased to provide this Summary of Indicative Terms (“Term Sheet”) for discussion. This Term Sheet is a basic outline of the potential terms on which Lender would consider providing or arranging the loan described below. This is not an offer, agreement, or commitment by Lender to lend. Lender will not be bound to any agreement unless or until Lender’s authorized representative signs definitive loan documentation stating that it constitutes the entire understanding and agreement of the parties as to the matters set forth therein. If the terms of a financing transaction are ultimately approved and agreed by Lender, the definitive loan documentation will contain other customary provisions, including, without limitation, representations and warranties, covenants, conditions, specified events of default and other provisions, all of which must be satisfactory to Lender in all respects.

Borrower:	City of Mt. Pleasant, Tennessee (“City”).
Lender:	United Community Bank, Inc.
Loan:	Taxable or Tax-Exempt Term Loan in an amount up to \$1,200,000.
Use of Proceeds:	Proceeds of the Loan may be used for the upcoming water meter project.
Security:	General obligation of the City or Revenue Obligation based on the revenue derived from the project.
Guarantor(s):	None.
Maturity:	7 years from closing with a 12-year amortization.
Repayment:	Fully funded at closing. Semi-annual principal and interest payments with interest payments commencing June 1, 2025 and with payments continuing semi-annually thereafter until the final term of the individual borrowing is reached (January 1, 2032).
Interest Rate:	Taxable Fixed Rate: 5.95% Tax-Exempt Fixed Rate: 4.70% Taxable Variable Rate: Term SOFR + 175 bps Tax-Exempt Variable Rate: 79% * (Term SOFR + 175 bps)

	<p>Accrual Basis: 30/360</p> <p>The Borrower will pay to the Lender prepayment compensation in connection with any prepayment of the Loan based on the Lender’s standard make-whole terms for fixed rate loans. The Lender will allow prepayment (in whole) after 5 years without penalty. No prepayment penalty for the variable rate option.</p>
<p>Expenses and Fees:</p>	<p>Upfront Fee: \$1,200</p> <p>All expenses incurred by or on behalf of Lender in connection with its analysis, structuring, negotiation, documentation and closing of the Loan will be paid or reimbursed by Borrower at closing.</p>
<p>Financial and Other Covenants:</p>	<p>Loan will include the following specific covenants:</p> <ul style="list-style-type: none"> • Annual Financial Statements within 210 days of fiscal year end. • Annual budget within 60 days of adoption. <p>Usual and customary covenants, reporting requirements, representations and warranties and events of default, for transactions of this type, including, without limitations, the following reporting requirements:</p>
<p>Conditions Precedent and Other Terms:</p>	<ol style="list-style-type: none"> 1. Lender shall have received such other documents, instruments, approvals or opinions as may be reasonably requested. 2. Borrower’s Counsel Opinion: An opinion of Borrower’s counsel covering matters customary to transactions such as this and in all respects acceptable to the Bank, Lender and its counsel. 3. Bond Counsel Opinion: An approving opinion of bond counsel related to the loan in form and substance satisfactory to the Lender and for Tax-Exempt options, shall include, without limitation, an opinion delivered at the time of conversion that the interest rate on the loan is excludable from gross income for Federal income tax purposes.

<p>Lender’s Legal Counsel:</p>	<p>Estimated legal fees for the closing of the loan will not exceed \$5,000. All legal fees shall be paid by the Borrower whether or not the Loan described herein is closed.</p>
<p>Governing Law & Jurisdiction:</p>	<p>State of Tennessee</p>
<p>Municipal Advisor Disclosure:</p>	<p>Please note: (i) the transaction contemplated herein is an arm's length commercial transaction between Borrower and the Lender, (ii) in connection with such transaction, the Lender is acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent, or a fiduciary of Borrower, (iii) to the extent applicable, Bank is relying on the bank exemption in the Municipal Advisor Rules (or such other applicable exemptions, including as it relates to general information), (iv) Lender has not provided any advice or assumed any advisory or fiduciary responsibility in favor of Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto, (v) Lender has financial and other interests that differ from those of Borrower, and (vi) Borrower has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate (including any Municipal Advisors). Nothing herein is intended to serve as legal, tax or accounting advice. Borrower may be required to certify to the foregoing in a closing certificate. Before acting on the information or material contained herein, the Borrower should seek the advice of an IRMA and any other professional advisors which it deems appropriate for the Loan described herein, especially with respect to any legal, regulatory, tax or accounting treatment.</p>
<p>Patriot Act:</p>	<p>Pursuant to the requirements of the Patriot Act, the Lender and its affiliates are required to obtain, verify and record information that identifies loan obligors, which information includes name, address, tax identification number and other information regarding obligors that will allow the Lender to identify obligors in accordance with the Patriot Act, and the Lender is</p>

	hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Lender and its affiliates.
Expiration Date:	This Term Sheet shall expire on 1/30/2025 unless a formal commitment letter has been issued prior to such date.

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