

**Tennessee Municipal Bond Fund
Information Regarding Alternative Loan Program for the
Town of Monterey, Tennessee**

May 9, 2025

The Tennessee Municipal Bond Fund ("TMBF"), can assist the Town of Monterey (the "Town"), with the issuance of a capital outlay note for the purpose of financing the acquisition of one or two fire trucks for the Fire Department of the Town.

Below is a summary of the alternative loan program:

ALTERNATIVE LOAN PROGRAM

The Town can issue a fixed rate capital outlay note in an amount of \$130,000 for a term of 5 or 7 years, or \$240,000 for a term of 10 years, which are the amounts and terms we understand the Town is considering

The fixed rate on the capital outlay note issue will be locked in for the entire term of the note issue

The note can be prepaid in whole prior to its maturity with a 1% prepayment penalty – however, the Town can make additional principal payments during the term of the note at any time with no prepayment penalty from Town funds, not borrowed funds

The note will be a general obligation debt of the Town payable from funds of the Town legally available therefor, including ad valorem taxes

The rate on the note issue is based on the note being bank-qualified under Section 265(b) of the Internal Revenue Code – this means that the Town cannot issue more than \$10,000,000 in tax-exempt debt during the calendar year in which the note is issued

The total cost of issuance for either amount is \$500 – this cost may be paid from note proceeds or from funds on hand

At the time of the closing of the note issue the Town will receive the entire proceeds - the Town will pay interest on the entire amount from the time of closing

Principal will be payable annually with interest being payable semiannually – the payment dates can be determined at the time of the closing of the note issue

LOAN PROCESS FOR NOTE ISSUE:

The note issuance would require the adoption of a note resolution at meeting of the Board of Mayor and Aldermen, after publication of a notice of such meeting. We provide the resolution and assist in obtaining all necessary approvals – consisting of bank and state approvals. The loan would require the completion of a loan application and credit approval by the bank. We obtain at least three bids from banks, prepare the letter to the State requesting note issuance approval, prepare all necessary closing documents, including the Report on Debt Obligation and the IRS Form 8038-G, and take care of filing them after closing of the note issue.

AMORTIZATION SCHEDULES:

\$130,000 NOTE ISSUE

The first schedule is based on an amount of \$130,000 with the best indicative rate we received of 4.63% which would be locked in for a 5 year term

The second schedule is based on an amount of \$130,000 with the best indicative rate we received of 4.63% which would be locked in for a 7 year term

\$240,000 NOTE ISSUE

The schedule is based on an amount of \$240,000 with the best indicative rate we received of 4.99% which would be locked in for a 10 year term

The above rates are indicative rates which are good for 60 days - the note issue would need to be funded prior to the end of the 60 day period. The above rates include an annual administration fee equal to 15-basis points payable to TMBF by the bank, to be paid from each periodic payment of interest on the note, based on the outstanding principal amount of the note issue

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BOND DEBT SERVICE

TOWN OF MONTEREY
\$130,000 FD CON - 5 YEARS

TENNESSEE MUNICIPAL BOND FUND
ALTERNATIVE LOAN PROGRAM

* *BASED ON INDICATIVE RATE FOR 5 YEAR TERM* *

Dated date: June 26, 2025

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/26/2025					
12/01/2025			2,591.51	2,591.51	
06/01/2026	24,000	4.630%	3,009.50	27,009.50	29,601.01
12/01/2026			2,453.90	2,453.90	
06/01/2027	25,000	4.630%	2,453.90	27,453.90	29,907.80
12/01/2027			1,875.15	1,875.15	
06/01/2028	26,000	4.630%	1,875.15	27,875.15	29,750.30
12/01/2028			1,273.25	1,273.25	
06/01/2029	27,000	4.630%	1,273.25	28,273.25	29,546.50
12/01/2029			648.20	648.20	
06/01/2030	28,000	4.630%	648.20	28,648.20	29,296.40
	130,000		18,102.01	148,102.01	148,102.01

BOND DEBT SERVICE

TOWN OF MONTEREY
\$130,000 FD CON - 7 YEARS

TENNESSEE MUNICIPAL BOND FUND
ALTERNATIVE LOAN PROGRAM

BASED ON INDICATIVE RATE FOR 7 YEAR TERM

Dated date: June 26, 2025

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/26/2025					
12/01/2025			2,591.51	2,591.51	
06/01/2026	16,100	4.630%	3,009.50	19,109.50	21,701.01
12/01/2026			2,636.79	2,636.79	
06/01/2027	16,900	4.630%	2,636.79	19,536.79	22,173.58
12/01/2027			2,245.55	2,245.55	
06/01/2028	17,700	4.630%	2,245.55	19,945.55	22,191.10
12/01/2028			1,835.80	1,835.80	
06/01/2029	18,500	4.630%	1,835.80	20,335.80	22,171.60
12/01/2029			1,407.52	1,407.52	
06/01/2030	19,400	4.630%	1,407.52	20,807.52	22,215.04
12/01/2030			958.41	958.41	
06/01/2031	20,200	4.630%	958.41	21,158.41	22,116.82
12/01/2031			490.78	490.78	
06/01/2032	21,200	4.630%	490.78	21,690.78	22,181.56
	130,000		24,750.71	154,750.71	154,750.71

BOND DEBT SERVICE

TOWN OF MONTEREY
\$240,000 FD CON - 10 YEARS

TENNESSEE MUNICIPAL BOND FUND
ALTERNATIVE LOAN PROGRAM

BASED ON INDICATIVE RATE FOR 10 YEAR TERM

Dated date: June 26, 2025

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/26/2025					
12/01/2025			5,156.33	5,156.33	
06/01/2026	19,000	4.990%	5,988.00	24,988.00	30,144.33
12/01/2026			5,513.95	5,513.95	
06/01/2027	20,000	4.990%	5,513.95	25,513.95	31,027.90
12/01/2027			5,014.95	5,014.95	
06/01/2028	21,000	4.990%	5,014.95	26,014.95	31,029.90
12/01/2028			4,491.00	4,491.00	
06/01/2029	22,000	4.990%	4,491.00	26,491.00	30,982.00
12/01/2029			3,942.10	3,942.10	
06/01/2030	23,000	4.990%	3,942.10	26,942.10	30,884.20
12/01/2030			3,368.25	3,368.25	
06/01/2031	24,000	4.990%	3,368.25	27,368.25	30,736.50
12/01/2031			2,769.45	2,769.45	
06/01/2032	26,000	4.990%	2,769.45	28,769.45	31,538.90
12/01/2032			2,120.75	2,120.75	
06/01/2033	27,000	4.990%	2,120.75	29,120.75	31,241.50
12/01/2033			1,447.10	1,447.10	
06/01/2034	28,000	4.990%	1,447.10	29,447.10	30,894.20
12/01/2034			748.50	748.50	
06/01/2035	30,000	4.990%	748.50	30,748.50	31,497.00
	240,000		69,976.43	309,976.43	309,976.43