

SERIES 101-A-1 SECOND SUPPLEMENTAL INDENTURE OF TRUST

This Series 101-A-1 Second Supplemental Indenture of Trust (the “Second Supplemental Indenture”) is made and entered into as of the first day of November, 2014, by and between THE PUBLIC BUILDING AUTHORITY OF THE CITY OF FRANKLIN, TENNESSEE (the “Authority”), and REGIONS BANK, an Alabama Banking corporation, as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the Authority is a public non-profit corporation and a public instrumentality of the City of Franklin, Tennessee, organized and existing pursuant to Chapter 10, Title 12, Tennessee Code Annotated, with the power and authority to finance any project or projects eligible to be financed by bonds, notes, interim certificates or other obligations authorized to be issued by a municipality or county in the State of Tennessee; and

WHEREAS, in order to establish a program to assist incorporated cities and towns, counties, and metropolitan governments, school districts or other municipal governmental bodies or political subdivisions of the State of Tennessee and any agency, authority, corporation or instrumentality thereof in financing of certain projects, on November 13, 2006, the Board of Directors of the Authority adopted a resolution authorizing, among other things, the issuance and delivery of not to exceed \$500,000,000 in aggregate principal amount of Local Government Public Improvement Bonds (the “Bonds”), to be issued in one or more series from time to time in such amounts and at such times as the Authority may from time to time deem to be necessary or advisable; and

WHEREAS, the Authority and the Trustee have entered into an Indenture of Trust, dated as of January 1, 2007, as supplemented by the Series 101-A-1 Supplemental Indenture of Trust dated as of January 1, 2007 (collectively, the “Original Indenture”), providing for the issuance and delivery of the Local Government Public Improvement Bonds, Series 101-A-1, dated January 25, 2007 (the “Series 101-A-1 Bonds”), for the purpose of making a loan to the City of Franklin, Tennessee (the “Series 101-A-1 Borrower”) pursuant to that certain Loan Agreement, dated as of even date, by and between the Authority and the Series 101-A-1 Borrower, as said Agreement may hereafter be supplemented, extended, modified or amended (the “Series 101-A-1 Loan Agreement”); and

WHEREAS, pursuant to Sections 17.01(f), 17.03 and 17.04 of the Original Indenture, the Authority and the Trustee desire to enter into this Second Supplemental Indenture (the Original Indenture, as supplemented herein, will hereafter be referred to as the “Indenture”) to provide for the addition of an additional Rate Period for the Series 101-A-1 Bonds to be known as the Index Period (as described herein), all necessary consents having been obtained;

WHEREAS, concurrently with the execution of this Second Supplemental Indenture, the Authority and the Series 101-A-1 Borrower will enter into a Series 101-A-1 Amended and Restated Loan Agreement, dated as of November 1, 2014 (the “Amended and Restated Loan Agreement”); and

WHEREAS, the amendments to the Original Indenture provided herein shall only apply to the Series 101-A-1 Bonds.

NOW, THEREFORE, for and in consideration of the foregoing premises, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Series 101-A-1 Bonds, as follows:

1. All capitalized terms used herein shall have the meanings ascribed to them herein, and if not defined herein, shall have the meanings ascribed to them in the Original Indenture.

2. The Original Indenture shall be amended as follows with respect to the Series 101-A-1 Bonds:

(A) Section 1.01 of the Original Indenture is hereby amended by:

I. Adding the following defined terms thereto in the correct alphabetical order:

“Applicable Factor” means 70%.

“Applicable Spread” means:

(i) with respect to the Initial Index Period, initially 0.45% (45 basis points); and

(ii) with respect to any Subsequent Index Period, the Applicable Spread determined by the Market Agent in accordance with Section 2.05A(f) hereof.

“Default Rate” means, with respect to an Index Rate Agreement, a rate per annum established in the Index Rate Agreement, but in no event exceeding the Maximum Lawful Rate.

“Index Period” means the Initial Index Period and any Subsequent Index Period.

“Index Period Mandatory Tender Date” means (i) the Initial Index Period Mandatory Tender Date and (ii) during any Subsequent Index Period, the date designated pursuant to Section 2.05A(e) as the Index Period Mandatory Tender Date for such Subsequent Index Period, if any.

“Index Purchaser” means the Holder of the Series 101-A-1 Bonds in the Index Period, which initially is PNC Bank National Association. If there is more than one Holder of the Series 101-A-1 Bonds, “Index Purchaser” means Holders owning a majority of the aggregate principal amount of the Series 101-A-1 Bonds then Outstanding.”

“Index Rate” means the interest rate on the Series 101-A-1 Bonds established under Section 2.05A hereof.

“Index Rate Agreement” means (i) during the Initial Index Period, the Index Rate Agreement, dated as of November 1, 2014, between the Series 101-A-1 Borrower and the Index Purchaser, relating to the Series 101-A-1 Bonds during the Initial Index Period, and any amendments thereto or restatements thereof, and (ii) during any Subsequent Index Period, any Index Rate Agreement between the Series 101-A-1 Borrower and an Index Purchaser, relating to the Series 101-A-1 Bonds during any Subsequent Index Period and any amendments thereto or restatements.

“Initial Index Period” means the period commencing on the Initial Index Period Conversion Date and ending on the first to occur of: (i) the date immediately preceding the first day of a Subsequent Index Period, (ii) the Initial Index Period Mandatory Tender Date, (iii) a Conversion Date and (iv) the Maturity Date.

“Initial Index Period Conversion Date” means November __, 2014.

“Initial Index Period Mandatory Tender Date” means November __, 2019.

“LIBOR Rate” means the rate of interest that is equal to the quotient of:

(i) the rate per annum equal to the offered rate for deposits in U.S. dollars for a one (1) month period, which rate appears on that page of Reuters reporting service, or such similar service as determined by the Index Purchaser, that displays ICE Benchmark Administration (“ICE”) (or any successor thereto if ICE is no longer making a London Interbank Offered Rate available) interest settlement rates for deposits in U.S. Dollars, as of 11:00 A.M. (London, England time) two (2) Business Days prior to the date the Index Rate is to be established pursuant to Section 2.05A; provided, that if no such offered rate appears on such page, the rate will be the per annum rate of interest determined by the Index Purchaser to be the rate at which U.S. Dollar deposits for a similar period are offered to the Index Purchaser in the London Inter-Bank Market as of 11:00 A.M. (London, England time), on the date which is two (2) Business Days prior to the date the Index Rate is to be established pursuant to Section 2.05A, divided by

(ii) a percentage equal to 1.00 *minus* the maximum reserve percentages (including any emergency, supplemental, special or other marginal reserves) expressed as a decimal (rounded upward to the next 1/100th of 1%) in effect on any day to which the Index Purchaser is subject with respect to any LIBOR loan pursuant to regulations issued by the Board of Governors of the Federal Reserve System with respect to eurocurrency funding (currently referred to as “eurocurrency liabilities” under Regulation D). This percentage will be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Market Agent” means any Person appointed by the Issuer at the Series 101-A-1 Borrower’s direction to serve as market agent in connection with the Series 101-A-1 Borrower’s election to establish a Subsequent Index Rate Period, who, in the judgment of the Series 101-A-1 Borrower, possesses sufficient knowledge of the market for obligations comparable with the Series 101-A-1 Bonds to evaluate the rates and terms proposed by potential purchasers of the Series 101-A-1 Bonds.

“Maturity Date” means June 1, 2037.

“Subsequent Index Period” means each period, other than the Initial Index Period, during which the Series 101-A-1 Bonds bear interest at an Index Rate.

II. Amending the following defined terms included in Section 1.01 of the Original Indenture as follows:

“Authorized Denominations” is hereby amended by adding a comma after the words “Commercial Paper Period” in subsection (i) and inserting the phrase “, Index Period”.

“Business Day” is hereby amended by adding the phrase “the Index Purchaser, if any,” following the phrase, “the Liquidity Facility Provider, if any,” each place it appears.

“Interest Payment Date” is hereby amended by deleting the word “and” prior to subsection (f) and by inserting a new section (g) as follows: “and, (g) with respect to Bonds which are in the Index Period, the Interest Payment Date shall have the meaning set forth in the form of the Bond appearing on Exhibit A and with respect to the Series 101-A-1 Bonds shall also mean the Initial Index Period Mandatory Purchase Date.”

“Maximum Rate” is hereby amended by deleting it in its entirety and by substituting it in its entirety as follows: “Maximum Rate” means (unless otherwise approved by the Credit Facility Provider, if any) (A) for all Series of Bonds (other than ARS Bonds, Bonds bearing interest at the Index Rate and Bank Bonds) with respect to Bonds of a Series, the lesser of (i) fifteen percent (15%) per annum and (ii) the Maximum Lawful Rate, and (B) with respect to Bank Bonds of a Series means the Bank Rate as defined in the Liquidity Facility provided by a Liquidity Facility Provider respect to such Series of Bonds, which Bank Rate shall not exceed the Maximum Lawful Rate in effect and applicable from time to time while the Bonds are Bank Bonds, and (C) with respect to a Series of ARS Bonds, the ARS Maximum Rate which shall not exceed the Maximum Lawful Rate in effect and applicable from time to time while such Series of Bonds are ARS Bonds, and (D) with respect to a Series of Bonds in the Index Period, means an interest rate per annum equal to the Default Rate which shall not exceed the Maximum Lawful Rate.”

“Rate Period” is hereby amended by adding the phrase “Index Period,” after the phrase “the Fixed Period”.

“Record Date” is hereby amended by adding the Phrase, “the Index Rate,” after the phrase “a Weekly Rate” in subpart (c) thereof.

(B) Section 2.02(e) of the Original Indenture is hereby amended by deleting the second sentence and substituting instead the following: “Notwithstanding the foregoing, (i) with respect to a Series of Bonds, other than Bonds during an Index Period, if the Authority shall have obtained and filed with the Trustee and the Remarketing Agent, if any, written evidence from at least one Rating Agency that the long-term rating and the short-term rating, if applicable, on any such proposed Series of Bonds upon issuance will not result in a rating lower than the minimum investment grade rating of such Rating Agency, then a Credit Facility and/or a Liquidity Facility, respectively, shall not be required, unless otherwise required by the Authority; and (ii) no Credit Facility, Liquidity Facility or evidence of rating will be required with respect to any Series of Bonds during an Index Period.”

(C) Section 2.04(a) of the Original Indenture is hereby amended by adding the phrase to the end of the next to the last sentence in such section “and that so long as the Series of Bonds bear interest at the Index Rate, shall be calculated as set forth in the Index Rate Agreement or in the Bond.”

(D) Section 2.04(g) of the Original Indenture is hereby amended by adding the following paragraph at the end thereof:

“Anything herein to the contrary notwithstanding, the foregoing provisions of this Section 2.04(g) shall not apply to any Series of Bonds in the Index Period until Bonds of such Series are converted to a Rate Period other than the Index Period.”

(E) Section 2.05(a) of the Original Indenture is hereby amended to add the phrase “and Bonds in the Index Period” following the phrase “ARS Bonds” in the caption.

(F) Article II of the Original Indenture is hereby amended by adding the following at the end of Section 2.05:

“Section 2.05A. Index Period.

(a) From the Conversion Date after which the Series 101-A-1 Bonds will bear interest at the Index Rate until the next following Conversion Date, the Series 101-A-1 Bonds shall bear interest at the Index Rate, as described in this Section.

(b) The Index Rate will be set by the Index Purchaser on (i) the date of Conversion of the Series 101-A-1 Bonds for the period beginning on the date of Conversion of the Series 101-A-1 Bonds to the Index Rate and ending on the last day of such month and (ii) on the first day of each calendar month thereafter for the period beginning on such first day and ending on the last day of such calendar month, in each case, as follows: the interest rate shall be established at a rate equal to the sum of (i) the Applicable Spread in effect on such date and (ii) the product of the LIBOR Rate and the Applicable Factor. Promptly after each determination of the Index Rate, the Index Purchaser shall notify the Trustee and the Borrower of such new Index Rate, but in no event exceeding the Maximum Lawful Rate.

(c) Upon the occurrence of an Event of Default pursuant to Section 14.01, the Index Rate shall thereafter be a rate of interest equal to the Default Rate.

(d) The determination of the Index Rate (absent manifest error) shall be conclusive and binding upon the Authority, the Series 101-A-1 Borrower, the Trustee, and the Owners of the Series 101-A-1 Bonds. If for any reason the Index Purchaser fails to establish the Index Rate, the Series 101-A-1 Bonds shall bear interest at the Index Rate last in effect.

(e) In the event the Series 101-A-1 Borrower elects to establish a Subsequent Index Period, the Series 101-A-1 Borrower shall notify the Issuer, the Trustee, the Remarketing Agent, if any, and the Administrator in writing, not later than the 20th day prior to the commencement of such Subsequent Index Period, of such an election. Such notice shall also provide (i) the date the Subsequent Index Period shall begin, (ii) the Index Period Mandatory Tender Date, if any, applicable to such Subsequent Index Period and (iii) the name and contact information of the Market Agent that will determine the Applicable Factor and Applicable Spread for the Subsequent Index Period in accordance with Section 2.05A(f) hereof.

(f) On or before five (5) Business Days prior to the commencement of a Subsequent Index Period, the Market Agent shall determine the Applicable Factor and the Applicable Spread for such Subsequent Index Period and shall give notice of such determination to the Series 101-A-1 Borrower, the Issuer, the Trustee and the Index Purchaser. The Market Agent shall determine the Applicable Factor and the Applicable Spread so as to produce the Index Rate (based upon tax exempt obligations comparable, in the judgment of the Market Agent, to the Series 101-A-1 Bonds and known to the Market Agent to have been priced or traded under the prevailing market conditions) that is the minimum interest rate at which a Person will agree to purchase the Series 101-A-1 Bonds upon the commencement of the Subsequent Index Period at a purchase price (without regard to accrued interest) equal to the principal amount thereof, and, subject to Section 2.05A(g) below, the Series 101-A-1 Bonds shall be sold to a purchaser at such purchase price on the first day of the Subsequent Index Period.

(g) If at any time during an Index Period the Series 101-A-1 Borrower elects to establish a Subsequent Index Period, then, notwithstanding that the day immediately prior to the first day of such Subsequent Index Period is a Mandatory Purchase Date, the Index Purchaser (with the consent of the Series 101-A-1 Borrower) may elect to retain its Series 101-A-1 Bonds by delivering to the Trustee, the Series 101-A-1 Borrower, the Issuer and the Market Agent a written notice no less than two (2) Business Days prior to the commencement of such Subsequent Index Period stating its election to retain the Series 101-A-1 Bonds during such Subsequent Index Period and acknowledging its agreement (i) to the Applicable Factor and Applicable Spread determined by the Market Agent pursuant to Section 2.05A(f) above and (ii) to the Index Period Mandatory Tender Date, if any, applicable for such Subsequent Index Period established by the Series 101-A-1 Borrower pursuant to Section 2.05A(f) above.

(G) Section 2.06 (a) (ii) of the Original Indenture is hereby amended to add the phrase “and Bonds in the Index Period” following the phrase “Commercial Paper Period”.

(H) Section 2.06(c) of the Original Indenture is hereby amended as follows:

(a) subsection (ii) is amended to add the phrase “or an Index Period” following the phrase “Commercial Paper Period”;

(b) the following phrase shall be added as a new subsection (iv) immediately following subsection (iii): “and (iv) if the new Rate Period is an Index Period, the Index Period Mandatory Tender Date for such Index Period.”; and

(c) the last sentence of 2.06(c) is amended to add the phrase “the Index Period,” before the phrase “the Commercial Paper Period”.

(I) Section 2.06(d) of the Original Indenture is hereby amended by adding the following phrase to the end of the last sentence of the first paragraph: “unless such Series of Bonds will be converted to bearing interest at the Index Rate.”

(J) Section 2.06(d) of the Original Indenture is hereby amended to add the phrase “Index Rate” following the phrase “Short-Term Rate” each place it appears in the second paragraph of Section 2.06(d).

(K) Section 2.13 of the Original Indenture is hereby amended by deleting such Section in its entirety and replacing it with the following: “The Bonds of each Series shall be in substantially the form of Exhibit A-1 while in any Rate Period other than the Index Period and shall be in substantially the form of Exhibit A-2 while in the Index Period, with such changes or additional provisions as shall be set forth in the related Supplemental Indenture.”

(L) Section 4.02(a) of the Original Indenture is hereby amended by deleting the word “and” immediately preceding “(iii)”; by deleting the period at the end of the first sentence; and by adding the following phrase “(iv) for any Series 101-A-1 Bonds bearing interest in the Index Period, the Index Period Mandatory Tender Date, if any, and (v) the day immediately prior to the first day of a Subsequent Index Period.

(M) Section 4.02(a) is further amended by adding the following clause to the end of the last sentence: “provided, however, when the Series 101-A-1 Bonds are subject to mandatory tender pursuant to Section 4.02(a)(iv) or (v), the Trustee is not required to deliver or mail any notice to the Owners of the Bonds, except as otherwise required herein.”

(N) Section 4.03(a) of the Original Indenture is hereby amended by deleting the word “The” and by inserting the following phrase at the beginning of the first sentence: “Except in connection with an Index Period Mandatory Tender Date, the”.

(O) Section 4.03(b) of the Original Indenture is hereby amended by adding the following sentence to such subsection: “Notwithstanding the foregoing, the Index Purchaser shall deliver to the Trustee, in immediately available funds, on or before 11:00 a.m. Eastern

Time on the Index Period Mandatory Tender Date, an amount equal to the purchase price of the Series 101-A-1 Bonds.”

(P) Section 5.02(b) of the Original Indenture is hereby amended by adding the following new sentence at the end of such subsection: “During the Index Period, the Series 101-A-1 Bonds are subject to optional redemption by the Authority, in whole or in part on any Interest Payment Date, at the principal amount thereof plus accrued interest to the Redemption Date.”

(Q) Section 5.04 of the Original Indenture is hereby amended by adding the phrase “the Index Period,” following the phrase “the Short-Term Period” in the first sentence of such subsection.

(R) Section 8.01 of the Original Indenture is hereby amended by adding the phrase “the Index Period,” following the phrase “the Short-Term Period” in the last sentence of such subsection.

(S) Section 8.02(a) of the Original Indenture is hereby amended by adding the following phrase to the end of the sentence: “or by the Index Purchaser, as the case may be.”

(T) Section 15.06 of the Original Indenture is hereby amended by inserting the phrase “, each Index Purchaser” following the phrase “Credit Facility Provider” and before the phrase “and each Liquidity Facility Provider”, and inserting the phrase “the Index Period,” following the phrase “the Short-Term Period” and before the phrase “the Commercial Paper Period”.

(U) Section 15.07 of the Original Indenture is hereby amended by inserting the phrase “, each Index Purchaser” following the phrase “Credit Facility Provider” and before the phrase “and each Liquidity Facility Provider” in each place that such phrases occur in such Section, and inserting the phrase “the Index Period,” following the phrase “the Short-Term Period” and before the phrase “the Commercial Paper Period”.

(V) Section 15.08 of the Original Indenture is hereby amended by inserting the phrase “, each Index Purchaser” following the phrase “a Credit Facility Provider” and before the phrase “and each Liquidity Facility Provider”.

(W) Section 15.09 of the Original Indenture is hereby amended by inserting the phrase “, each Index Purchaser” following the phrase “Credit Facility Provider” and before the phrase “and each Liquidity Facility Provider”.

(X) Section 15.14 of the Original Indenture is hereby amended by inserting the following at the end of such section: “No Remarketing Agent shall be required to be in place while the Series 101-A-1 Bonds are in the Index Period; however, the Authority shall immediately appoint a Remarketing Agent in accordance with the Indenture if at any time during the Index Period the action of a Remarketing Agent shall be required to fulfill the provisions of the Indenture.”

(Y) Section 15.19 of the Original Indenture is hereby amended as follows: (i) in the first paragraph of such Section, inserting the phrase “, each Index Purchaser” following the phrase

“each Credit Facility Provider” and before the phrase “and each Liquidity Facility Provider”, and (ii) in the third paragraph of such Section, inserting the phrase “each Index Purchaser,” following the phrase “each Liquidity Facility Provider” and before the phrase “the Trustee”.

(Z) Exhibit A of the Original Indenture is hereby amended by redesignating it as Exhibit A-1, and by adding Exhibit A attached hereto as Exhibit A-2.

(AA) The Original Indenture is hereby amended by replacing Exhibit B to the Original Indenture with Exhibit B attached hereto.

Signatures on following page

IN WITNESS WHEREOF, the parties hereto cause this Supplemental Indenture to be executed by their respective corporate names by their respective authorized officers, all as of the date first above written.

THE PUBLIC BUILDING AUTHORITY OF THE
CITY OF FRANKILN, TENNESSEE

By: _____
Vice-Chairman

ATTEST:

Secretary-Treasurer

(SEAL)

REGIONS BANK,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 101-A-1 BOND

R-_____

\$_____

UNITED STATES OF AMERICA

STATE OF TENNESSEE

THE PUBLIC BUILDING AUTHORITY OF
THE CITY OF FRANKLIN, TENNESSEE

Local Government Public Improvement Bond,
Series 101-A-1

MATURITY DATE

DATED DATE

TYPE OF INTEREST
PERIOD

June 1, 2037

November ____, 2014

Index Period

FEDERAL TAX IDENTIFICATION NUMBER: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

THE PUBLIC BUILDING AUTHORITY OF THE CITY OF FRANKLIN, TENNESSEE (the "Authority"), for value received, promises to pay from the source and as hereinafter provided, to the Registered Owner identified above on the Maturity Date set forth above, upon surrender hereof, the Principal Amount set forth above, and in like manner to pay interest on said sum as provided herein.

THE SERIES 101-A-1 BOND AND THE ISSUE OF WHICH IT IS A PART AND THE PREMIUM, IF ANY, AND INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT PURSUANT TO THE AGREEMENT (AS HEREINAFTER DEFINED), INCLUDING PAYMENTS RECEIVED THEREUNDER, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE PAYMENT OF THE BONDS. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF TENNESSEE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY. NEITHER THE STATE OF TENNESSEE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT

THERE TO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY, THE STATE OF TENNESSEE OR ANY POLITICAL SUBDIVISION OF THE STATE OF TENNESSEE, NOR THE TAXING POWER OF THE STATE OF TENNESSEE OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

No covenant or agreement contained in this Series 101-A-1 Bond shall be deemed to be a covenant or agreement of any officer, agent, or employee of the Authority in his individual capacity, and neither the members of the Authority nor any officer thereof executing this Series 101-A-1 Bond shall be liable personally on this Series 101-A-1 Bond or be subject to any personal liability or accountability by reason of the issuance of this Series 101-A-1 Bond.

1. **Purpose; Pledge; Incorporation by Reference.** This Series 101-A-1 Bond is one of the duly authorized Bonds (the "Bonds") of the Authority, limited in the aggregate principal amount to \$500,000,000 issued or to be issued in part from time to time in series (each a "Series") under and pursuant to Tennessee Code Annotated, Sections 12-10- 101 et seq., (the "Act"), resolutions (collectively, the "Resolution") adopted by the Authority on November 13, 2006 and on October 28, 2014, and an Indenture of Trust dated as of January 1, 2007, as supplemented by the Series 101-A-1 Supplemental Indenture of Trust dated as of January 1, 2007 (the "Original Supplemental Indenture"), between the Authority and the Trustee (as supplemented, the "Original Indenture") to make loans to incorporated cities or towns, counties, school districts, metropolitan governments or other municipal, governmental body or political subdivision in the State of Tennessee and any agency, authority, corporation or instrumentality thereof pursuant to loan agreements between each borrower and the Authority to finance or refinance the construction, improvement, repair, acquisition and equipping of land, buildings, equipment and infrastructure for use by such borrower. The Authority's Local Government Public Improvement Bonds, Series 101-A-1 (the "Series 101-A-1 Bonds"), of which this Series 101-A-1 Bond is one, were originally issued bearing interest at the Daily Rate in the original amount of \$20,000,000 pursuant to the Resolution, the Act, and the Original Indenture for the purpose of providing a loan in such amount under a Series 101-A-1 Loan Agreement (the "Original Loan Agreement") between the Authority and the City of Franklin, Tennessee (the "Borrower") to finance the (i) design and construction of, and improvements to, streets and roads and acquisition of rights-of-way in connection therewith; (ii) design and construction of, and improvements to, public safety buildings for fire and police departments; (iii) design and construction of water, sewer, and water reuse lines, along with improvements to existing water treatment facilities and future water reservoir; (iv) design and construction and improvements to parks, recreational, and public works facilities; (v) construction of extensions and improvements to the storm water drainage system of the Municipality, including, but not limited to, design and acquisition of land for and the construction of drainage system improvements, including bridges and culverts; (vi) acquisition of all property, real and personal, appurtenant thereto; (vii) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; (viii) payment capitalized interest during construction and for up to six months thereafter (collectively, the "Projects"); and (ix) payment of costs of issuance and sale of the Series 101-A-1 Bonds.

On the date hereof, the Rate Period on the Series 101-A-1 Bonds, of which this Bond is one, is being converted to the Index Rate pursuant to the Series 101-A-1 Second Supplemental Indenture of Trust, dated as of November 1, 2014 (the “Supplemental Indenture;” and together with the Original Indenture, the “Indenture”) and an Amended and Restated Loan Agreement dated as of November 1, 2014 (the “Loan Agreement”), which amends and restates the Original Loan Agreement. The outstanding amount under the Series 101-A-1 Bonds as of the date hereof is \$20,000,000.

The Series 101-A-1 Bonds will be solely secured by a pledge and assignment to the Trustee pursuant to the Indenture of (i) all right, title and interest and privilege of the Authority now owned or hereafter acquired in, to and under the Loan Agreement and any agreement supplementing, extending or modifying the same, including, without limitation, all present and future rights of the Authority to make claim for, collect and receive any income, revenues, issues, profits, and other sums of money payable to or for the account of or receivable by the Authority under the Loan Agreement (whether payable pursuant to the Loan Agreement or otherwise), to bring actions and proceedings under the Loan Agreement or for the enforcement thereof, to pursue the remedies provided in the Loan Agreement upon the occurrence of an event of default thereunder, and to do any and all things that the Authority is or may become entitled to do under the Loan Agreement, but excluding (x) the rights of the Authority to receive payment of the Authority's expenses and attorneys' fees, to receive notices and other documents, and to indemnification and (y) to amounts payable by the Borrower under the Loan Agreement consisting of Loan Swap Payments and Loan Termination Payments and excluding Additional Payments; (ii) all right, title and interest of the Authority now owned or hereafter acquired under any Swap Agreement (as defined in the Indenture), if any, in and to Swap Receipts (as defined in the Indenture), if any; (iii) all monies and securities (including the investment income therefrom) held by the Trustee in any of the funds or accounts established under the Indenture with respect to the Series 101-A-1 Bonds (except the Additional Payments Subaccount of the Series Bond Account of the Bond Fund and the Rebate Fund), subject, however, to the application thereof to the uses and in the manner set forth in the Indenture; and (iv) all property which is by the express provisions of the Indenture required to be subject to the lien of the Indenture and any additional property that may, from time to time hereafter be subjected to the lien of the Indenture. Each Series of Bonds issued under the Indenture shall have the benefit of such lien and security interest only with respect to the Loan Agreement funded by such Series of Bonds and not with respect to any other Loan Agreement and the funds and accounts established for such Series of Bonds and not for any other Series of Bonds.

“Trust Moneys” are all moneys received by the Trustee with respect to the Loan Agreement or the Series 101-A-1 Bonds (a) as provided in the Indenture to be held and applied (other than the Additional Payments Subaccount of the Series Bond Account of the Bond Fund and the Rebate Fund), or required to be paid to the Trustee and whose disposition is not elsewhere provided for in the Indenture, including but not limited to the investment income of all Trust Funds (as defined in the Indenture) held by the Trustee under the Indenture; or (b) as payments under the Loan Agreement (except the right to receive payment of certain expenses and attorney's fees, to receive notices and certain other documents, to indemnification, to receive amounts payable in reimbursement for certain payment of fees, and to Additional Payments; or (c) as Swap Receipts (as defined in the Indenture), if any, under a Swap Agreement (as defined in the Indenture), if any. Trust Moneys shall be held by the Trustee as a part of the Trust Estate

for the Series 101-A-1 Bonds to which such Loan Agreement is pledged on a parity and equality of lien with Swap Payments (as defined in the Indenture), if any, obligated to be made to a Swap Counterparty (as defined in the Indenture), if any, under a Swap Agreement, (as defined in the Indenture), if any, relating to all or a portion of the Series 101-A-1 Bonds, as and to the extent provided in the granting clauses of the Indenture, and, upon the exercise by the Trustee of any remedy specified in the Indenture, such Trust Moneys shall be applied in accordance with the Indenture, except to the extent that the Trustee is holding in trust moneys and/or Government Obligations for the payment of any specified Series 101-A-1 Bonds which are no longer deemed to be Outstanding under the provisions of the Indenture, which moneys and/or Government Obligations shall be applied only as provided in the Indenture. Prior to the exercise of any such remedy, all or any part of the Trust Moneys shall be held, invested, withdrawn, paid or applied by the Trustee, from time to time, as provided in the Indenture.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture, pursuant to which all payments due from the Borrower to the Authority under the Agreement (other than certain indemnification payments and the payment of certain fees and expenses of the Authority) are assigned to the Trustee to secure the payment of the principal and Purchase Price of, and premium, if any, and interest on the Bonds.

Reference is hereby made to the Indenture for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the Registered Owners of the Bonds and the terms upon which the Bonds are issued and secured. All capitalized terms used, but not defined, are defined in the Indenture and are used herein in the same manner and with the same meaning as in the Indenture.

The transfer of this Series 101-A-1 Bond may be registered by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 101-A-1 Bond. Upon such transfer a new registered Bond or Bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Series 101-A-1 Bond shall be overdue) for all purposes, and neither the Authority nor the Trustee shall be bound by any notice or knowledge to the contrary.

2. **Interest Rate.** Interest on this Series 101-A-1 Bond will be paid at the lesser of (a) an Index Rate as determined in accordance with the Indenture and (b) the maximum rate permitted by law. The Borrower may change the interest rate determination method from time to time. A change in the method will result in the Bonds becoming subject to mandatory tender for purchase on the effective date of such change.

Interest will be computed on the basis of the actual number of days elapsed over a year of 360 days.

3. **Interest Payment and Record Dates.** Interest will accrue on the unpaid portion of the principal of this Series 101-A-1 Bond from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Series 101-A-1 Bonds, until the entire principal amount of this Series 101-A-1 Bond is paid or duly provided for. When interest is payable at the rate in the first column below, interest accrued during the period (an “Accrual Period”) shown in the second column will be paid on the date (an “Interest Payment Date”) in the third column to holders of record on the date (a “Record Date”) in the fourth column:

<u>TYPE OF RATE PERIOD</u>	<u>ACCRUAL PERIOD</u>	<u>INTEREST PAYMENT DATE</u>	<u>RECORD DATE</u>
Index Period	Quarterly based on calendar months	First Business Day of each March, June, September and December, commencing March 1, 2015	Last Business Day Preceding an Interest Payment Date

4. **Conversion Option.** On any Interest Payment Date, the Borrower shall have the option (the “Conversion Option”) to direct a change in the type of Rate Period to another type of Rate Period by delivering to the Trustee written instructions setting forth (i) the new Rate Period, (ii) the Interest Payment Date on which the new Rate Period will take effect, (iii) if the new Rate Period is a Short-Term Period or Medium-Term Period, the duration of the initial Short-Term Period or Medium-Term Period, and (iv) if the new Rate Period is an Index Period, the Index Period Mandatory Tender Date for such Index Period.

No Conversion shall take effect unless, the Administrator, on behalf of the Authority, has provided the Trustee with the following: (i) a Favorable Opinion of Bond Counsel, if applicable, dated the Conversion Date, (ii) a Standby Bond Purchase Agreement meeting the requirements of Section 9.01 of the Indenture, if a Standby Bond Purchase Agreement is required with respect to such Series of Bonds, or unless the Conversion is to a Fixed Period or to a Medium-Term Period that ends on the Stated Maturity of such Series of Bonds, (iii) if the amount of interest coverage provided by the Standby Bond Purchase Agreement with respect to such Series of Bonds is not equal to or greater than an amount necessary to cover interest on such Series of Bonds at 15% per annum for a period of time equal to the number of days commencing on one Interest Payment Date to the day next preceding the following Interest Payment Date for such Rate Period plus five days or such other amount required (or permitted for the period from and including the dated date of such Series of Bonds to the day next preceding the First Interest Payment Date for such Series of Bonds as stipulated in the Supplemental Indenture for such Series of Bonds) by any Rating Agency providing any rating on such Series of Bonds, then an amendment to such Standby Bond Purchase Agreement requiring such interest coverage unless the Conversion is to a Fixed Period or to a Medium-Term Period that ends on the Stated Maturity of such Series of Bonds, and (iv) written confirmation from each Rating Agency providing a rating on such Series of Bonds that the rating will not be reduced or withdrawn.

5. **Method of Payment.** The principal and premium, if any, of the Bonds, and the purchase price due on any Tender Date for any Bonds shall be payable at the principal corporate trust office of the Trustee, as paying agent upon surrender of the Bonds at the Trustee's principal corporate trust office. Interest on the Bonds (other than Defaulted Interest) shall be payable by check drawn upon the Trustee and paid to the Persons in whose names the Bonds are registered on the Bond Register as of the close of business on the Record Date next preceding the relevant Interest Payment Date, provided on written request to the Trustee by any Person who is the registered owner of Bonds in a principal amount of \$1,000,000 or more received by the Trustee on or before fifteen days prior to such Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), interest on such Bonds shall be payable by wire transfer of immediately available funds to an account at a bank located in the continental United States specified by the Person in whose name such Bonds are registered in the Bond Register. Any interest on any Bond which is payable but which is not punctually paid or duly provided for ("Defaulted Interest") shall cease being payable to the Person in whose name such Bond is registered at the close of business on the Record Date and instead shall be payable to the Person in whose name such Bond is registered in the Bond Register at the close of business on a Special Record Date selected by the Trustee and which shall be at least 10 days but not more than 30 days before the date selected by the Trustee for payment of such Defaulted Interest. The Trustee shall give notice by mail of the Special Record Date and date for payment of Defaulted Interest at least 10 days before the Special Record Date.

6. **Mandatory Tender for Purchase of Series 101-A-1 Bonds on Mandatory Tender Date.** The Series 101-A-1 Bonds shall be subject to mandatory tender by the Registered Owners thereof for purchase on any Mandatory Tender Date.

The Trustee shall deliver or mail by first class mail a notice in substantially the form required by the Indenture at least fifteen days prior to a proposed Conversion Date, stating that such proposed Conversion Date is a Mandatory Tender Date.

Any notice given by the Trustee as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for purchase as to any Registered Owner to whom proper notice is mailed.

7. **Optional Redemption by the Borrower.** The Bonds shall be subject to redemption by the Authority at the option of a Borrower, in whole or in part, on any Interest Payment Date, less than all of such Bonds to be selected by lot or in such other manner as the Trustee shall determine, at the principal amount thereof plus accrued interest to the Redemption Date.

The Trustee shall cause notice of the call for redemption identifying the Bonds to be redeemed to be sent during any Index Period not less than 15 days nor more than 30 days prior to the redemption date by first-class mail postage prepaid to the Holder hereof to be redeemed at his address as it appears on the registration books of the Trustee. Failure to give any such notice shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which no such failure has occurred. Any notice mailed as provided herein shall conclusively be presumed to have been given whether or not actually received by the Holder. All Bonds called

for redemption shall cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment on the date fixed for redemption.

8. **Mandatory Sinking Fund Redemption.** The Bonds are subject to mandatory sinking fund redemption as set forth in the Original Supplemental Indenture. Unremarketed Bonds (as defined in the Supplemental Indenture) shall be subject to mandatory sinking fund redemption as set forth in the Supplemental Indenture and the Index Rate Agreement.

9. **Denominations; Transfer; Exchange.** The Bonds are in registered form without coupons in \$100,000 minimum denomination, with \$5,000 increments in excess thereof. A holder may transfer or exchange Bonds in accordance with the Indenture. The Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Except in connection with Bonds tendered for purchase, the Trustee will not be required to transfer or exchange any Bond which has been called for redemption (except the unredeemed portion of any Bond being redeemed in part) or during the period beginning 15 days before the mailing of notice calling the Bonds or any portion of the Bonds for redemption and ending on the redemption date.

10. **Persons Deemed Owners.** Except as otherwise specifically provided herein and in the Indenture with respect to rights of Participants and beneficial owners when a Book-Entry System is in effect, the registered holder of this Series 101-A-1 Bond shall be treated as the owner of it for all purposes.

11. **Discharge Before Redemption or Maturity.** If the Borrower deposits with the Trustee money or securities as described in, and in accordance with the provisions of, the Indenture sufficient to pay at redemption or maturity principal of and interest on the outstanding Series 101-A-1 Bonds, and if the Borrower also pays all other sums then payable by the Borrower under the Indenture, the lien of the Indenture will be discharged. After discharge, Bondholders must look only to the deposited money and securities for payment.

12. **Amendment, Supplement, Waiver.** Subject to certain exceptions, the Indenture, the Loan Agreement or the Series 101-A-1 Bonds may be amended or supplemented, and any past default may be waived, with the consent of the holders of a majority in principal amount of the Series 101-A-1 Bonds then outstanding. Any such consent shall be irrevocable and shall bind any subsequent owner of this Series 101-A-1 Bond or any Series 101-A-1 Bond delivered in substitution for this Series 101-A-1 Bond. Without the consent of any Bondholder, the Authority may amend or supplement the Indenture, the Loan Agreement or the Series 101-A-1 Bonds as described in the Indenture.

13. **Defaults and Remedies.** The Indenture provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee shall have the power to proceed with any right or remedy provided in the Indenture. An Event of Default and its consequences may be waived as provided in the Indenture. Bondholders may not enforce the Indenture or the Series 101-A-1 Bonds except as provided in the Indenture. Except as specifically provided in the Indenture, the Trustee may refuse to enforce the Indenture or the Series 101-A-1 Bonds unless it receives indemnity satisfactory to it. Subject to certain

limitations, holders of not less than 50% in principal amount of the Series 101-A-1 Bonds then outstanding may direct the Trustee in its exercise of any trust or power.

14. **No Recourse Against Others.** No recourse shall be had for the payment of the principal, purchase price, or redemption price of, or interest on, this Series 101-A-1 Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Authority or of any successor body, as such, either directly or through the Authority or any such successor body under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. Each Bondholder by accepting a Series 101-A-1 Bond waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Series 101-A-1 Bond.

15. **Authentication.** This Series 101-A-1 Bond shall not be valid until the Registrar signs the certificate of authentication on the other side of this Series 101-A-1 Bond.

16. **Abbreviations.** Customary abbreviations may be used in the name of a Bondholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), U/G/M/A (= Uniform Gifts to Minors Act), and U/T/M/A (= Uniform Transfers to Minors Act).

17. **Consent to Indenture Provisions.** Reference to the Indenture is hereby made for a more complete description of the funds and accounts created thereunder, the nature and extent of the security, rights, duties and obligations of the Authority and the Trustee, the terms and conditions under and upon the occurrence of which the Indenture and the Loan Agreement may be modified, and the terms and conditions under and upon the occurrence of which the lien of the Indenture may be defeased as to this Series 101-A-1 Bond prior to the maturity or redemption date hereof and the rights of the Owners of the Series 101-A-1 Bonds, to all of the provisions of which the holder hereof, by acceptance of this Series 101-A-1 Bond, assents. All capitalized terms used, but not otherwise defined, herein shall have the meanings given in the Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 101-A-1 Bond to be executed in its name by the manual signature of its Vice-Chairman and its corporate seal thereof to be imprinted hereon and attested by the manual signature of its Secretary-Treasurer.

ATTEST:

THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF FRANKLIN, TENNESSEE

Secretary-Treasurer

By: _____
Vice-Chairman

(SEAL)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Series 101-A-1 Bond is one of the Series 101-A-1 Bonds described in the within mentioned Indenture.

DATE OF AUTHENTICATION

REGIONS BANK,
as Trustee

_____, ____

BY: _____
Authorized Signatory

EXHIBIT B

FORM OF SERIES 101-A-1 LOAN AGREEMENT

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