



Tiffany E. Gardner, CTP
Senior Vice President/Manager
Business, Commercial, & Corporate Banking

August 28, 2019

Mr. Jonathan Smith
Chief Financial Officer, Assistant Administrator
Blount Memorial Hospital
907 East Lamar Alexander Parkway
Maryville, TN 37804

Re: Summary Term Sheet

We are pleased to inform you that First Tennessee Bank National Association ("Lender") hereby offers to commit to make available to Blount Memorial Hospital ("Borrower") the Credit Facilities described on the Term Sheet dated as of today attached hereto as Exhibit A (the "Term Sheet"), which Credit Facility shall be subject to the terms and conditions outlined on the Term Sheet.

Lender's offer under this Commitment Letter and the attached Term Sheet (collectively, this "Commitment Letter") shall terminate at the close of its business on September 25, 2019, unless this offer is accepted in writing by signing a copy of this Commitment Letter in the space provided below and returning it to us by such deadline, time being of the essence.

This Commitment Letter is the only agreement that has been entered into between Borrower and Lender with respect to the Credit Facility, sets forth the entire understanding of the parties with respect thereto and supersedes and replaces all prior negotiations, correspondence, understandings, offers, commitments or agreements between Borrower and Lender with respect to the Credit Facility. There are no unwritten oral understandings or agreements between Borrower and Lender with respect to the Credit Facility.

No condition or other term of this Commitment Letter (including the attached Term Sheet) may be waived or modified except by a writing signed by both Lender and Borrower.

This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile transmission shall be effective as a delivery of a manually executed counterpart hereof. If more than one person signs this Commitment Letter as Borrower, each such person shall be jointly and severally liable for all obligations of Borrower hereunder.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

If the terms and conditions outlined in this Commitment Letter are acceptable to Borrower, please signify your acceptance of Lender's offer of the aforesaid commitment and your agreement to the terms and conditions set forth in this Commitment Letter by signing the enclosed copy of this Commitment Letter in the space indicated below and returning it to Lender by the aforesaid deadline.

We appreciate very much this opportunity to meet your banking needs and look forward to working with you in the future.

Sincerely yours,

Tiffany E. Gardner

Tiffany E. Gardner, CTP
Senior Vice President

Accepted and agreed to as of _____, 2019

Blount Memorial Hospital

By: _____
Name: _____
Title: _____

Exhibit A

Term Sheet

Lender: FTB Securities Investment I, LLC ("Lender")

Borrowers: Blount Memorial Hospital, a non-profit corporation created on behalf of the County for the purpose of operating and maintaining the Hospital Facilities

Blount County, as the owner of the hospital facilities

Collectively referred to as the "Borrower"

Credit Facilities and Use of Proceeds:

- Facility 1: up to \$67.375 million direct bank purchase, non-bank qualified tax-exempt Revenue Bond (existing bond debt outstanding)
- Facility 2: up to \$20.0 million direct bank purchase, non-bank qualified tax-exempt Revenue Bond to reimburse and finance capital expenditures

Facility Closing:

The facilities must be closed on or before October 31, 2019 (the "Closing") unless otherwise agreed to in writing.

Closing Fee: \$43,687.50, which shall be deemed to be fully earned and non-refundable on and shall be payable at the Closing.

Interest Rate:

- Facility 1: Up to \$67.375 million tax-exempt fixed rate debt calculated as 82.5% of (10 year treasury plus 0.83%). Rate is fixed for the remaining term of the existing bond.
- Facility 2: Up to \$20 million tax-exempt fixed rate debt calculated as 82.5% of (10 year treasury plus 0.83%). Rate is based on a 10 year term.

Notwithstanding the above rate calculations, the interest rate will not be below 2.00%.

Repayment Terms:

Facility 1: Accrued interest will be due and payable quarterly on the first day of each calendar quarter. Principal repayment is due annually based on the existing bond repayment schedule:

| | |
|----------|-------------|
| 6/1/2020 | \$4,275,000 |
| 6/1/2021 | \$5,750,000 |
| 6/1/2022 | \$6,050,000 |
| 6/1/2023 | \$6,350,000 |
| 6/1/2024 | \$6,600,000 |
| 6/1/2025 | \$6,950,000 |
| 6/1/2026 | \$7,300,000 |
| 6/1/2027 | \$7,650,000 |
| 6/1/2028 | \$8,025,000 |
| 6/1/2029 | \$8,425,000 |

Facility 2: Accrued interest will be due and payable quarterly on the first day of each calendar quarter. Principal payments will be paid annually based on a 10 year amortization.

Each facility may be refunded prior to maturity but will be subject to Yield Maintenance.

Security: Gross Revenues and shall mean all accounts and all gross revenues of Blount Memorial Hospital from all sources and the accounts and gross revenues of the County relating to the operation of the Hospital Facilities, including (i) patient fees (whether paid by patient or by any other party) and other charges payable by or on behalf of the patients of the Hospital Facilities, (ii) all revenues, rents and income derived by Blount Memorial or the County from the ordinary operation of the Hospital Facilities, (iii) securities and other investments and (iv) any appropriations by the County pursuant to Chapter 187, Tennessee Private Acts of 1945.

Credit agreement:

The bank proposes the utilizing the previously executed Credit Agreement dated January 1, 2014 (attached as Exhibit C) including, but not limited to, the following proposed modifications:

Section 6.1 Mergers, Etc.: Deletion of "other than permitted by the Indenture"

Section 6.4 (a2 & b2): To be amended with no additional indebtedness permitted in the first two years, followed by debt in an aggregate amount not to exceed \$5,000,000 so long as unsecured or purchase money security.

Section 7.2 Debt Service Coverage Ratio: Reduce requirement from 120% to 110% and include additional testing period of December 31

Section 7.3 Days Cash on Hand: Define threshold by tested period as:

| Not less than | | Tested period |
|---------------|--|---------------|
| 105 | | 12/31/2019 |
| 100 | | 6/30/2020 |
| 100 | | 12/31/2020 |
| 95 | | 6/30/2021 |
| 95 | | 12/31/2021 |
| 90 | | 6/30/2022 |
| 90 | | thereafter |

The bank is committed to closing as soon as all conditions and requirements are satisfied. Utilizing the previously executed documents as the basis for the initial drafts will allow the document preparation to be completed more efficiently and at less cost, which should result in an earlier closing date.