

## Pledge and Security Agreement

This Pledge and Security Agreement dated as of March \_\_\_\_\_, 2020, by Jackson Community Redevelopment Agency (the "Owner") in favor of Truist Bank, its present and future affiliates and their successors and assigns (collectively, "Truist") provides:

**Security Agreement.** In order to induce Truist to loan the principal sum of Seventeen Million Fifty-Six Thousand Five Hundred Twenty Five and No/100 Dollars (\$17,056,525.00) (the "Loan")

to Jackson Community Redevelopment Agency (the "Borrower") and in consideration of said credit so extended, the Owner (which may include the Borrower) hereby grants, sells, assigns, transfers and conveys to Truist a security interest in the Collateral and all proceeds thereof and all substitutions and replacements therefore to secure the prompt payment and performance of the Loan, the terms and conditions in this Security Agreement and all costs of collection and protection of Truist's rights, including attorneys' fees allowed by law (collectively, the "Obligations").

**Collateral.** As used in this Security Agreement, the term "Collateral" shall mean the following: that certain Fund Promissory Note of even date herewith executed by JCM-MAM Jackson Investment Fund, LLC, a Georgia limited liability company (the "Fund") and payable to the order of Borrower in the principal amount of \$17,056,525.00 together with accrued interest thereon with maturity on [\_\_\_\_\_, 2047], which Note is secured by that certain Fund Pledge Agreement (the "Fund Pledge Agreement") dated of even date herewith executed by the Fund for the benefit of Borrower covering the Fund's ninety-nine and ninety-nine hundredths percent (99.99%) interest in all of the issued and outstanding equity interests of: (i) RGC 15, LLC, a Tennessee limited liability company and (ii) CAHEC Sub-CDE XIX, LLC, a North Carolina limited liability company, and one hundred percent (100%) interest in all of the issued and outstanding equity interest of ST CDE LXXIV, LLC, a Georgia limited liability company. The Collateral includes the Fund Pledge Agreement.

**Representations and Warranties.** The Owner represents and warrants to Truist as follows:

- a. This Security Agreement has been duly executed and delivered by Owner, constitutes Owner's valid and legally binding obligation and is enforceable in accordance with its terms against Owner. Owner represents and warrants to Truist that it has rights in all of the Collateral and/or has the power to transfer rights in all of the Collateral. The execution, delivery and performance of this Security Agreement, the grant of the security interest in the Collateral and the consummation of the transactions contemplated will not, with or without the giving or notice of the lapse of time, (a) violate a material law applicable to Owner, (b) violate any judgment, writ, injunction or order of any court or governmental body or officer applicable to Owner, (c) violate or result in the breach of any material agreement to which Owner is a party or by which any of Owner's property, including the Collateral, is bound or (d) violate any restriction on the transfer of any of the Collateral. The Owner is and will continue to be the absolute owner of the Collateral and there are no other liens or security interests affecting the Collateral other than the security interest granted in this Security Agreement.
- b. The Owner is a public instrumentality created pursuant to the Community Redevelopment Act of 1988 and the Owner's Federal Employer Identification Number is 27-2254277; the Owner is duly qualified and in good standing to do business in every jurisdiction where qualification is necessary; the execution and performance of this Security Agreement have been duly authorized by its [Board of Directors] and no further action of any party is necessary; the execution and performance of this Security Agreement will not violate or contravene any provisions of law or regulation or any of its [organizational documents] or other agreement to which it is a party or by which it is bound; and no consent or approval of any other governmental agency or authority is required in making or performing the obligations under this Security Agreement.
- c. All information supplied and statements made to Truist in any financial or credit statement or application are true, correct, complete, valid and genuine in all material respects.
- d. Borrower shall deliver the Collateral to Truist along with a duly executed Allonge endorsing the Collateral to Truist.
- e. The Owner represents and warrants, as applicable to the type of collateral pledged, that:
  - (i) The Collateral is valid and genuine and represents a bona fide, binding, legal obligation of the maker and all signatures are genuine;
  - (ii) The Collateral is in full force and effect and is not in default and no prepayments have been made thereon;
  - (iii) The Collateral is not subject to any assignment, claim, lien, right of setoff or security interest of any other party;
  - (iv) Unless otherwise stated, the face amount on the Collateral is the correct amount actually and unconditionally due or to become due according to the terms of the Collateral, and such amount is not and will not become disputed or subject to any setoff, credit, deduction, or counterclaim;
  - (v) If the Collateral is a secured note or other instrument, the lien or security interest represented thereby is not subject to a prior claim, lien, or security interest of any other party, unless otherwise stated herein, or in the document evidencing such security; and the security has been properly perfected by the filing or recording of all necessary financing statements, security instruments or other documents and the payment of all recording, transfer and other taxes and fees made in the appropriate public offices.

**Choice of Law.** Owner agrees that certain material events and occurrences relating to this Security Agreement bear a reasonable

relationship to the laws of Tennessee. This Security Agreement shall be governed by the laws of such jurisdiction and, unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to this Security Agreement, Owner consents to the jurisdiction and venue of any court located in such jurisdiction. Unless otherwise specified, "Uniform Commercial Code" as used herein shall refer to the Uniform Commercial Code of such jurisdiction, both current and as it may be amended or revised from time to time in the future.

#### **Covenants and Agreements.**

- a. The Owner shall furnish to Truist such financial and business information and reports in form and content satisfactory to Truist as and when Truist may from time to time require.
- b. The Owner, if a corporation, shall maintain its corporate existence, and if another entity shall maintain such entity standing, in each case in good standing and shall not consolidate or merge with or acquire the stock or other ownership interest of any other corporation or entity without the prior written consent of Truist; the Owner shall, at the request of Truist, qualify as a foreign corporation or other applicable entity and obtain all requisite licenses and permits in each jurisdiction where the Owner does business.
- c. The Owner shall notify Truist in writing at least 30 days prior to any change of its name or structure or change in its state of residence, jurisdiction of registration or organization, principal place of business or chief executive office.
- d. The Owner will not pledge or grant any security interest in any of the Collateral to anyone except Truist, or permit any lien or encumbrance to attach to any of the Collateral, or any levy to be made on the Collateral, or any financing statement (except financing statements in favor of Truist) to be on file against the Collateral.
- e. Owner hereby constitutes and appoints any officer or employee of Truist as its true and lawful attorney-in-fact (i) to transfer the Collateral into Truist's name or the name of its nominee, but Truist's failure to do so shall not be interpreted to be a waiver of any interest, and (ii) to do and perform all other acts and things necessary, proper and requisite to carry out the intent of this Security Agreement. The power herein granted shall be deemed to be coupled with an interest and may not be revoked until the Obligations have been paid in full, including all expenses payable by Owner and no amounts may be re-borrowed.
- f. The Owner agrees to pay on demand all legal expenses including reasonable attorneys' fees, as permitted by applicable law, any appraisal fees and all expenses incurred or paid by Truist in protecting or enforcing the rights of Truist under this Security Agreement, including Truist's right to take possession of the Collateral and its proceeds, and to hold, prepare for sale, sell and dispose of the Collateral.
- g. This Security Agreement shall be a continuing agreement and shall remain in full force and effect irrespective of any interruptions in the business relations of the Borrower with Truist and shall apply to any ultimate balance of the Loan which shall remain due by the Borrower to Truist.
- h. At any time, and from time to time, whether before or after default, without notice, and at the expense of the Owner, Truist in its name or in the name of its nominee or of the Owner, may, but shall not be obligated to:
  - (i) Notify the obligors on any Collateral to make payment to Truist of any or all interest, principal payments and other sums now or hereafter payable upon or on account of the Collateral, may collect the same by legal proceedings or otherwise, and perform any contract or endorse in the name of the Owner any checks, drafts, notes, instruments or other documents which constitute the Collateral;
  - (ii) Enter into any extension, reorganization, deposit, merger or consolidation agreement or any agreement in any way relating to or affecting the Collateral and in connection therewith may deposit or surrender control of the Collateral, accept other property in exchange for the Collateral and do and perform such acts and things as it may deem proper, and any money or property received in exchange for the Collateral may be either applied to any Obligations or may be held by Truist pursuant to the provisions of this Security Agreement;
  - (iii) Make any compromise or settlement it deems desirable or proper with reference to the Collateral;
  - (iv) Insure, process and preserve the Collateral; and
  - (v) Exercise as to the Collateral all the rights, powers and remedies of an owner without further consent of the Owner.
- i. Truist shall have no obligation or duty to collect or to present any of the Collateral for payment, redemption, or conversion to another class or type of security, or to sell or redeem any of the Collateral if it threatens to decline in value, or to exercise any other right whatsoever with respect to the Collateral, except pursuant to written instructions from the Owner which are acceptable to Truist in its reasonable discretion.
- j. Truist shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its control or possession if it takes such action for that purpose as Owner requests in writing, but failure of Truist to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Truist to preserve or protect any rights in the Collateral against other parties, or to do any act with respect to the custody or preservation of the Collateral not so requested by Owner, shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral.
- k. Owner agrees to give Truist written directions as to specific action to take in the event the issuer of any security or any other person or entity takes action which will give the owner of the Collateral any choice to make with respect thereto. Truist may act or refuse to act in compliance with such directions in its reasonable discretion. In the event Owner fails to direct Truist as provided above in time to give Truist a reasonable time to act thereon, Owner will have and make no claim against Truist for such action or inaction.
- l. Truist shall have no responsibility for ascertaining any maturities, calls, conversions, exchanges, offers, tenders or similar matters relating to any of the Collateral or for informing Owner with respect to any such matters irrespective of whether Truist has, or may be deemed to have, knowledge thereof and irrespective of whether Truist may have exercised any right to have the Collateral registered in the name of Truist or its nominee.

- m. Truist shall be under no obligation to monitor the financial condition of the issuer of any Collateral; and Owner will stay informed of changes or potential changes affecting the Collateral (including, but not limited to rights to convert, rights to subscribe, payment of dividends or interest, reorganizations or other exchange, tender offers and voting rights) and Owner agrees that Truist shall not have any responsibility or liability to inform Owner of any such changes or potential changes or for taking any action or omitting to take any action with respect thereto.
- n. Any and all payments, dividends, or other distributions (including stock redemption proceeds), or other securities in respect of or in exchange for Collateral consisting of securities, whether by way of dividends, stock dividends, recapitalization, mergers, consolidations, stock splits, combinations or exchanges of shares or otherwise, received by Owner shall be held by Owner in trust for Truist and Owner shall immediately deliver same to Truist in the exact form received (with any necessary endorsements) to be held as part of the Collateral; provided that Owner may retain ordinary interest and cash dividends unless and until Truist requests the same to be paid and delivered to Truist (which Truist may request either before or after the occurrence of an Event of Default) or until Truist has registered the Collateral in Truist's name.
- o. Owner agrees that if the Collateral consists of securities or investment property and if the Collateral should hereafter decline in value or otherwise become unacceptable to Truist, and Owner and Truist have not entered into a separate written agreement concerning maintenance of the value or acceptability of the Collateral, Owner will grant to Truist, or cause to be so granted, within three (3) days after receiving written notice therefor from Truist, a security interest or lien in such additional property or assets as may be reasonably satisfactory to Truist in all respects. Owner agrees that if the Collateral should hereafter decline in value or otherwise become unacceptable to Truist, and Owner and Truist have entered into a written agreement concerning maintenance of the value or acceptability of the Collateral, then Owner shall provide Truist a security interest or lien in such additional property or assets in accordance with the provisions of said written agreement. In any event, Owner agrees to execute such documents or instruments and do all other acts and things, or cause such documents to be executed or things to be done, as Truist may reasonably request in order to properly take and perfect Truist's security interest or lien in such additional property or assets.
- p. The Owner will defend the Collateral against the claims and demands of all parties. The Owner will not, without prior written consent of Truist, grant any security interest in the collateral and will keep it free from any lien, encumbrance or security interest.

**Events of Default.** As used herein the term "Obligor" shall individually, collectively, jointly and severally refer to Borrower, Owner and any other person or entity that is primarily or secondarily liable upon all or any part of the Obligations secured hereby and any person or entity that has conveyed or may hereafter convey any security interest or lien to Truist in any real or personal property to secure payment of all or any part of the Obligations. Unless prohibited by applicable law, an "Event of Default" shall occur hereunder upon the occurrence of any breach, default or event of default under any agreement, instrument or other document evidencing the Obligations.

**Remedies Upon Default; Acceleration of Obligations.** Unless prohibited by applicable law, the Obligations secured hereby shall automatically and simultaneously mature and become due and payable, without notice or demand, upon the filing of any petition or the commencement of any proceeding by or against an Obligor for relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, debtor reorganization, or composition or extension of debt. Unless prohibited by applicable law, upon the occurrence of any one or more of the other Events of Default described above, the Obligations secured hereby shall, at the option of Truist, immediately mature and become due and payable, without notice or demand. If all or any part of the Obligations secured hereby are not paid as and when due and payable, whether by acceleration or otherwise, then Truist may, at its option, without notice or demand of any kind: (a) transfer all or any part of the Collateral into the name of Truist or its nominee, at Owner's expense, with or without disclosing that such Collateral is subject to Truist's security interest; (b) enter upon premises upon which the Collateral is located and, to the extent permitted by law without legal process, take exclusive possession of the Collateral, and redeem the Collateral, or any part thereof (irrespective of redemption penalty); (c) appropriate and apply toward payment of such of the Obligations, and in such order of application, as Truist may from time to time elect, all or any part of any balances, credits, items or monies in any bank deposit or deposit account constituting a part of the Collateral; (d) sell the Collateral at public or private sale, either in whole or in part, and Truist may purchase the Collateral at any such public sale and at any private sale as permitted by law. Such sale shall result in the sale, conveyance and disposition of all right, title and interest of Owner in all or any part of the Collateral which is the subject of such a disposition and Truist is authorized as attorney-in-fact for Owner to sign and execute any transfer, conveyance or instrument in writing that may be necessary or desirable to effectuate any such disposition of the Collateral, which power shall be coupled with an interest; and (e) exercise all other rights of a secured party under the Uniform Commercial Code and all other rights under law or pursuant to this Security Agreement, all of which shall be cumulative. If any notification of intended disposition of any Collateral is required by law, reasonable notification shall be deemed given if written notice is deposited in the U.S. Mail, first class or certified postage prepaid, addressed to Owner and such other persons or entities as Truist deems to be appropriate, stating all items required by applicable statutes, including the time and place of any public sale or the time after which any private sale or disposition is to be made, at least ten (10) days prior thereto. The proceeds of any disposition of the Collateral shall be applied in the following order (i) First, to pay all costs and expenses associated with the retaking, holding, preparation and disposition of the Collateral; (ii) Then to pay attorneys' fees; (iii) Next, to pay all accrued but unpaid interest upon the Obligations in such order as Truist may determine in its discretion; and (iv) Finally, to all unpaid principal outstanding upon the Obligations, whether or not due and payable, in such order as Truist may determine in its discretion. Any remaining surplus shall be paid to Owner or otherwise in accordance with law. If the proceeds of such disposition are insufficient to pay the Obligations in full, Borrower and all other persons or entities liable thereon shall remain fully obligated to Truist for the unpaid balance thereof.

**Waivers by the Owner.** To the extent permitted by applicable law, the Owner hereby waives (a) notice of acceptance of this Agreement and of any extensions or renewals of credit by Truist to the Borrower; (b) presentment and demand for payment of the Obligations; (c) protest and notice of dishonor or default to the Owner or to any other party with respect to the Obligations; (d) all other

notices to which the Owner might otherwise be entitled; and (e) if for business purposes, the benefit of any homestead exemption. To the extent permitted by applicable law, the Owner further waives any right to require that any action be brought against the Borrower or any other party, the right to require that resort be had to any security or to any balance of any deposit account or credit on the books of Truist in favor of the Borrower or any other party, the right to redeem the Collateral and to object to Truist's proposal to retain the Collateral in satisfaction of any of Obligations and any right to obtain injunctive or other relief relative to Truist's sale or other disposition of the Collateral and to recover losses caused by Truist's failure to approve or correct any list of Collateral provided to Truist for any purpose by any person or entity. Owner waives all rights, claims and defenses based on principles of suretyship.

**No Obligation to Extend Credit.** This Security Agreement shall not be construed to impose any obligation on Truist to extend or continue to extend any credit at any time.

**Financing Statements and Additional Documentation.** Truist is authorized to file such financing statements and amendments as Truist deems necessary to perfect, continue or assure its security interest in the Collateral and the Owner hereby ratifies any financing statement filed previously by Truist. The Owner will deliver such instruments of future assignment or assurance, and such other agreements, as Truist may from time to time request to carry out the intent of this Security Agreement, and will join with Truist in executing any documents in form satisfactory to Truist, and hereby authorizes Truist to sign for Owner, or to file without signature, any financing statements, amendments and other documents and instruments from time to time as Truist may deem advisable, and pay any cost of filing the same, including all recordation, transfer, indebtedness and other taxes and fees, deemed advisable by Truist.

**Successor in Interest; Truist as Collateral Agent.** This Security Agreement shall be binding upon the Owner, its successors and assigns, and the benefits hereof shall inure to Truist, its successors and assigns. Notwithstanding the foregoing, Owner shall not assign Owner's rights or obligations under this Security Agreement without Truist's prior written consent. Truist Bank shall serve as collateral agent on behalf of itself and present and future affiliates.

**Miscellaneous.** (a) Each and every power given herein is coupled with an interest and is irrevocable by death or otherwise. (b) The captions of the paragraphs of this Security Agreement are for convenience only and shall not be deemed to constitute a part hereof or used in construing the intent of the parties. (c) If any part of any provision of this Security Agreement shall be invalid or unenforceable under applicable law, such part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Security Agreement. (d) This Security Agreement shall not be modified or amended except in a writing signed by Owner and Truist. (e) All representations, warranties, covenants and agreements contained herein or made in writing by Owner in connection herewith shall survive the execution and delivery of this Security Agreement and any and all notes, other agreements, documents and writings relating to or arising out of any of the foregoing or any of the Obligations. (f) All rights and remedies of Truist expressed herein are in addition to all other rights and remedies possessed by Truist under applicable law or other agreements, including rights and remedies under any other agreement or instrument relating to any of the Obligations or any security therefor. (g) No waiver by Truist of any of its rights or remedies or of any default shall operate as a waiver of any other right or remedy or of any other default or of the same right or remedy or of the same default on a future occasion. No delay or omission on the part of Truist in exercising any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Truist of any right or remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. No action of Truist permitted hereunder or under any agreement or instrument relating to any of the Obligations or any security therefor shall impair or affect the rights of Truist in and to the Collateral. (h) All terms as defined herein shall include both the plural and singular, where applicable. (i) All notices or communications given to Owner or Truist pursuant to the terms of this Security Agreement shall be in writing and given to Owner and Truist at the address set forth below. Unless otherwise specifically provided herein to the contrary, such written notices and communications shall be delivered by hand or overnight courier service, or mailed by first class mail, postage prepaid, addressed to the parties hereto at the addresses referred to herein or to such other addresses as either party may designate to the other party by a written notice given in accordance with the provisions of this Security Agreement. Any written notice delivered by hand or by overnight courier service shall be deemed given or received upon receipt. Any written notice delivered by U.S. Mail shall be deemed given or received on the third (3rd) business day after being deposited in the U.S. Mail. (j) Truist shall not be responsible or liable for its failure to give notice to Owner of any default in the payment of any amounts that might become due and owing with respect to the Collateral nor shall Truist be responsible or liable for Truist's failure to collect any amounts payable with respect to the Collateral. (k) Truist shall be under no obligation to monitor the market value of any Collateral, to advise the Owner of such market value, or to take any action whatsoever to preserve the value of any Collateral by selling, exchanging or otherwise disposing of such Collateral in order to avoid any loss to the Owner resulting from a decline in the market value of such Collateral. (l) Truist shall be under no obligation to pay any amounts owing with respect to any Collateral. (m) This Security Agreement is in addition to and not in replacement of any other agreement between Owner and Truist, and in the event any previous or subsequent security agreement by Owner does not exclude an Excluded Swap Obligation from the grant of a security interest thereunder, the terms of this Security Agreement as it relates to any Excluded Swap Obligation will control. (n) The term Owner shall include all persons signing below as Owner and the obligation of such Owners hereunder shall be their joint and several obligations.

**Notice: This Section Does Not Apply To Transactions Governed by the Laws of North Carolina or West Virginia.**

**WAIVER OF JURY TRIAL. OWNER AND TRUIST HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY AGREEMENT AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS SECURITY AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR TRUIST ENTERING INTO OR ACCEPTING THIS SECURITY AGREEMENT. FURTHER, OWNER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF TRUIST, NOR TRUIST'S**

**COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT TRUIST WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.**

The undersigned have executed this Security Agreement as of the date first written above.

JACKSON COMMUNITY REDEVELOPMENT AGENCY

\_\_\_\_\_  
Owner and Borrower

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Addresses**

Borrower/Owner Address for Purpose of Notice:

111 East Main Street, Suite 201

Jackson, Tennessee 38301

Truist Address for Purpose of Notice:

999 South Shady Grove Road, Suite 202

Memphis, Tennessee 38120