

RESOLUTION NO. RS2016-101

---

---

The Metropolitan Government of  
Nashville and Davidson County  
(Tennessee)

---

Resolution authorizing the execution, terms, issuance, sale and payment of general obligation refunding bonds in one or more series in an aggregate principal amount of not to exceed \$425,000,000.

---

---

Adopted \_\_\_\_\_

Resolution No. RS2016-101

Resolution authorizing the execution, terms, issuance, sale and payment of general obligation refunding bonds in one or more series in an aggregate principal amount of not to exceed \$425,000,000.

WHEREAS, the Metropolitan Government is authorized under the Act and the Charter (as such terms are hereafter defined) to issue its general obligation bonds for the purpose of refunding its outstanding general obligation bonds; and

WHEREAS, the Metropolitan Council hereby finds that it is in the best interest of the citizens of the Metropolitan Government, for the purposes of achieving debt service savings, to refund all or a portion of its General Obligation Improvement and Refunding Bonds, Series 2010A, General Obligation Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), and General Obligation Improvement Bonds, Series 2013A (collectively, the "Outstanding Bonds"); and

WHEREAS, the plan of refunding for the Outstanding Bonds has been submitted to the Director of State and Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and she has acknowledged receipt thereof to the Metropolitan Government and either submitted her report thereon to the Metropolitan Government or declined to report within 15 days of the submission of the plan of refunding; and

WHEREAS, for the purpose of refunding all or a portion of the Outstanding Bonds, the Metropolitan Council hereby finds it to be in the best interest of the citizens of the Metropolitan Government to issue its general obligation refunding bonds in one or more series.

NOW THEREFORE, BE IT RESOLVED BY THE METROPOLITAN COUNTY COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE) AS FOLLOWS:

ARTICLE I.  
DEFINITIONS

Section 1.1. Definition of Terms. The following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means Title 9, Chapter 21 of the Tennessee Code Annotated, as amended.

"Authorized Officer of the Metropolitan Government" means the Metropolitan Mayor, the Vice Mayor, or the Director of Finance, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the Metropolitan Government then authorized to perform such act or discharge such duty.

"Bonds" means each series of general obligation refunding bonds authorized by this Bond Resolution.

"Bond Payment Date" means each date on which principal and/or interest shall be payable on the Bonds so long as any of the Bonds shall be outstanding.

"Bond Purchase Agreement" means the bond purchase agreement providing for the purchase and sale of the Bonds, by and between the Underwriters and the Metropolitan Government, in substantially the form attached hereto as Exhibit B, with such modifications thereto as shall be necessary to properly describe the Bonds being purchased.

"Bond Resolution" means this resolution, as it may be amended from time to time.

"Bondholder", "holder" and "registered owner" means the registered owner of a Bond, including any nominee of a Depository.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical Bond certificates in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated Bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Metropolitan Government or the Registration Agent, constitute the written record that identifies, and records the transfer of the beneficial "book-entry" interests in those Bonds.

"Charter" means the Charter of The Metropolitan Government of Nashville and Davidson County authorized in referendum on June 28, 1962, as amended.

"Closing Date" means the date of delivery and payment of the Bonds (or any temporary Bonds as authorized by Section 3.6 hereof).

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder.

"Debt Management Policy" means the debt management policy of the Metropolitan Government adopted by resolution of the Metropolitan Council on December 6, 2011, as may hereafter be amended.

"Defeasance Obligations" means any obligations that, at the time of the purchase thereof, are permitted investments under Tennessee law for the purposes described in Article VI.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

"Director of Finance" means the Director of Finance of the Metropolitan Government appointed pursuant to the provisions of the Charter or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Metropolitan Mayor to perform the duties otherwise performed by the Director of Finance, or his or her designee.

"Director of Law" means the Director of Law of the Metropolitan Government appointed pursuant to the provisions of the Charter or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Law, or his or her designee.

"DTC" means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

"DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

"Escrow Agent" means U.S. Bank National Association, serving as Escrow Agent under the Escrow Agreement, or its successor or successors under the terms of the Escrow Agreement.

"Escrow Agreement" means the Refunding Escrow Agreement, dated as of the Closing Date, to be entered into by and between the Metropolitan Government and the Escrow Agent, in the form of the document attached hereto and incorporated herein by this reference as Exhibit C, subject to such changes therein as shall be permitted by Section 8.1 hereof.

"Financial Advisor" means First Southwest Company.

"General Services District" means the General Services District of the Metropolitan Government as defined and specified in the Charter.

"Letter of Representation" means the Blanket Issuer Letter of Representations to DTC of the Metropolitan Government, dated April 27, 1995.

"Metropolitan Clerk" means the Metropolitan Clerk of the Metropolitan Government appointed pursuant to the provisions of the Charter or his or her designee acting on his or her behalf pursuant to the Charter.

"Metropolitan Council" means the Metropolitan County Council of the Metropolitan Government elected pursuant to the provisions of the Charter.

"Metropolitan Government" means The Metropolitan Government of Nashville and Davidson County (Tennessee).

"Metropolitan Mayor" means the Metropolitan Mayor of the Metropolitan Government elected pursuant to the provisions of the Charter or his or her designee acting on his or her behalf pursuant to the Charter.

"Metropolitan Treasurer" means the Metropolitan Treasurer of the Metropolitan Government appointed pursuant to the provisions of the Charter, or his or her designee acting on his or her behalf pursuant to the Charter.

"Official Statement" and "Preliminary Official Statement" mean that Official Statement and Preliminary Official Statement described in Section 7.2 hereof pertaining to the sale of the Bonds.

"Outstanding Bonds" shall have the meaning ascribed in the preamble.

"Outstanding" means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Metropolitan Government at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Metropolitan Government for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registration Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Bond Resolution, unless proof satisfactory to the Metropolitan Government is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VI of this Bond Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

"Refunded Bonds" means the maturities and portions of maturities of the Outstanding Bonds to be refunded by the Bonds, as designated by the Metropolitan Mayor and the Director of Finance pursuant to Section 7.1 hereof.

"Registration Agent" means U.S. Bank National Association, acting as registration and paying agent appointed in the manner provided in Article V hereof, or its successor or successors.

"Underwriters" means Piper Jaffray & Co., and the other underwriters designated in the Bond Purchase Agreement by the Metropolitan Mayor and the Director of Finance.

"Urban Services District" means the Urban Services District of the Metropolitan Government as defined and specified in the Charter.

"Vice Mayor" means the Vice Mayor elected pursuant to the provisions of the Charter or his or her designee acting on his or her behalf pursuant to the Charter.

ARTICLE II.  
AUTHORITY, PLEDGE, AND LEVY

Section 2.1. Authority. For the purposes of (i) refunding the Refunded Bonds and (ii) paying costs incident to the sale and issuance of the Bonds, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Charter and other applicable provisions of law, general obligation refunding bonds of the Metropolitan Government in one or more series in an aggregate principal amount of not to exceed \$425,000,000.

Section 2.2. Pledge. The Bonds, including the principal thereof and the premium, if any, and interest thereon, shall be payable from ad valorem taxes to be levied for such purpose on all taxable property in the General Services District without limit as to time, rate, or amount. Said Bonds shall be direct general obligations of the Metropolitan Government, and the full faith and credit of the Metropolitan Government, together with the taxing power of the Metropolitan Government as to all taxable property in the General Services District, are hereby irrevocably pledged. The principal of and the premium, if any, and interest on, said Bonds may be paid from (i) the debt service fund of the General Services District for debt service attributable to Bonds the proceeds of which refunded Refunded Bonds that financed projects in the General Services District, (ii) the debt service fund of the Urban Services District for debt service attributable to Bonds the proceeds of which refunded Refunded Bonds that financed projects in the Urban Services District, and (iii) the school debt service fund for debt service attributable to Bonds the proceeds of which refunded Refunded Bonds that financed school projects.

Section 2.3. Levy of Taxes. For the purpose of providing for the payment of the principal of, and the premium, if any, and interest on, the Bonds, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the General Services District and Urban Services District, fully sufficient to pay all such principal, premium, if any, and interest falling due prior to the time of collection of the next succeeding tax levy; provided, however, taxes so levied in the General Services District shall be levied in an amount sufficient to pay that portion of such principal, premium and interest attributable to Bonds issued to refund Refunded Bonds that financed school projects and projects in the General Services District; and the taxes so levied in the Urban Services District shall be levied in an amount sufficient to pay that portion of such principal, premium and interest attributable to Bonds issued to refund Refunded Bonds that financed projects in the Urban Services District; provided, further, however, that the Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property in the Metropolitan Government to the full extent necessary to pay all principal, premium and interest on the Bonds, and the full faith and credit of Metropolitan Government shall be pledged to the payment thereof. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of the Metropolitan Government, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount; provided, however, the tax may be reduced to the extent of any appropriations to the payment of debt service on the Bonds from other funds, taxes and revenues of the Metropolitan Government. Principal, premium, if any, and interest, on any of the Bonds, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from current funds of the Metropolitan Government, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected.

ARTICLE III.  
FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 3.1. Authorized Bonds and Findings of the Metropolitan Government. No Bonds may be issued under the provisions of this Bond Resolution except in accordance with the provisions of this Article. The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed \$425,000,000. The Metropolitan Government hereby finds that the refunding of the Refunded Bonds is advantageous and necessary to the Metropolitan Government to capture debt service savings.

Section 3.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date). All Bonds issued under the Bond Resolution shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions, and insertions as are permitted or required by this Bond Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Metropolitan Government.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf of, the Metropolitan Government with the manual or facsimile signature of the Metropolitan Mayor, and with the official seal, or a facsimile thereof, of the Metropolitan Government impressed or imprinted thereon, attested by the manual or facsimile signature of the Metropolitan Clerk, and approved as to form and legality by the Director of Law by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Metropolitan Government to sign such Bond, although on the date of the adoption by the Metropolitan Government of this Bond Resolution, such individuals may not have been such officers.

Section 3.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall be designated "General Obligation Refunding Bonds, Series 2016" or such other designation as shall be determined pursuant to Section 7.1 hereof. The Bonds shall be dated the Closing Date or such other date as shall be established pursuant to Section 7.1 hereof. Subject to adjustments permitted in Section 7.1 hereof, the Bonds shall bear interest from the date thereof at a rate or rates not exceeding 5.00%, such interest being payable semi-annually on the first day of January and July of each year, commencing on July 1, 2016. Subject to adjustments permitted in Section 7.1 hereof, the Bonds shall mature, subject to prior

redemption as hereinafter provided, either serially or through mandatory redemption, in amounts and at times such that the resulting debt service corresponds to the debt service of the Refunded Bonds, all as shall be provided in the Bond Purchase Agreement.

(b) The Bonds shall be payable, principal, premium, if any, and interest, in lawful money of the United States of America at the principal corporate trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Metropolitan Government in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(c) Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Metropolitan Government to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Metropolitan Government shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Metropolitan Government shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Metropolitan Government of such Special Record Date and, in the name and at the expense of the Metropolitan Government, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall



impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Metropolitan Government to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

Section 3.4. Negotiability of Bonds. All Bonds issued under this Bond Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Bond Resolution and in the Bonds.

Section 3.5. Registration, Transfer and Exchange of Bonds.

(a) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Metropolitan Government to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Metropolitan Government nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. Unless otherwise provided herein, a Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the

Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS BOND RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the Metropolitan Government nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Metropolitan Government determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Metropolitan Government may discontinue the Book-Entry System with DTC. If the Metropolitan Government fails to identify another qualified securities depository to replace DTC, the Metropolitan Government shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE METROPOLITAN GOVERNMENT NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS BOND RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 3.6. Authorization and Preparation of Temporary Bonds.

(a) Without unreasonable delay after the sale thereof, the Metropolitan Government shall cause definitive Bonds to be prepared, executed, and delivered to the purchaser or purchasers thereof, which Bonds shall be fully engraved (as that term is customarily used) or lithographed or printed on steel engraved borders, or, if acceptable to the purchaser or purchasers of such Bonds (such acceptance to be conclusively evidenced by the acceptance of such Bonds by such purchaser or purchasers), such definitive Bonds may be typewritten, printed, photocopied, or any combination of the foregoing. Until such definitive Bonds are ready for delivery, there may be executed by the Metropolitan Government, and upon request by an Authorized Officer of the Metropolitan Government, the Registration Agent shall also authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved, lithographed, or photocopied Bonds, or Bonds having any combination of the foregoing, as prepared and executed by the Metropolitan Government, which temporary Bonds shall be substantially of the tenor of such definitive Bonds but with such appropriate omissions, insertions, and variations as may be required.

(b) Until definitive Bonds are ready for delivery, any temporary Bond may be exchanged at the principal corporate trust office of the Registration Agent, without charge to the Bondholder, for an equal aggregate principal amount of temporary Bonds of like tenor, of the same maturity and bearing interest at the same rate.

(c) When and after definitive Bonds are ready for delivery, the Registration Agent, upon surrender to the Registration Agent at the principal corporate trust office of the Registration Agent of a temporary Bond or Bonds, shall cancel such temporary Bond or Bonds and authenticate and deliver in exchange therefor, without charge to such Bondholder, a definitive Bond or Bonds in an equal aggregate principal amount, and having the same maturity or maturities, interest rate or rates, and registration and redemption provisions as the temporary Bond or Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security of the Bond Resolution as the definitive Bonds to be issued under such Bond Resolution.

(d) Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon.

(e) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall forthwith be canceled.

Section 3.7. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Metropolitan Government may execute, and upon the request of an Authorized Officer of the Metropolitan Government the Registration Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Metropolitan Government and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Metropolitan Government and the Registration Agent may require the owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Metropolitan Government and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the Metropolitan Government may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the owner thereof shall pay all costs and expenses, including attorneys' fees, incurred by the Metropolitan Government and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Metropolitan Government and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the Metropolitan Government and the Registration Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Metropolitan Government (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 3.8. Authentication. The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Underwriters or as it may designate upon receipt by the Metropolitan Government of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the

Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

Section 3.9. Qualification for DTC. The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section.

ARTICLE IV.  
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 4.1. Redemption Dates and Prices.

(a) Subject to the adjustments permitted pursuant to Section 7.1 hereof, the Bonds may be subject to redemption prior to maturity at the option of the Metropolitan Government on July 1, 2026 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

(b) If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Metropolitan Council in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 7.1 hereof, the Metropolitan Mayor and Director of Finance, or either of them, are authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities established pursuant to the terms hereof. In the event any or all the Bonds are sold as Term Bonds, the Metropolitan Government shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the amounts provided in the Bond Purchase Agreement for each redemption date at a price of par

plus accrued interest thereon to the date of redemption. The interest of each Participant in the Term Bonds to be so redeemed shall be selected by DTC, or such Person as shall then be serving as the securities depository for the Bonds, using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Term Bonds to be so redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Metropolitan Government may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Metropolitan Government on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Metropolitan Government shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Section 4.2. Notice of Redemption. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Metropolitan Government not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Bonds of a series called for redemption, the notice of redemption shall state that the redemption of such Bonds of such series is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Bonds not later than the opening of business on the redemption date and that such notice shall be of no effect if such moneys are not on deposit. The Registration Agent shall mail said notices, in the case of mandatory redemption of Term Bonds, as and when provided herein and in the Bonds, and, in the case of optional redemption, as and when directed by the Metropolitan Government pursuant to written instructions from an Authorized Officer of the Metropolitan Government given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent).

Section 4.3. Payment of Redeemed Bonds.

(a) If notice of redemption shall have been given in the manner and under the conditions provided in Section 4.2 hereof and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Bonds to be redeemed as provided in this Bond Resolution, then: (1) the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date; (2) interest on the Bonds so called for redemption shall cease to accrue; and, (3) such Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of the Bond Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(b) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of the Bond Resolution.

ARTICLE V.  
REGISTRATION AGENT

Section 5.1. Appointment and Acceptance of Duties. The Metropolitan Government hereby appoints the Registration Agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Metropolitan Government, to effect transfers of the Bonds, to give all notices as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Metropolitan Government at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the Metropolitan Government at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The Metropolitan Mayor and the Director of Finance, or either of them is hereby authorized to execute and the Metropolitan Clerk is hereby authorized to attest such written agreement between the Metropolitan Government and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 5.2. Permitted Acts and Functions. The Registration Agent may become the owner of any Bonds, with the same rights as it would have if it were not a Registration Agent. The Registration Agent may act as an underwriter or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the Metropolitan Government.

Section 5.3. Resignation or Removal of the Registration Agent and Appointment of Successors.

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Director of Finance. The Registration Agent may be removed at any time by the Director of Finance, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Director of Finance and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-Five Million Dollars (\$75,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign and deliver any monies and securities held by it as Registration Agent, and all books and records and other properties held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Director of Finance until such successor be appointed.

Section 5.4. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the Director of Finance shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 5.3 hereof.

ARTICLE VI.  
DEFEASANCE OF BONDS

Section 6.1. Defeasance of Bonds. If the Metropolitan Government shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;



(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Metropolitan Government shall also pay or cause to be paid all other sums payable hereunder by the Metropolitan Government with respect to such Bonds, or make adequate provision therefor, and by resolution of the Metropolitan Council instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Metropolitan Government to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Metropolitan Government shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Metropolitan Government as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Metropolitan Government, as received by the Registration Agent.

ARTICLE VII.  
SALE OF BONDS AND DEPOSIT OF PROCEEDS

Section 7.1. Sale of Bonds. (a) The Bonds shall be sold at a negotiated sale to the Underwriters by the Metropolitan Mayor, in one or more series, at a price of not less than 98% of par, without regard to any original discount, as a whole or in part from time to time as shall be determined by the Director of Finance, in consultation with the Financial Advisor. The Metropolitan Mayor is authorized to execute and Metropolitan Clerk to attest the Bond Purchase Agreement with the Underwriters, providing the details of the terms of sale. The Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit B, with such changes as may be approved by the Metropolitan Mayor, her execution thereof to constitute conclusive evidence of the approval of all such changes; provided the Bond Purchase Agreement shall be approved as to form and legality by the Director of Law. The sale of any series of the Bonds to the Underwriters shall be binding on the Metropolitan Government, and no further action of the Metropolitan Council with respect thereto shall be required.

(b) The Metropolitan Mayor and the Director of Finance are authorized to cause to be sold in one or more series an aggregate principal amount of Bonds not exceeding the amount provided in Section 3.1 hereof, and to make corresponding adjustments to the maturity schedule of such series, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Bonds authorized to be issued herein.

(c) The Metropolitan Mayor and Director of Finance, or either of them, are further authorized with respect to each series of Bonds to:

- (1) designate the Outstanding Bonds to be refinanced by the Bonds as Refunded Bonds;
- (2) change the dated date to a date other than the date of issuance;
- (3) specify the series designation;
- (4) change the first interest payment date to a date other than July 1, 2016, provided that such date is not later than twelve months from the dated date of such series of Bonds;
- (5) adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Bonds, provided that (A) the total principal amount of the Bonds does not exceed the total amount of Bonds authorized herein, and (B) the final maturity date of the Bonds shall be not later than the final maturity date of the Refunded Bonds;
- (6) adjust or remove the optional redemption provisions, provided that the premium amount to be paid does not exceed two percent (2%) of the principal amount thereof;

(7) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds with mandatory redemption requirements as determined by the Metropolitan Mayor or Director of Finance and as deemed most advantageous to the Metropolitan Government; and

(8) cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the Metropolitan Government and to enter into agreements with such insurance company to the extent not inconsistent with this Bond Resolution.

(d) The Metropolitan Mayor is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Metropolitan Council. The Metropolitan Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Metropolitan Council, in one or more series as she shall deem to be advantageous to the Metropolitan Government and in doing so, the Metropolitan Mayor is authorized to change the designations of the Bonds; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this resolution or bonds authorized by any other resolution or resolutions adopted by the Metropolitan Council.

(f) The form of the Bonds set forth in Exhibit A hereto shall be conformed to reflect any changes made pursuant to this Section 7.1 hereof.

(g) The Metropolitan Mayor and the Metropolitan Clerk are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the original purchaser of the Bonds and the Metropolitan Mayor, the Director of Finance, the Metropolitan Clerk and Director of Law are authorized to execute, publish, and deliver all certificates and documents, including the Official Statement, and closing certificates and documents, as they shall deem necessary in connection with the sale and delivery of the Bonds.

Section 7.2. Official Statement. The Metropolitan Mayor and Director of Finance, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds in the form of the Preliminary Official Statement attached hereto as Exhibit D and by this reference made a part hereof (the "Preliminary Official Statement"), with such completions, omissions, insertions and changes as shall be necessary to cause the Preliminary Official Statement to accurately describe the Bonds and the financial condition of the Metropolitan Government. After the Bonds have been sold, the Metropolitan Mayor and Director of Finance, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with the Bond Resolution as are necessary or desirable to complete it as a final Official Statement for the Bonds for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Metropolitan Mayor and Director of Finance shall arrange for the delivery to the Underwriters of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold.

The Metropolitan Mayor and Director of Finance are authorized, on behalf of the Metropolitan Government, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Metropolitan Government except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 7.3. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) An amount representing accrued interest, if any, on the Bonds from the dated date to the Closing Date shall be deposited to the appropriate fund of the Metropolitan Government to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

(b) An amount which, together with other legally available funds of the Metropolitan Government, if any, and investment earnings thereon and on the Bond proceeds, will be sufficient to pay principal of and premium and interest on the Refunded Bonds to their redemption, maturity or payment dates (as applicable), shall be transferred to the Escrow Agent under the Escrow Agreement to be deposited to the escrow fund established thereunder to be held and applied as provided therein.

(c) The remaining proceeds of the sale of the Bonds shall be used to pay the costs of issuance and sale of the Bonds including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Any funds remaining after payment of said expenses shall be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

Section 7.4. Non-Arbitrage Certification. The Metropolitan Government recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. In this regard, the Metropolitan Government agrees that it shall take no action which may cause the interest on any of said Bonds to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Metropolitan Government that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Metropolitan Government further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from being included in gross

income for federal income tax purposes. The Metropolitan Mayor and the Director of Finance, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Metropolitan Government.

#### ARTICLE VIII.

#### ESCROW AGREEMENT, NOTICE OF REFUNDING AND NOTICE OF REDEMPTION

Section 8.1. Authorization of Escrow Agreement. For the purpose of providing for the payment of the principal of and premium, if any, and interest on the Refunded Bonds, there is hereby authorized to be executed and delivered on behalf of the Metropolitan Government a Refunding Escrow Agreement with the Escrow Agent and to be deposited with the Escrow Agent the amount described in Section 7.3(b) hereof to be used by the Escrow Agent to purchase the investments provided therein; provided, however, that the yield on such investments shall be determined in such manner that none of the Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The form of Escrow Agreement attached hereto as Exhibit C is hereby in all respects approved, and the Metropolitan Mayor is hereby authorized to execute and the Metropolitan Clerk to attest the Escrow Agreement on behalf of the Metropolitan Government in substantially the form thereof, with such changes as may be approved by the Metropolitan Mayor, including the inclusion of directions as to investment and reinvestment of funds or directions to enter into such investment contracts as shall be advantageous to the Metropolitan Government, the execution thereof by either of them to constitute conclusive evidence of the approval of all such changes; provided the Escrow Agreement shall be approved as to form and legality by the Director of Law. The Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment when due of principal of and premium and interest on the Refunded Bonds and to exercise such duties as set forth in the Escrow Agreement.

Section 8.2. Notice of Refunding and Notice of Redemption. Prior to the issuance of the Bonds, notice of the Metropolitan Government's intention to refund the Refunded Bonds shall be given, at the direction of the Director of Finance, by the respective paying agents for the Refunded Bonds, via first-class mail to the respective Registered Owners of the Refunded Bonds. Such notice shall be in substantially the form required by applicable law. Notwithstanding the foregoing, a notice of refunding shall not be given for any Refunded Bond if, at or prior to the issuance of the Bonds, a notice of redemption shall have been given for said Refunded Bond. The Director of Finance is hereby authorized to give notices of redemption of the Refunded Bonds or to authorize delivery of notices of redemption of the Refunded Bonds in accordance with the respective resolutions authorizing the Refunded Bonds.

ARTICLE IX.  
MISCELLANEOUS

Section 9.1. Failure to Present Bonds.

(a) Subject to the provisions of Section 3.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the owner thereof, all liability of the Metropolitan Government to such owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Bond Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the Metropolitan Government any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Metropolitan Government.

Section 9.2. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond, or the date fixed for redemption of any Bond, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 9.3. Miscellaneous Acts. The appropriate officers of the Metropolitan Government are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the Metropolitan Government of the Bonds.

Section 9.4. Amendment. The Metropolitan Council is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 9.5. No Recourse Under Bond Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Metropolitan Government contained in the Bond Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Metropolitan Government and not of any officer, director, or employee of the Metropolitan Government in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Bond Resolution against any officer, director, or employee of the Metropolitan Government or against any official or individual executing the Bonds.

Section 9.6. Partial Invalidity. If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 9.7. Continuing Disclosure. The Metropolitan Government hereby covenants and agrees that it will provide financial information and event notices as required by Rule 15c-12 of the Securities Exchange Commission for the Bonds. The Metropolitan Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the Metropolitan Government to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Metropolitan Government to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 9.8. Debt Management Policy. In conformance with the directive of the State Funding Board of the State of Tennessee, the Metropolitan Government has heretofore adopted its Debt Management Policy. The Metropolitan Council hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Metropolitan Government's Debt Management Policy. Specifically, the Metropolitan Council hereby finds that a negotiated sale of the Bonds is in the best interest of the Metropolitan Government because of the flexibility it affords in a fluctuating market environment. Finally, given the historically low interest rate environment, the Metropolitan Council hereby approves a refunding of all or any portion of the Outstanding Bonds that generates net present value savings of not less than 3.0% of Refunded Bond principal.

Section 9.9. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 9.10. Effective Date. This Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

APPROVED AS TO AVAILABILITY OF FUNDS BY:

\_\_\_\_\_  
Talia Lomax-O'dneal  
Director of Finance

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Jon Cooper  
Director of Law

INTRODUCED BY:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
MEMBERS OF COUNCIL



**EXHIBIT A**  
**Form of Bond**

REGISTERED  
Number \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2016

Interest Rate

Maturity Date

Date of Bond:

CUSIP No.:

Registered Owner:  
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government"), a lawfully organized and existing municipal corporation, for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on [\_\_\_\_\_] and semi-annually thereafter on the first day of [\_\_\_\_\_] and [\_\_\_\_\_] in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the Nashville, Tennessee corporate trust office of U.S. Bank National Association, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft, or by wire transfer, as provided by the Bond Resolution, as such term is hereinafter defined, mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Metropolitan Government to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Bonds of the issue of which this Bond is one maturing on or before [\_\_\_\_\_, 20\_\_] shall mature without option of prior redemption. Bonds maturing on [\_\_\_\_\_, 20\_\_] and thereafter shall be subject to redemption prior to maturity at the option of the Metropolitan Government on or after [\_\_\_\_\_, 20\_\_] as a whole or in part at any time at the price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Metropolitan Council (the "Metropolitan Council") of the Metropolitan Government in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the Metropolitan Government shall redeem Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
---------------------------	----------------------------	---

\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Metropolitan Government may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for

any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Metropolitan Government on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Metropolitan Government shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Bonds called for redemption, the notice of redemption shall state that the redemption of such Bonds is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Bonds not later than the opening of business on the redemption date and that such notice shall be of no effect if such moneys are not on deposit. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Metropolitan Government nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Bond Resolution, as hereafter defined.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Metropolitan Government nor the Registration Agent shall be affected by any notice to the contrary whether or

not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Metropolitan Government to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the Metropolitan Government for the purpose of providing funds to: (A) refund all or a portion of the Metropolitan Government's outstanding [list Refunded Bonds], and (B) pay costs of issuance of the Bonds, all as authorized by Resolution No. RS2016-\_\_\_\_ of the Metropolitan Council, adopted on \_\_\_\_\_, 2016 (the "Bond Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to Title 9, Chapter 21 of the Tennessee Code Annotated, as amended, (the "Act"), and the Charter of the Metropolitan Government (the "Charter"). Copies of the Bond Resolution are on file at the office of the Metropolitan Clerk of the Metropolitan Government, and reference is hereby made to the Bond Resolution, the Act, and the Charter for a description of the nature, manner, and description of the pledge securing the Bonds, the nature, manner, and extent of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect to such pledge, the terms and conditions upon which the Bonds are issued thereunder, and a statement of the rights, duties, immunities, and obligations of the Metropolitan Government. Such pledge and other obligations of the Metropolitan Government under the Bond Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This Bond, both principal and interest as the same shall become due, is a full faith and credit obligation of the Metropolitan Government to which the ad valorem taxation power of the Metropolitan Government with respect to all taxable property in the General Services District of the Metropolitan Government has been pledged. No other taxation power of the Metropolitan Government has been pledged to the payment of the principal of, or the premium, if any, or interest on, this Bond.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that

the amount of this Bond, together with all other indebtedness of the Metropolitan Government, does not exceed any limitation prescribed by the Constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Metropolitan Government has caused this Bond to be signed by its Metropolitan Mayor with her manual or facsimile signature, attested by its Metropolitan Clerk with her manual or facsimile signature, and approved as to form and legality by its Director of Law, with her manual or facsimile signature, under an imprint of the corporate seal of the Metropolitan Government or a facsimile thereof, all as of the day and date hereinabove set forth.

THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY  
(TENNESSEE)

By: \_\_\_\_\_  
Megan Barry  
Metropolitan Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
Shannon B. Hall  
Metropolitan Clerk

APPROVED AS TO FORM  
AND LEGALITY:

\_\_\_\_\_  
Jon Cooper  
Director of Law

Transferable and payable at the  
principal corporate trust office of: U.S. Bank National Association  
Nashville, Tennessee

Date of Registration: \_\_\_\_\_

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

U.S. BANK NATIONAL ASSOCIATION,  
Registration Agent

By: \_\_\_\_\_  
Authorized Officer

### FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_, (Please insert Social Security or Federal Tax Identification Number \_\_\_\_\_) the within Bond of The Metropolitan Government of Nashville and Davidson County (Tennessee), and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**NOTICE:** The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

\_\_\_\_\_  
**NOTICE:** Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

**EXHIBIT B**

**Form of Bond Purchase Agreement**



**EXHIBIT C**

**Form of Refunding Escrow Agreement**

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_, 2016, by and between The Metropolitan Government of Nashville and Davidson County, Tennessee (the "Metropolitan Government"), and U.S. Bank National Association, as Escrow Agent (the "Escrow Agent").

### WITNESSETH:

WHEREAS, the Metropolitan Government has previously authorized and issued its [list Refunded Bonds] (collectively, the "Refunded Bonds"); and

WHEREAS, the Metropolitan Government has determined that it is in its best interest to refund and refinance the Refunded Bonds by depositing in escrow with the Escrow Agent funds that, with the investment income therefrom, will be sufficient to pay the principal of, premium, if any, and interest on the Refunded Bonds to their earliest optional redemption dates; and

WHEREAS, in order to obtain the funds needed for said deposit, the Metropolitan Government has authorized and issued \$\_\_\_\_\_ in aggregate principal amount of General Obligation Refunding Bonds, Series 2016, dated \_\_\_\_\_, 2016 (the "Refunding Bonds"); and

WHEREAS, in order to create the escrow hereinabove described, provide for the deposit of Refunding Bond proceeds and the application thereof, and to provide for the payment of the Refunded Bonds as set forth herein, the parties hereto do hereby enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Metropolitan Government and the Escrow Agent agree as follows:

Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the resolution authorizing the Refunding Bonds (the "Refunding Bond Resolution").

**SECTION 1. Escrow Funds.** There is hereby created and established a special and irrevocable escrow fund (the "Escrow Fund") to be held in the custody of the Escrow Agent under this Agreement separate and apart from all other funds of the Metropolitan Government or of the Escrow Agent. All monies and Defeasance Obligations deposited to the Escrow Fund, together with investment income therefrom, shall be held and applied solely as provided in this Agreement and shall constitute a fund to be held by the Escrow Agent as a part of the escrow and trust created, established, and governed by this Agreement. The holders of the [Refunded Bonds] shall have an express lien on all moneys, Defeasance Obligations and other funds deposited in the Escrow Fund until used and applied in accordance with this Agreement.

SECTION 2. Deposit of Moneys. There is hereby deposited with the Escrow Agent to the Escrow Fund by or for the benefit of the Metropolitan Government \$\_\_\_\_\_ derived from the proceeds of the sale of the Refunding Bonds. The Metropolitan Government hereby represents and warrants that such moneys are at least equal to an amount sufficient to purchase the Defeasance Obligations set forth in Schedule A hereto and the Defeasance Obligations so purchased at their respective maturities, together with the cash deposit, will be sufficient to pay principal of and premium, if any, and interest on the [list Refunded Bonds] to their earliest optional redemption date.

SECTION 3. Use and Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 2 and agrees:

(a) to immediately invest \$\_\_\_\_\_ of such funds in the Defeasance Obligations listed on Schedule A hereto and to deposit such Defeasance Obligations in the Escrow Fund; and

(b) to hold \$\_\_\_\_\_ of such funds as cash in a non-interest-bearing account and will wire said amount to the registration and paying agents for the Refunded Bonds to pay principal of, interest and premium, if any, on the [list Refunded Bonds] as set forth on Schedule B hereto.

Except as provided in Sections 6 and 8 hereof, the investment income from the Defeasance Obligations in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall have no power or duty to invest any monies held hereunder or to make substitutions of Defeasance Obligations held hereunder or to sell, transfer, or otherwise dispose of the Defeasance Obligations acquired hereunder except as provided herein.

SECTION 4. Payment of Refunded Bonds.

(a) Payment. As the principal of the Defeasance Obligations set forth in Schedule A hereof and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than the appropriate interest, principal and redemption payment dates for the Refunded Bonds, transfer from the appropriate Escrow Fund to the paying agents for the Refunded Bonds amounts sufficient to pay the principal of and premium, if any, and interest on the Refunded Bonds at the times, in the amounts and in the manner set forth on Schedule B attached hereto and the resolutions authorizing the Refunded Bonds.

(b) Excess Funds. When the Escrow Agent has made all required payments of principal, premium, if any, and interest on the Refunded Bonds as hereinabove provided, the Agent shall transfer any monies or Defeasance Obligations then held hereunder to the Metropolitan Government and this Agreement shall terminate.

(c) Termination of Obligations. Upon deposit of the moneys set forth in Section 2 hereof with the Escrow Agent pursuant to the provisions of Section 2 hereof and the simultaneous purchase of the Defeasance Obligations as provided in Section 3 hereof, the owners of the Refunded Bonds shall cease to be entitled to any lien, benefit or security under the resolutions authorizing the Refunded Bonds, and all covenants, agreements and obligations of

the Metropolitan Government to the owners of the Refunded Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

SECTION 5. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein.

SECTION 6. Reinvestment.

(a) Except as provided in this Section 6 or in Section 8 hereof, the Escrow Agent shall have no power or duty to reinvest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys or Defeasance Obligations held hereunder.

(b) Unless otherwise directed by the Metropolitan Government, any surplus amounts received from principal or interest payments on such Defeasance Obligations remaining in the Escrow Fund from time to time and not needed at such time to pay principal, premium, if any, and interest due or to become due on the Refunded Bonds, shall be held uninvested in the Escrow Fund until the next principal or interest payment date, at which time such amount shall be applied before any other Escrow Fund monies to the payment of the next ensuing payment on the Refunded Bonds.

SECTION 7. Responsibilities of the Escrow Agent. In the event of the Escrow Agent's failure to account for any of the Defeasance Obligations, Substituted Obligations (as defined in Section 8 hereof) or monies received by it, said Defeasance Obligations or Substituted Obligations or monies shall be and remain the property of the Metropolitan Government in trust for the holders of the Refunded Bonds, as herein provided, and if for any reason such Defeasance Obligations, Substituted Obligations or monies are not applied as herein provided, the Escrow Agent shall be liable to the Metropolitan Government.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Defeasance Obligations, Substituted Obligations and other monies available for such purpose to pay the Refunded Bonds. So long as the Escrow Agent applies the Defeasance Obligations, Substituted Obligations and monies as provided therein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

The Escrow Agent shall not be liable to the Metropolitan Government for any act done or step taken or omitted to be taken by it, or for any mistake of fact or law, or anything which it may do or refrain from doing, except for its own gross negligence or willful default in the performance of any obligation imposed upon it hereunder.

The Escrow Agent shall deliver to the Director of Finance a monthly report summarizing all transactions relating to the Escrow Fund; and, on or before the first day of August of each year, shall deliver to the Director of Finance a report current as of the previous June 30, which shall summarize all transactions relating to the Escrow Fund effected during the immediately preceding fiscal year of the Metropolitan Government and which also shall set forth all assets in the Escrow Fund as of June 30 and set forth opening and closing balances thereof for that fiscal year.

SECTION 8. Substitution of Defeasance Obligations. At the written request of the Metropolitan Government made by the Director of Finance, the Escrow Agent shall have the power to sell, transfer or otherwise dispose of the Defeasance Obligations acquired hereunder and to substitute for the Defeasance Obligations any direct obligations of, or non-callable, non-prepayable obligations fully guaranteed as to full and timely payment of principal and interest by, the United States of America which are not subject to redemption prior to maturity other than at the option of the holder thereof and which do not consist of investments in mutual funds or unit investment trusts (the "Substituted Obligations"). The Escrow Agent shall either (i) purchase such Substituted Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Obligations together with any other funds available for such purpose or (ii) acquire such Substituted Obligations in exchange for the transfer of the Defeasance Obligations identified in written instructions of the Director of Finance. The foregoing transactions may be effected only if: (a) an independent certified public accountant shall certify that after such transaction the principal amount of and interest income on the Substituted Obligations will, together with any other monies available for such purpose, be sufficient to pay, excluding reinvestment earnings, as the same become due at maturity or earlier redemption, all principal of and premium, if any, and interest on the Refunded Bonds which have not been paid previously; (b) the amounts and dates of the anticipated transfers from the Escrow Fund to the appropriate paying agents for the Refunded Bonds will not be diminished or postponed thereby, which may be evidenced in the report of the independent certified public accountant delivered pursuant to clause (a) hereof; and (c) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds to the effect that (A) such disposition and substitution or purchase would not cause any of the Refunded Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code in effect on the date of such disposition and substitution and applicable to the Refunded Bonds and (B) such disposition, substitution or purchase is permitted under the terms of the resolutions authorizing the Refunded Bonds. Any cash from the sale of any Defeasance Obligations or Substituted Obligations received from the disposition and substitution of obligations pursuant to this Section 8, to the extent such cash will not be required, in accordance with the resolutions authorizing the Refunded Bonds and this Agreement, at any time for the payment when due of the principal of and premium, if any, and interest on the Refunded Bonds, shall be paid to the Metropolitan Government, as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing under this Agreement.

SECTION 9. Payment of Deficiency by the Metropolitan Government. A Verification Report, dated \_\_\_\_\_, 2016 (the "Verification Report"), has been delivered by Grant Thornton LLP, stating that the funds deposited to the Escrow Fund in the amount set forth in Section 2 and the receipts from the investment of such funds pursuant to Exhibit B hereof will be sufficient to pay to and at redemption, the principal of and premium, if any, and interest on the Refunded Bonds. In the event the Verification Report calculations as to the sufficiency of the Escrow Fund monies and Government Securities and the earnings thereon are inaccurate, then the Metropolitan Government agrees that it will promptly and without delay remit or cause to be remitted to the Agent within ten (10) days after receipt of the Agent's written request, such additional sum or sums of money as may be necessary in excess thereof to assure the payment when due of the principal of, premium, if any, and interest on the Refunded Bonds. The Metropolitan Government shall not be liable for failure of performance of the Agent or the Government Securities.

SECTION 10. Redemption of Refunded Bonds.

(a) The Refunded \_\_\_\_ Bonds shall be redeemed on \_\_\_\_\_, 20\_\_\_. The Agent is hereby authorized and directed to give notice of a \_\_\_\_\_, 20\_\_ redemption to the registration and paying agent of the Refunded \_\_\_\_ Bonds on or before \_\_\_\_\_, 20\_\_\_, directing the registration and paying agent for the Refunded \_\_\_\_ Bonds to give notice of redemption in accordance with the resolution authorizing the issuance of the Refunded \_\_\_\_ Bonds. The redemption notice shall be substantially in the form of the notice attached hereto and made a part hereof as Schedule C-1. The Escrow Agent is hereby authorized and directed to pay the full redemption price of said Refunded \_\_\_\_ Bonds to the registration and paying agent of the Refunded \_\_\_\_ Bonds on \_\_\_\_\_, 20\_\_\_.

(b) The Refunded \_\_\_\_ Bonds shall be redeemed on \_\_\_\_\_, 20\_\_\_. The Agent is hereby authorized and directed to give notice of a \_\_\_\_\_, 20\_\_ redemption to the registration and paying agent of the Refunded \_\_\_\_ Bonds on or before \_\_\_\_\_, 20\_\_\_, directing the registration and paying agent for the Refunded \_\_\_\_ Bonds to give notice of redemption in accordance with the resolution authorizing the issuance of the Refunded \_\_\_\_ Bonds. The redemption notice shall be substantially in the form of the notice attached hereto and made a part hereof as Schedule C-2. The Escrow Agent is hereby authorized and directed to pay the full redemption price of said Refunded \_\_\_\_ Bonds to the registration and paying agent of the Refunded \_\_\_\_ Bonds on \_\_\_\_\_, 20\_\_\_.

(c) The Refunded \_\_\_\_ Bonds shall be redeemed on \_\_\_\_\_, 20\_\_\_. The Agent is hereby authorized and directed to give notice of a \_\_\_\_\_, 20\_\_ redemption to the registration and paying agent of the Refunded \_\_\_\_ Bonds on or before \_\_\_\_\_, 20\_\_\_, directing the registration and paying agent for the Refunded \_\_\_\_ Bonds to give notice of redemption in accordance with the resolution authorizing the issuance of the Refunded \_\_\_\_ Bonds. The redemption notice shall be substantially in the form of the notice attached hereto and made a part hereof as Schedule C-3. The Escrow Agent is hereby authorized and directed to pay the full redemption price of said Refunded \_\_\_\_ Bonds to the registration and paying agent of the Refunded \_\_\_\_ Bonds on \_\_\_\_\_, 20\_\_\_.

(d) The Refunded \_\_\_\_ Bonds shall be redeemed on \_\_\_\_\_, 20\_\_\_. The Agent is hereby authorized and directed to give notice of a \_\_\_\_\_, 20\_\_ redemption to the registration and paying agent of the Refunded \_\_\_\_ Bonds on or before \_\_\_\_\_, 20\_\_\_, directing the registration and paying agent for the Refunded \_\_\_\_ Bonds to give notice of redemption in accordance with the resolution authorizing the issuance of the Refunded \_\_\_\_ Bonds. The redemption notice shall be substantially in the form of the notice attached hereto and made a part hereof as Schedule C-4. The Escrow Agent is hereby authorized and directed to pay the full redemption price of said Refunded \_\_\_\_ Bonds to the registration and paying agent of the Refunded \_\_\_\_ Bonds on \_\_\_\_\_, 20\_\_\_.

SECTION 11. Amendments. This Agreement is made for the benefit of the Metropolitan Government and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent, and the Metropolitan Government; provided, however, that the Metropolitan Government and the Escrow Agent may, without the consent of, or notice to, such holders,

amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Agreement; (ii) to grant to, or confer upon, the holders of the Refunded Bonds or the Escrow Agent any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; (iii) to include under this Agreement additional funds, securities or properties and (iv) to amend, supplement or sever any provision of this Agreement deemed, in the opinion of nationally recognized bond counsel, to be in need of such amendment, supplement or severance in order to protect the tax-exempt status of interest on any of the Refunded Bonds, but only to the extent not detrimental to the holders of the Refunded Bonds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally-recognized municipal bond attorneys with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

SECTION 12. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 4(b) of this Agreement.

SECTION 13. Compensation. The Metropolitan Government shall compensate the Escrow Agent for its services hereunder by paying to the Escrow Agent an annual fee of \$\_\_\_; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement. The Metropolitan Government shall not be obligated to pay any fees or amounts to the Escrow Agent except as set forth in this Section 13.

SECTION 14. Resignation or Removal of Escrow Agent.

(a) The Escrow Agent may resign by giving notice in writing to the Metropolitan Government, which notice shall be mailed by the Metropolitan Government, or its agent, at the cost and expense of the resigning Escrow Agent, to the holders of the Refunded Bonds by first-class mail, postage prepaid, at the addresses shown on the Bond registration books of the paying agents and registration agents for the Refunded Bonds as of the date of the notice. The Escrow Agent may be removed (1) at the direction of the Metropolitan Government upon any consolidation or merger of the Escrow Agent with any other entity or the transfer or assignment of its duties hereunder to any other entity or the sale or transfer of all or substantially all its trust assets to any other entity, or (2) by (i) filing with the Metropolitan Government of an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, (ii) mailing such notice at least 60 days prior to the effective date of said removal to the holders of the Refunded Bonds as aforesaid, and (iii) the delivery of a copy of the instruments filed with the Metropolitan Government to the Escrow

Agent, or (3) by a court of competent jurisdiction for failure to act in accordance with the provisions of the Escrow Agreement upon application by the Metropolitan Government or the holders of 5% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Escrow Agent becomes vacant due to resignation or removal of the Escrow Agent or any other reason, a successor Escrow Agent may be appointed by the Metropolitan Government. Notice of such appointment shall be mailed in accordance with the requirements more specifically set forth in clause (2)(ii) of subsection (a) of this Section. Within one year after a vacancy, the holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the Metropolitan Government, appoint a successor Escrow Agent who shall supersede any Escrow Agent theretofore appointed by the Metropolitan Government. If no successor Escrow Agent is appointed by the Metropolitan Government or the holders of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The responsibilities of the Escrow Agent under this Escrow Agreement will not be discharged until a new Escrow Agent is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Agent.

SECTION 15. No Implied Duties; Reliance on Counsel. The Escrow Agent shall have no implied duties under this Agreement. In the event of any question arising hereunder, the Escrow Agent shall be entitled to rely conclusively on the opinion of nationally recognized municipal bond attorneys which cost shall be borne by the Metropolitan Government.

SECTION 16. Acts and Notices by the Metropolitan Government. Any action or notice permitted by or required of the Metropolitan Government under this Agreement shall be performed or given, as the case may be, by the Director of Finance or her designee unless otherwise specified in this Agreement.

SECTION 17. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Metropolitan Government or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 18. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 19. Governing Law. This Agreement shall be construed under the laws of the State of Tennessee.

SECTION 20. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in Nashville, Tennessee, are authorized by



law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 21. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Metropolitan Government.

*(signature page follows)*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals to be hereunto affixed and attested as of the \_\_\_\_ day of \_\_\_\_\_, 2016.

THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

By: \_\_\_\_\_  
Megan Barry  
Metropolitan Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
Shannon B. Hall  
Metropolitan Clerk

APPROVED AS TO FORM  
AND LEGALITY:

\_\_\_\_\_  
Jon Cooper  
Deputy Director of Law

U.S. BANK NATIONAL ASSOCIATION  
Escrow Agent

By: \_\_\_\_\_  
Title: Authorized Signatory

By: \_\_\_\_\_  
Title: Authorized Signatory

**SCHEDULE A**

**TO ESCROW AGREEMENT**

**The Metropolitan Government of Nashville  
and Davidson County (Tennessee)  
Defeasance Obligations**

Maturity Date

Issue Date

Principal Amount

Interest Rate

Total Cost of Securities:  
Cash Deposit:

**SCHEDULE B**

**TO ESCROW AGREEMENT**

**The Metropolitan Government of Nashville  
and Davidson County (Tennessee)**

Debt Service Schedule of Refunded Bonds [with respect to each series of Refunded Bonds]

Debt Service Schedule of \_\_\_\_\_ **Bonds, Series \_\_, dated \_\_\_\_\_, \_\_\_\_\_, maturing \_\_\_\_\_, \_\_\_\_\_** to the Redemption Date, With Name of the Paying Agent.

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Redemption Premium</u>	<u>Total Debt Service</u>
-------------------------	-----------------	------------------	-------------------------------	-----------------------------------

TOTAL

Paying Agent:

**SCHEDULE C-1**  
**The Metropolitan Government of Nashville**  
**and Davidson County (Tennessee)**

Notice of Redemption [with respect to each series of Refunded Bonds for which a notice is required]

\_\_\_\_\_ Bonds, Series \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_, maturing \_\_\_\_\_, \_\_\_\_\_.

NOTICE IS HEREBY GIVEN that The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government"), has elected to and does exercise its option to call and redeem on \_\_\_\_\_, \_\_\_\_\_, all the Metropolitan Government's outstanding \_\_\_\_\_ Bonds, Series \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_, maturing \_\_\_\_\_, \_\_\_\_\_ (the "Refunded Bonds"), more fully described as follows:

<u>Principal Amount</u>	<u>CUSIP</u>	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
-------------------------	--------------	-------------------------	----------------------	----------------------

The owners of the Refunded Bonds are hereby notified to present the same to the principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, where redemption shall be made at a price of \_\_\_% of the par amount thereof, plus accrued interest. The redemption price will become due and payable on \_\_\_\_\_, \_\_\_\_\_ upon each such Refunded Bond herein called for redemption and such Bonds shall not bear interest beyond \_\_\_\_\_, \_\_\_\_\_.

Important Notice: Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed W-9 or exemption certificate or equivalent when presenting your securities.

\_\_\_\_\_  
Paying Agent and Registration Agent

**EXHIBIT D**

**Form of Preliminary Official Statement**