

RESOLUTION NO. RS2017-689

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Adopted May 16, 2017

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A Twenty-Eighth Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Bonds, 2017 Series A, and Electric System Revenue Refunding Bonds, 2017 Series B, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County

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WHEREAS, under authority conferred by Appendix III of the Charter of The Metropolitan Government of Nashville and Davidson County and the laws of the State of Tennessee, the Metropolitan Council adopted Substitute Resolution No. R85-746 on November 5, 1985; and

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (i) has determined by resolution duly adopted at its meeting of April 26, 2017 that it is in the best interest of the electric system under its control to issue revenue bonds in an amount not to exceed \$135,000,000, such bonds to be designated as the Electric System Revenue Bonds, 2017 Series A, the proceeds thereof to be used (A) for payment of certain improvements to such electric system, (B) for payment of interest on such 2017 Series A Bonds during the construction period for such improvements and six (6) months thereafter, in such amount, if any, as determined by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County, (C) for making the required deposit into the Debt Service Reserve Account established pursuant to, and in accordance with the provisions of, such Substitute Resolution No. R85-746, as heretofore supplemented and amended, and (D) for payment of the administrative, legal, financing and other expenses incurred in connection with the issuance of such 2017 Series A Bonds, in such amount, if any, as determined by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County; (ii) has determined by resolution duly adopted at its meeting of April 26, 2017 that it is in the best interest of the electric system under its control to issue revenue bonds in an amount not to exceed \$100,000,000, such bonds to be designated as the Electric System Revenue Refunding Bonds, 2017 Series B, the proceeds thereof to be used (A) to refund certain outstanding revenue bonds, the proceeds of which were used to finance or refinance the cost of certain improvements to such electric system, (B) for making the required deposit into the Debt Service Reserve Account established pursuant to, and in accordance with the provisions of, such Substitute Resolution No. R85-746, as heretofore supplemented and amended, but only if and to the extent a deficiency remains in such Debt Service Reserve Account after taking into account the proceeds of the 2017 Series A Bonds, if any, used for such purpose, and (C) for payment of the administrative, legal, financing and other expenses incurred in connection with the issuance

of such 2017 Series B Bonds, in such amount, if any, as determined by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County; and (iii) requests the Metropolitan Council to authorize the issuance of such bonds pursuant to such Substitute Resolution No. R85-746, as heretofore supplemented and amended.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, as follows:

## **ARTICLE I AUTHORITY AND DEFINITIONS**

**101. Supplemental Resolution.** This Twenty-Eighth Supplemental Electric System Revenue Bond Resolution is supplemental to the Electric System Revenue Bond Resolution adopted by the Metropolitan Government on November 5, 1985 (such Electric System Revenue Bond Resolution as heretofore amended is referred to herein as the "Electric System Revenue Bond Resolution").

**102. Authority for this Twenty-Eighth Supplemental Resolution.** This Twenty-Eighth Supplemental Resolution is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article II and Article X of the Electric System Revenue Bond Resolution.

### **103. Definitions.**

(1) Except as provided by this Twenty-Eighth Supplemental Resolution, all terms which are defined in Section 101 of the Electric System Revenue Bond Resolution shall have the same meanings, respectively, in this Twenty-Eighth Supplemental Resolution as such terms are given in said Section 101 of the Electric System Revenue Bond Resolution.

(2) In this Twenty-Eighth Supplemental Resolution:

**2011 Series A Bonds** shall mean the Metropolitan Government's Electric System Revenue Bonds, 2011 Series A, authorized by Article II of the Twenty-Fourth Supplemental Resolution.

**2011 Series B Bonds** shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2011 Series B, authorized by Article II of the Twenty-Fourth Supplemental Resolution.

**2017 Bonds** shall mean collectively the 2017 Series A Bonds and the 2017 Series B Bonds.

**2017 Capital Appreciation Bonds** shall mean collectively the 2017 Series A Capital Appreciation Bonds and the 2017 Series B Capital Appreciation Bonds.

**2017 Series A Bonds** shall mean the Metropolitan Government's Electric System Revenue Bonds, 2017 Series A, authorized by Article II of this Twenty-Eighth Supplemental Resolution.

**2017 Series A Capital Appreciation Bonds** shall mean those 2017 Series A Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(A) of this Twenty-Eighth Supplemental Resolution, to be issued as Capital Appreciation Bonds under the terms of the Electric System Revenue Bond Resolution.

**2017 Series B Bonds** shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2017 Series B, authorized by Article II of this Twenty-Eighth Supplemental Resolution.

**2017 Series B Capital Appreciation Bonds** shall mean those 2017 Series B Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(B) of this Twenty-Eighth Supplemental Resolution, to be issued as Capital Appreciation Bonds under the terms of the Electric System Revenue Bond Resolution.

**2017 System Improvements** shall mean those improvements to the System paid by the Board from March 17, 2017 to the date of issuance of the 2017 Series A Bonds and those improvements to the System scheduled to be paid over the three years after the date of issuance of the 2017 Series A Bonds as identified in the Board's proposed capital budgets for fiscal years 2018, 2019 and 2020 and totaling in the aggregate approximately \$280,100,000.

**Director of Finance** shall mean the Director of Finance appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Finance, or his or her designee.

**Metropolitan Mayor** shall mean the person elected and serving in such capacity pursuant to the provisions of the Charter of the Metropolitan Government.

**Refunded Bonds** shall mean those 2011 Series A Bonds, if any, and those 2011 Series B Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(C) of this Twenty-Eighth Supplemental Resolution, to be refunded in accordance with such Section 207(C).

**Tax Certificate** shall have the meaning set forth in Section 212.

**Treasurer** shall mean the Metropolitan Treasurer appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence

of such appointment, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Metropolitan Treasurer, or his or her designee.

**Twenty-Fourth Supplemental Resolution** shall mean Resolution No. RS2011-42 of the Metropolitan Government, entitled "A Twenty-Fourth Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Bonds, 2011 Series A, and Electric System Revenue Refunding Bonds, 2011 Series B, and amending Substitute Resolution No. R85-746, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on October 18, 2011, which Twenty-Fourth Supplemental Resolution amended the Electric System Revenue Bond Resolution in certain respects, but effective only after all Bonds Outstanding on the date of adoption thereof shall cease to be Outstanding.

**Twenty-Eighth Supplemental Resolution** shall mean this Twenty-Eighth Supplemental Electric System Revenue Bond Resolution.

## **ARTICLE II AUTHORIZATION OF 2017 BONDS**

**201. Principal Amount, Designation and Series.** (A) Pursuant to the provisions of the Electric System Revenue Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in an aggregate principal amount not exceeding \$135,000,000. Subject to the provisions of Section 207(A)(vi), (i) such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Electric System Revenue Bonds, 2017 Series A," and (ii) such Bonds shall be issued and sold as a single Series of Bonds pursuant to the provisions of Section 201 of the Electric System Revenue Bond Resolution.

(B) Pursuant to the provisions of the Electric System Revenue Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in an aggregate principal amount not exceeding \$100,000,000. Subject to the provisions of Section 207(B)(vi), (i) such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Electric System Revenue Refunding Bonds, 2017 Series B," and (ii) such Bonds shall be issued and sold as a single Series of Bonds pursuant to the provisions of Section 201 of the Electric System Revenue Bond Resolution.

**202. Purpose.** (A) The 2017 Series A Bonds are issued primarily for the purpose of providing a portion of the amounts necessary to pay the Cost of Acquisition and Construction of the 2017 System Improvements. Proceeds of the 2017 Series A Bonds may also be used to fund the Debt Service Reserve Account as described in subparagraph (i) of Section 209(A), may also

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be used to pay interest on the 2017 Series A Bonds during the construction period for the 2017 System Improvements and six (6) months thereafter as described in subparagraph (ii) of Section 209(A) and may also be used to pay the administrative, legal, financing and other costs and expenses of issuing the 2017 Series A Bonds as described in subparagraph (iii) of Section 209(A).

(B) The 2017 Series B Bonds are issued primarily for the purpose of providing all, or a portion, as determined by the Board, of the amounts necessary to accomplish the refunding of the Refunded Bonds. Proceeds of the 2017 Series B Bonds may also be used to fund the Debt Service Reserve Account as described in subparagraph (i) of Section 209(B) and may also be used to pay the administrative, legal, financing and other costs and expenses of issuing the 2017 Series B Bonds as described in subparagraph (iii) of Section 209(B).

**203. Date.** The 2017 Bonds, other than the 2017 Capital Appreciation Bonds, upon original issuance and upon any authentication between the date of original issuance and the first interest payment date, shall be dated the date of original issuance and thereafter shall be dated as provided in Section 301 of the Electric System Revenue Bond Resolution. The 2017 Capital Appreciation Bonds shall each be dated as of the November 15 or May 15 next preceding their respective date of authentication, unless such date of authentication is a November 15 or May 15, in which case such 2017 Capital Appreciation Bonds shall be dated such November 15 or May 15, or unless such 2017 Capital Appreciation Bonds are authenticated prior to the first interest payment date for 2017 Bonds (other than the 2017 Capital Appreciation Bonds), in which case such 2017 Capital Appreciation Bonds shall be dated the respective dates of their original issuance.

**204. Denomination, Numbers and Letters.** The 2017 Bonds (other than the 2017 Capital Appreciation Bonds) shall each be issued in fully registered form in the denomination of \$5,000 or any integral multiple of \$5,000. The 2017 Capital Appreciation Bonds shall each be issued in fully registered form in the amount due at maturity of \$5,000 or any integral multiple thereof. Unless the Metropolitan Government shall otherwise direct, the 2017 Bonds shall each be lettered and numbered as shall be determined by the Fiscal Agent.

**205. Place and Method of Payment and Paying Agents.** The principal and Redemption Price of the 2017 Bonds, and interest accrued in the case of the 2017 Capital Appreciation Bonds, shall be payable at maturity or upon acceleration upon surrender of such Bonds at the principal corporate trust office of Regions Bank, Nashville, Tennessee, or at such other locations as the Paying Agent shall designate, and such banking institution is hereby appointed as Paying Agent for the 2017 Bonds; provided, however, that any such appointment shall become effective only if such institution shall have delivered to the Metropolitan Government and the Fiscal Agent, on or before the date of initial issuance and delivery of the 2017 Bonds, written acceptance of the office of Paying Agent in substantially the form attached hereto as Exhibit A. The principal of all 2017 Bonds, and interest accrued in the case of the 2017 Capital Appreciation Bonds, shall also be payable in the manner provided above at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Electric System Revenue Bond Resolution. The

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interest on the 2017 Bonds (other than that accruing on 2017 Capital Appreciation Bonds) shall be payable by check or draft of the Fiscal Agent, as Paying Agent, mailed on the interest payment date to the registered Holders of record on the first day of the calendar month in which such interest payment date shall occur at the addresses shown on the registration books of the Metropolitan Government kept for that purpose at the principal corporate trust office of the Fiscal Agent, as Bond Registrar.

**206. Reserve Fund.** The Debt Service Reserve Requirement applicable to the 2017 Bonds from and after the effective date of the amendments made to the Electric System Revenue Bond Resolution pursuant to Article IV of the Twenty-Fourth Supplemental Resolution shall be determined by the Board pursuant to Section 207(D) below. In connection with such determination, the following provisions shall apply:

(1) If any excess funds are to be disbursed or transferred from the Debt Service Reserve Account pursuant to subsection 2 of Section 508 of the Electric System Revenue Bond Resolution, then notwithstanding the provisions of subsection 2 of Section 508 of the Electric System Revenue Bond Resolution, such funds shall be disbursed by the Fiscal Agent as directed in writing by an Authorized Board Representative provided there is also delivered to the Fiscal Agent with such written direction an Opinion of Counsel to the effect that the proposed disbursement and use of such funds is permitted under applicable law and will not cause interest on the 2017 Bonds or, if applicable, the Refunded Bonds, to be included in gross income of the owners thereof for federal income tax purposes.

(2) If at any time after the effective date of the amendments made to the Electric System Revenue Bond Resolution pursuant to Article IV of the Twenty-Fourth Supplemental Resolution the Metropolitan Government is required to fund the Debt Service Reserve Account with respect to the 2017 Bonds, or to increase the amount in the Debt Service Reserve Account with respect to the 2017 Bonds, due to an increase in the Debt Service Reserve Requirement for the 2017 Bonds, then notwithstanding the provisions of Section 505 of the Electric System Revenue Bond Resolution, such amount may be funded in up to twelve (12) substantially equal consecutive monthly deposits commencing not later than the month following the receipt of audited financial statements for the Electric System for the preceding Fiscal Year establishing the requirement to fund, or to increase the amount of, the Debt Service Reserve Account with respect to the 2017 Bonds.

**207. Delegation to the Board.** (A) There is hereby delegated to the Board, subject to the limitations contained in the Electric System Revenue Bond Resolution, the power with respect to the 2017 Series A Bonds to determine the following:

(i) the principal amount of 2017 Series A Bonds to be issued, provided that the principal amount of 2017 Series A Bonds to be issued shall not exceed the amount set forth in Section 201(A) of this Twenty-Eighth Supplemental Resolution;

(ii) the maturity date or dates and the principal amount of each maturity of the 2017 Series A Bonds, provided that the first maturity date shall be a date on or after May 15, 2018, and the last maturity date shall be a date not later than May 15, 2047;

(iii) the interest rate or rates for each maturity of the 2017 Series A Bonds, provided that the interest rate for each maturity of the 2017 Series A Bonds shall not exceed the maximum lawful rate;

(iv) which, if any, of the 2017 Series A Bonds shall be issued as Capital Appreciation Bonds, and all matters pertaining thereto;

(v) which, if any, of the 2017 Series A Bonds shall be insured by a bond insurance policy issued by a bond insurance company, and all matters pertaining thereto;

(vi) which, if any, of the 2017 Series A Bonds shall be issued with the intention that the interest thereon shall be included in the gross income of the owners thereof for federal income tax purposes, and all matters pertaining thereto, including, if deemed appropriate by the Board, the designation of the tax-exempt 2017 Series A Bonds as "Electric System Revenue Bonds, 2017 Series A-1," and the designation of the federally taxable 2017 Series A Bonds as "Electric System Revenue Bonds, 2017 Series A-2 (Federally Taxable)";

(vii) the optional redemption provisions, if any, applicable to the 2017 Series A Bonds, including without limitation the Redemption Prices and dates of redemption applicable thereto;

(viii) the amount of interest on the 2017 Series A Bonds during the period of acquisition and construction of the 2017 System Improvements and for six (6) months thereafter, if any, which shall be payable from the proceeds of the 2017 Series A Bonds;

(ix) the amount of proceeds of the 2017 Series A Bonds, if any, to be used to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2017 Series A Bonds; and

(x) the terms of the sale of the 2017 Series A Bonds, to be set forth in a purchase contract for the sale and purchase of the 2017 Series A Bonds to be executed by the Metropolitan Mayor in accordance with Section 302(A), provided such purchase contract shall be in substantially the form attached hereto as Exhibit B.

(B) There is hereby delegated to the Board, subject to the limitations contained in the Electric System Revenue Bond Resolution, the power with respect to the 2017 Series B Bonds to determine the following:

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(i) the principal amount of 2017 Series B Bonds to be issued, provided that the principal amount of 2017 Series B Bonds to be issued shall not exceed the lesser of (i) the amount set forth in Section 201(B) of this Twenty-Eighth Supplemental Resolution, or (ii) the amount determined by the Board to be necessary, together with any amounts that may be contributed by the Board, to accomplish the purposes set forth in Section 202(B) of this Twenty-Eighth Supplemental Resolution;

(ii) the maturity date or dates and the principal amount of each maturity of the 2017 Series B Bonds, provided that (a) the first maturity date shall be a date on or after May 15, 2018, and the last maturity date shall be a date not later than May 15, 2036, and (b) in each Fiscal Year in which Debt Service on the Refunded Bonds would have been payable without regard to the refunding thereof, the Debt Service on the 2017 Series B Bonds shall not exceed the Debt Service on the Refunded Bonds which would have been payable in such Fiscal Year without regard to the refunding thereof;

(iii) the interest rate or rates for each maturity of the 2017 Series B Bonds, provided that the interest rate for each maturity of the 2017 Series B Bonds shall not exceed the maximum lawful rate;

(iv) which, if any, of the 2017 Series B Bonds shall be issued as Capital Appreciation Bonds, and all matters pertaining thereto;

(v) which, if any, of the 2017 Series B Bonds shall be insured by a bond insurance policy issued by a bond insurance company, and all matters pertaining thereto;

(vi) which, if any, of the 2017 Series B Bonds shall be issued with the intention that the interest thereon shall be included in the gross income of the owners thereof for federal income tax purposes, and all matters pertaining thereto, including, if deemed appropriate by the Board, the designation of the tax-exempt 2017 Series B Bonds as "Electric System Revenue Refunding Bonds, 2017 Series B-1," and the designation of the federally taxable 2017 Series B Bonds as "Electric System Revenue Refunding Bonds, 2017 Series B-2 (Federally Taxable)";

(vii) the optional redemption provisions, if any, applicable to the 2017 Series B Bonds, including without limitation the Redemption Prices and dates of redemption applicable thereto;

(viii) the amount of proceeds of the 2017 Series B Bonds, if any, to be used to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2017 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds; and



(ix) the terms of the sale of the 2017 Series B Bonds, to be set forth in a purchase contract for the sale and purchase of the 2017 Series B Bonds to be executed by the Metropolitan Mayor in accordance with Section 302(A) hereof, provided such purchase contract shall be in substantially the form attached hereto as Exhibit B.

(C) There is hereby delegated to the Board, subject to the limitations contained in the Electric System Revenue Bond Resolution, the power with respect to the Refunded Bonds to determine the following:

(i) which portion, or all, of the Outstanding 2011 Series A Bonds and the Outstanding 2011 Series B Bonds shall be refunded as provided in this Twenty-Eighth Supplemental Resolution (i.e., selecting and determining the Refunded Bonds);

(ii) the date or dates, if any, prior to maturity that the Refunded Bonds shall be redeemed in accordance with their respective terms; and

(iii) whether the 2017 Series B Bonds shall be issued or not;

provided, that the Board shall make each such determination based on the Board's best judgment that such determination will reduce, or enhance the reduction in, the interest expense to the System or will otherwise promote the financial interests of the System; and, provided further, that the 2017 Series B Bonds shall not be issued unless the net present value savings to the System attributable to such refunding at least equals or exceeds three and five tenths percent (3.5%) of the par amount of the Refunded Bonds, or, if applicable, such smaller amount of savings as shall be permitted under the Debt Management Policy as adopted by the Metropolitan Government and then in effect.

(D) There is hereby delegated to the Board, as contemplated in subparagraph (4) of Section 402 of the Twenty-Fourth Supplemental Resolution, the power to determine the Debt Service Reserve Requirement for the 2017 Bonds from and after the effective date of the amendments made to the Electric System Revenue Bond Resolution pursuant to Article IV of such Twenty-Fourth Supplemental Resolution.

(E) To evidence the determinations made by the Board as contemplated in this Section 207, the Authorized Board Representative shall deliver to the Fiscal Agent on or before the date of issuance of the 2017 Bonds written certification of such determinations, specifying all determinations which have been made, which may consist of a certified copy of a resolution adopted by the Board, and, if applicable, such written certification shall set forth such terms and provisions as are required by any bond insurer in connection with the issuance of a bond insurance policy for the 2017 Bonds.

**208. Authentication and Delivery of the 2017 Bonds.** The Fiscal Agent shall authenticate and deliver the 2017 Bonds to the purchasers thereof if, and only if, the terms and

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conditions set forth in Section 202 of the Electric System Revenue Bond Resolution shall be satisfied.

**209. Application of Proceeds of 2017 Bonds.** (A) The proceeds of the 2017 Series A Bonds shall be applied simultaneously with the delivery of such Bonds, as follows:

(i) There shall be deposited in the Debt Service Reserve Account in the Debt Service Fund the amount, if any, required to cause the amount on deposit therein to equal the Debt Service Reserve Requirement, taking into consideration that amounts in the Debt Service Reserve Account determined by the Board to be allocable to the Refunded Bonds shall be retained in the Debt Service Reserve Account and allocated to the 2017 Series B Bonds;

(ii) There shall be deposited in the Construction Fund for application to the payment of interest to accrue on the 2017 Series A Bonds during the construction period for the 2017 System Improvements and six (6) months thereafter the amount of such interest, if any, to be paid from the proceeds of the 2017 Series A Bonds as determined by the Board;

(iii) There shall be paid over to the Board to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2017 Series A Bonds the amount of such costs and expenses, if any, to be paid from the proceeds of the 2017 Series A Bonds as determined by the Board; and

(iv) The balance shall be deposited in the Construction Fund for application to payment of the Cost of Acquisition and Construction of the 2017 System Improvements.

(B) The proceeds of the 2017 Series B Bonds shall be applied simultaneously with the delivery of such Bonds, as follows:

(i) There shall be deposited in the Debt Service Reserve Account in the Debt Service Fund the amount, if any, required to cause the amount on deposit therein to equal the Debt Service Reserve Requirement, but only if and to the extent that, considering the requirements set forth in the Tax Certificate, as such Tax Certificate may be amended from time to time, proceeds of the 2017 Series A Bonds cannot be used to fund any shortfall in the Debt Service Reserve Account resulting from the issuance of the 2017 Bonds;

(ii) There shall be deposited cash to be held uninvested or there shall be purchased and deposited with the Fiscal Agent in trust, as provided in subsection 2 of Section 1201 of the Electric System Revenue Bond Resolution, Investment Securities permitted thereunder, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Board with the Fiscal Agent at the same time, shall be sufficient to provide

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for the refunding of the Refunded Bonds and to comply with the provisions of subsection 2 of Section 1201 with respect to the defeasance of such Bonds; and

(iii) The balance, if any, shall be paid over to the Board to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2017 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds as determined by the Board to be paid from the proceeds of the 2017 Series B Bonds.

**210. Form of 2017 Bonds and Fiscal Agent's Certificate of Authentication.**

(A) Subject to the provisions of the Electric System Revenue Bond Resolution, the form of the 2017 Bonds and the Fiscal Agent's certificate of authentication thereon for each shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by the Electric System Revenue Bond Resolution:

**[FORM OF 2017 BONDS]**

UNITED STATES OF AMERICA

STATE OF TENNESSEE

THE METROPOLITAN GOVERNMENT

OF NASHVILLE AND DAVIDSON COUNTY

ELECTRIC SYSTEM REVENUE [REFUNDING] BOND, 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]

No. R-

| <u>[Interest Rate]</u>                 |                      | <u>[Original Issue Date]</u> | <u>Dated Date</u> | <u>CUSIP</u> |
|--|----------------------|------------------------------|-------------------|--------------|
| <u>[Approximate Yield to Maturity]</u> | <u>Maturity Date</u> |                              |                   |              |

Registered Owner:

Principal Amount: \$\_\_\_\_\_ [\$\_\_\_\_\_ per \$5,000 Amount Due at Maturity]

[Amount Due at Maturity: \$\_\_\_\_\_]

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "Metropolitan Government"), a public body, corporate and politic of the State of Tennessee, acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or registered assigns in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of Regions

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Bank, Nashville, Tennessee (such bank and any successors thereto being herein called the "Paying Agent"), or at such other locations as the Paying Agent shall designate, [the Principal Amount stated hereon and to pay on November 15 and May 15 in each year, commencing November 15, 2017, until the Metropolitan Government's obligation with respect to the payment of such Principal Amount shall be discharged to the Registered Owner hereof, interest on such Principal Amount at the Interest Rate per annum stated hereon from the Dated Date hereof by check or draft of the Fiscal Agent hereinafter mentioned mailed on the interest payment date to the Registered Owner hereof who shall appear as of the first day of the calendar month in which such interest payment date shall occur on the registration books of the Metropolitan Government maintained by the Fiscal Agent, as Bond Registrar.] [the Amount Due at Maturity stated hereon, constituting the Principal Amount stated hereon and interest thereon from the Original Issue Date stated hereon, compounded on each November 15 and May 15 during the period from the Original Issue Date to the Maturity Date, such interest being the difference between the Amount Due at Maturity stated hereon and the Principal Amount stated hereon. The "Accreted Value" of this bond shall mean, as of any date of computation, an amount equal to the Principal Amount hereof plus the interest accrued thereon to the November 15 or May 15 next preceding the date of computation or the date of computation if a November 15 or May 15, plus, if such date of computation shall not be a November 15 or May 15, a portion of the difference between the Accreted Value as of the immediately preceding November 15 or May 15 (or the Original Issue Date if the date of computation is prior to November 15, 2017) and the Accreted Value as of the immediately succeeding November 15 or May 15, calculated based upon an assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. The Accreted Value per \$5,000 Amount Due at Maturity of this bond on each November 15 and May 15 is set forth in a table attached hereto. This bond, if redeemed or otherwise paid prior to the Maturity Date, shall be paid in an amount equal to the then current Accreted Value plus any applicable premium.]

This bond is one of a duly authorized series of bonds of the Metropolitan Government designated "Electric System Revenue [Refunding] Bonds, 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]" (herein called the "2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds"), in the aggregate principal amount of [\$\_\_\_\_\_], issued under and in full compliance with the Constitution and statutes of the State of Tennessee, including, without limitation, the Revenue Bond Law (Tennessee Code Annotated Sections 7-34-101 through 7-34-118 et seq.), as amended and supplemented (herein called the "Act"), and under and pursuant to the Charter of the Metropolitan Government, which was approved by referendum on June 28, 1962, and a resolution adopted by the Metropolitan Government on November 5, 1985, entitled "Electric System Revenue Bond Resolution", as amended and supplemented (said Resolution as heretofore and hereinafter amended and as supplemented for the issuance of the 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds being herein called the "Resolution").

As provided in the Resolution, the 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds, and all other bonds issued under the Resolution on a parity with the 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]

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Bonds (herein collectively called the "bonds") are special obligations of the Metropolitan Government payable solely from and secured as to payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the Pledged Funds (as defined in the Resolution). Pledged Funds under the Resolution includes the Net Revenues (as defined in the Resolution), and all funds and accounts established under the Resolution (other than the Rate Stabilization Account), including securities held in any such funds and accounts thereunder, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, together with all proceeds and revenues of the foregoing and all of the Metropolitan Government's and the Electric Power Board of the Metropolitan Government's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or redemption price of, and interest on, the bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Metropolitan Government and at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as Fiscal Agent under the Resolution, or its successor (herein called the "Fiscal Agent"), and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the bonds with respect thereto, the terms and conditions upon which the bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Metropolitan Government under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Fiscal Agent.

Resolution No. RS2011-42 adopted on October 18, 2011 ("Resolution No. RS2011-42") provided for certain amendments to the Resolution which become effective only after all bonds outstanding on the date of the adoption of Resolution No. RS2011-42 are paid or defeased. For a complete description of such amendments and the effective date thereof, reference is hereby made to Resolution No. RS2011-42.

As provided in the Resolution, bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of bonds which may be issued under the Resolution is not limited, and all bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Metropolitan Government, with the written consent of the holders of at least a majority in principal amount of the bonds outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of bonds then

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outstanding are affected thereby, with such consent of at least a majority in principal amount of the bonds of each series so affected and outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like series and maturity remain outstanding under the Resolution, the consent of the holders of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding bonds. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installments) or maturity of the principal of any outstanding bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Fiscal Agent or of any Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the registration books of the Metropolitan Government kept for that purpose at the above mentioned office of the Fiscal Agent, as Bond Registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon, and upon payment of the charges prescribed in the Resolution, a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution. The Metropolitan Government, the Fiscal Agent and any Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

[This bond shall not be subject to optional redemption prior to maturity.] [This bond shall be subject to redemption prior to maturity, at the election of the Metropolitan Government, on the direction of the Electric Power Board of the Metropolitan Government, upon mailed notice as provided in Article IV of the Resolution, as a whole or in part (and if in part the particular maturities to be selected by the Metropolitan Government), at any time, on or after May 15, \_\_\_\_, at the Redemption Price (expressed as a percentage of the principal amount of this bond or portion thereof to be redeemed) set forth below, together with accrued interest to the redemption date:

| <u>Redemption Period</u><br>(dates inclusive) | <u>Redemption Price</u> |
|---|-------------------------|
| May 15, ____ to May 14, ____                  | ____%                   |
| May 15, ____ to May 14, ____                  | ____%                   |
| May 15, ____ to May 14, ____                  | ____%                   |
| May 15, ____ and thereafter                   | 100%]                   |

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[Sinking Fund Installments (as defined in the Resolution) have been established for this bond. Such installments shall become due on May 15 of each of the years set forth in the following table in the respective principal amounts set forth opposite such years in said table:

| <u>Year</u>      | <u>Principal Amount</u> |
|------------------|-------------------------|
| _____            | \$ _____                |
| _____ (maturity) | \$ _____]               |

The principal of and interest on the 2017 Series [A][A-1][A-2 (Federally Taxable)] [B][B-1][B-2 (Federally Taxable)] Bonds are payable solely from the Pledged Funds, and the bonds, including the 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds, shall not constitute a debt of the Metropolitan Government within the meaning of any statutory limitation. Neither the State of Tennessee nor any political subdivision thereof shall be liable on the bonds, and the bonds shall not constitute a debt or liability of the State of Tennessee or of any such political subdivision.

Section 67-5-205 of the Tennessee Code Annotated, as amended, provides that neither the principal nor the interest of any bonds or notes issued by any incorporated town or city, or any agency thereof, shall be taxed by the State of Tennessee or by any county or municipality of said State. Other provisions of said Tennessee Code Annotated indicate, however, that such exemption from taxation may not be available with respect to certain taxes including franchise and excise taxes.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the Metropolitan Government, complies in all respects with the applicable laws of the State of Tennessee, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Fiscal Agent of the Fiscal Agent’s Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Metropolitan Mayor and countersigned by the manual or facsimile signature of its Metropolitan Treasurer, and its corporate seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Metropolitan Clerk, all as of the Dated Date hereof.

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THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

By: \_\_\_\_\_  
Metropolitan Mayor of The Metropolitan  
Government of Nashville and Davidson County

Countersigned:

Attest:

\_\_\_\_\_  
Metropolitan Treasurer of The Metropolitan  
Government of Nashville and Davidson County

\_\_\_\_\_  
Metropolitan Clerk of The Metropolitan  
Government of Nashville and Davidson  
County

(SEAL)

**[TO BE ATTACHED TO 2017 CAPITAL APPRECIATION BONDS ONLY]**

ACCRETED VALUE PER \$5,000 AMOUNT DUE AT MATURITY

The Accreted Value per \$5,000 Amount Due at Maturity of each 2017 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bond maturing on May 15, \_\_\_\_ on each November 15 and May 15 shall be as follows:

| <u>Date</u>       | <u>Accreted<br/>Value</u> | <u>Date</u>       | <u>Accreted<br/>Value</u> |
|-------------------|---------------------------|-------------------|---------------------------|
| May 15, ____      | \$ _____                  | May 15, ____      | \$ _____                  |
| November 15, ____ | \$ _____                  | November 15, ____ | \$ _____                  |



**[FORM OF CERTIFICATE OF AUTHENTICATION ON  
ALL 2017 BONDS]**

**FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds delivered pursuant to the within-mentioned Resolution.

Regions Bank, as Fiscal Agent

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

**[FORM OF ASSIGNMENT FOR ALL 2017 BONDS]**

**ASSIGNMENT AND TRANSFER**

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(please print or typewrite name and address of transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

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

In the presence of:  
\_\_\_\_\_

\_\_\_\_\_  
NOTICE. The signature of this assignment must correspond with the name as written upon the face of the bond in every particular without alteration or enlargement or any change whatsoever.

(B) In the event that a securities depository is no longer serving pursuant to Section 211 below and the Metropolitan Government issues Bond certificates as provided in Section 211(C)(3), a portion of each Bond form may be printed on the front side thereof and the

remaining portion may be printed on the reverse side thereof, as determined by the Metropolitan Government, provided that the following paragraph shall be on the front side thereof:

The terms and provisions of this bond and definitions of certain terms used herein may be continued on the reverse side of this bond and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth on the front of this bond.

**211. Depository Trust Company Registration of 2017 Bonds.** (A) As per the direction of the initial purchasers of the 2017 Bonds, The Depository Trust Company ("DTC"), New York, New York, shall serve, subject to this Section 211, as securities depository for the 2017 Bonds, and the ownership of one fully registered Bond for each maturity of the 2017 Series A Bonds and the 2017 Series B Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of DTC.

(B) The 2017 Series A Bonds and the 2017 Series B Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of each said Series. With respect to 2017 Bonds so registered in the name of Cede, the Metropolitan Government, the Fiscal Agent and the Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such Bonds. Without limiting the immediately preceding sentence, the Metropolitan Government, the Fiscal Agent and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the 2017 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to such Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, such Bonds. The Metropolitan Government, the Fiscal Agent and the Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each 2017 Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal or Redemption Price of, and interest on, each such Bond, (ii) giving notices of redemption and other matters with respect to such Bonds and (iii) registering transfers with respect to such Bonds. The Paying Agent shall pay the principal or Redemption Price of, and interest on, all 2017 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Metropolitan Government's obligations with respect to such principal or Redemption Price, and interest, to the extent of the sum or sums so paid. No person other than DTC shall receive a 2017 Bond evidencing the obligation of the Metropolitan Government to make payments of principal or Redemption Price of, and interest on, such Bond pursuant to the Electric System Revenue Bond Resolution. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Twenty-Eighth Supplemental Resolution shall refer to such new nominee of DTC.

(C) (1) DTC may determine to discontinue providing its services with respect to the 2017 Bonds at any time by giving written notice to the Metropolitan Government,

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the Fiscal Agent and the Paying Agent and discharging its responsibilities with respect thereto under applicable law.

(2) The Metropolitan Government, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the 2017 Bonds if the Metropolitan Government determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of such Bonds or is burdensome to the Metropolitan Government.

(3) Upon the termination of the services of DTC with respect to the 2017 Bonds pursuant to subsection (C) of this Section 211, such 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede; provided, however, the Metropolitan Government may within ninety (90) days thereafter appoint a substitute securities depository which, in the opinion of the Metropolitan Government, is willing and able to undertake the functions of securities depository under this Twenty-Eighth Supplemental Resolution upon reasonable and customary terms. If no such successor can be found within such period, the 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede. In the event that the 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede, (a) the Metropolitan Government shall execute and the Paying Agent shall authenticate Bond certificates as requested by DTC of like principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owner's beneficial ownership interests in such 2017 Bonds, and (b) the Metropolitan Government shall notify the Paying Agent that such 2017 Bonds are no longer restricted to being registered in the registration books kept by the Paying Agent in the name of Cede.

(4) Anything in this Twenty-Eighth Supplemental Resolution to the contrary notwithstanding, payment of the Redemption Price of a 2017 Bond, or portion thereof, called for redemption prior to maturity may be paid to DTC by check mailed to DTC or by wire transfer. Anything in this Twenty-Eighth Supplemental Resolution to the contrary notwithstanding, such Redemption Price may be paid without presentation and surrender to the Paying Agent of the 2017 Bond, or portion thereof, called for redemption; provided, however, that payment of (a) the principal payable at maturity of a 2017 Bond, and interest accrued in the case of 2017 Capital Appreciation Bonds, and (b) the Redemption Price of a 2017 Bond as to which the entire principal amount thereof has been called for redemption shall be payable only upon presentation and surrender of such 2017 Bond to the Paying Agent; and provided, further, that no such redemption price shall be so payable without presentation and surrender unless such 2017 Bond shall contain or have endorsed thereon a legend to the following effect:

"AS PROVIDED IN THE RESOLUTION REFERRED TO  
HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF  
BOOK-ENTRY-ONLY TRANSFERS THROUGH THE  
DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY

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SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE TWENTY-EIGHTH SUPPLEMENTAL RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC AS OWNER OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT THEREOF OR SUBSTITUTION THEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, CEDE & CO., HAS AN INTEREST HEREIN."

Anything in this Twenty-Eighth Supplemental Resolution to the contrary notwithstanding, upon any such payment to DTC without presentation and surrender, for all purposes of (i) the 2017 Bond as to which such payment has been made and (ii) this Twenty-Eighth Supplemental Resolution, the unpaid principal amount of such 2017 Bond Outstanding shall automatically be reduced by the principal amount so paid. In such event, the Paying Agent shall note the particular 2017 Bond as to which such payment has been made, and the principal amount of such 2017 Bond so paid, on the registration books of the Metropolitan Government maintained by it, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such 2017 Bond Outstanding as provided in this subsection.

(5) For all purposes of the Electric System Revenue Bond Resolution authorizing or permitting the purchase of 2017 Bonds by, or for the account of, the Metropolitan Government for cancellation, and anything in the Electric System Revenue Bond Resolution to the contrary notwithstanding, a portion of a 2017 Bond may be deemed to have been purchased

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and cancelled without surrender thereof upon delivery to the Paying Agent of a certificate executed by the Metropolitan Government and a participant of DTC therefor, agreed to and accepted by DTC in writing, to the effect that a beneficial ownership interest in such 2017 Bond, in the principal amount stated therein, has been purchased by, or for the account of, the Metropolitan Government through the participant of DTC executing such certificate; provided, however, that any purchase for cancellation of the entire principal amount of a 2017 Bond shall be effective for purposes of the Electric System Revenue Bond Resolution only upon surrender of such 2017 Bond to the Paying Agent; and provided, further, that no portion of a 2017 Bond may be deemed to have been so purchased and cancelled without surrender thereof unless such 2017 Bond shall contain or have endorsed thereon the legend referred to in subsection (C)(4) above. Anything in the Electric System Revenue Bond Resolution to the contrary notwithstanding, upon delivery of any such certificate to the Paying Agent, for all purposes of (i) the 2017 Bond to which such certificate relates and (ii) the Electric System Revenue Bond Resolution, the unpaid principal amount of such 2017 Bond Outstanding shall automatically be reduced by the principal amount so purchased. In such event, the Paying Agent shall note such reduction on the registration books of the Metropolitan Government maintained by it, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such 2017 Bond Outstanding as provided in this subsection.

(6) Anything in the Electric System Revenue Bond Resolution to the contrary notwithstanding, DTC may make a notation on a 2017 Bond (i) redeemed in part or (ii) purchased by, or for the account of, the Metropolitan Government in part for cancellation, to reflect, for informational purposes only, the date of such redemption or purchase and the principal amount thereof redeemed or cancelled, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such 2017 Bond Outstanding as provided in subsection (C)(4) or (C)(5) of this Section 211, as the case may be.

**212. Tax Covenant.** The Metropolitan Government hereby covenants and agrees with the Holders of the 2017 Series A Bonds (other than those 2017 Series A Bonds, if any, issued with the intention that the interest thereon shall be included the gross income of the owners thereof for federal income tax purposes as determined pursuant to Section 207(A)(vi)) and the 2017 Series B Bonds (other than those 2017 Series B Bonds, if any, issued with the intention that the interest thereon shall be included the gross income of the owners thereof for federal income tax purposes as determined pursuant to Section 207(B)(vi)) to do the following:

(1) The Metropolitan Government shall comply with each applicable requirement of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to maintain the exclusion of interest on the 2017 Series A Bonds and the 2017 Series B Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the Metropolitan Government agrees to comply with the provisions of the Tax and Arbitrage Certificate (the "Tax Certificate") to be prepared by Bond Counsel for the 2017 Series A Bonds and the 2017 Series B Bonds and to be executed by the Metropolitan Government on the date of the initial issuance and delivery of the 2017 Series A Bonds and the 2017 Series B Bonds, as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code, and the Metropolitan Mayor, the Treasurer of

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the Metropolitan Government and the Director of Finance of the Metropolitan Government, any one of whom may act alone, are hereby authorized and directed to execute and deliver the Tax Certificate on behalf of and in the name of the Metropolitan Government.

(2) The Metropolitan Government shall make any and all payments required to be made to the United States Department of the Treasury in connection with the 2017 Series A Bonds and the 2017 Series B Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established under the Electric System Revenue Bond Resolution, as heretofore and hereafter amended and supplemented, or otherwise available therefor.

(3) Notwithstanding any provision of the Electric System Revenue Bond Resolution to the contrary, so long as necessary to maintain the exclusion from gross income of interest on the 2017 Series A Bonds and the 2017 Series B Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2017 Series A Bonds and the 2017 Series B Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 1201 of the Electric System Revenue Bond Resolution.

### **ARTICLE III APPROVAL OF DOCUMENTS**

**301. Official Statement.** (A) The Preliminary Official Statement describing the 2017 Bonds, in substantially the form attached hereto and by this reference made a part hereof as Exhibit C, is hereby in all respects approved, and the use of the Preliminary Official Statement in substantially such form, with such changes, corrections, deletions, insertions, variations, additions or omissions as may be approved by the Authorized Board Representative and the Director of Finance, in connection with the offering and sale of the 2017 Bonds is hereby approved, such approval by the Authorized Board Representative and the Director of Finance being conclusively evidenced by the delivery of instructions to so use the Preliminary Official Statement in connection with the offering and sale of the Bonds. After the 2017 Bonds have been sold, the Authorized Board Representative and the Director of Finance shall be authorized to make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Twenty-Eighth Supplemental Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(f)(3) of the Securities Exchange Act of 1934, as amended. The Authorized Board Representative shall arrange for the delivery to such underwriters as described therein of a reasonable number of copies of the Official Statement within seven (7) business days after the 2017 Bonds have been sold for delivery by such underwriters to each potential investor requesting a copy of the Official Statement.

(B) The Authorized Board Representative and the Director of Finance are authorized 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) of the Securities Exchange Act of 1934, as amended, except for the omission from the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule

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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, except for the omission in the Preliminary Official Statement of such pricing and other information.

**302. Execution by Metropolitan Government.** (A) The authority to sell the 2017 Bonds is hereby delegated to the Metropolitan Mayor, and, accordingly, the Metropolitan Mayor is hereby authorized and directed to execute, upon proper presentation to the Metropolitan Mayor by the Board, a bond purchase agreement relating to the 2017 Bonds in substantially the form attached hereto as Exhibit B; provided, however, if the sale date of the 2017 Bonds occurs on or after June 7, 2017, with such changes as shall be appropriate to comply with the amendments to Treasury Regulations Section 1.148-1 that become effective on such date.

(B) The Metropolitan Mayor, the Treasurer of the Metropolitan Government and the Director of Finance of the Metropolitan Government, either one of whom may act alone, are hereby authorized and directed to execute, upon proper presentation to the Metropolitan Mayor, the Treasurer or the Director of Finance, as applicable, by the Board, (i) the final Official Statement as contemplated in Section 301, (ii) an escrow agreement relating to the refunding of the Refunded Bonds in substantially the form attached hereto as Exhibit D, along with irrevocable instructions to redeem those Refunded Bonds to be redeemed prior to maturity in substantially the form annexed as a schedule to such escrow agreement, and (iii) if any of the 2017 Bonds are to be insured as determined by the Board pursuant to Section 207 of this Twenty-Eighth Supplemental Resolution, such certificates and agreements as shall be required by such insurance provider.

**303. Continuing Disclosure.** The Metropolitan Government hereby delegates to the Board the responsibility to comply with the continuing disclosure requirements with respect to the 2017 Bonds set forth in Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and the Continuing Disclosure Agreement describing such continuing disclosure requirements, in the form attached as Appendix F to the Preliminary Official Statement attached hereto as Exhibit C, is hereby in all respects approved.

**304. 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 officers, 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 this Twenty-Eighth Supplemental Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance and delivery by the Metropolitan Government of the 2017 Bonds.

**ARTICLE IV  
MISCELLANEOUS**

**401. Resolution to Remain in Effect.** Save and except as supplemented by this Twenty-Eighth Supplemental Resolution, the Electric System Revenue Bond Resolution as heretofore supplemented and amended shall remain in full force and effect.

**402. Effective Date.** This Twenty-Eighth Supplemental Electric System Revenue Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

[signatures on following page]



RECOMMENDED BY:

INTRODUCED BY:

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General Counsel  
Electric Power Board

APPROVED AS TO FORM AND  
LEGALITY:

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Director of Law

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MEMBERS OF COUNCIL

EXHIBIT A

FORM OF ACCEPTANCE OF OFFICE OF PAYING AGENT

\_\_\_\_\_, 2017

The Metropolitan Government of  
Nashville and Davidson County  
Nashville, Tennessee

Dear Sirs:

The undersigned hereby accepts the duties and obligations of Paying Agent for the Electric System Revenue Bonds, 2017 Series A, and the Electric System Revenue Refunding Bonds, 2017 Series B, both of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") imposed upon the undersigned by the Electric System Revenue Bond Resolution of the Metropolitan Government adopted November 5, 1985, as amended and supplemented (the "Resolution"). Further, the undersigned hereby agrees that the Metropolitan Government shall have cause to remove the undersigned as Paying Agent for the 2017 Series A Bonds and the 2017 Series B Bonds pursuant to Section 908 of the Resolution in the event the undersigned assigns its obligations as Paying Agent for the 2017 Series A Bonds or the 2017 Series B Bonds without the prior written consent of the Metropolitan Government or in the event the undersigned sells, transfers, assigns or in any way disposes of all or substantially all of its corporate trust business, including its rights as Paying Agent for the 2017 Series A Bonds or the 2017 Series B Bonds.

Regions Bank, as Paying Agent

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

Name: \_\_\_\_\_

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

[SEAL]

Attest:

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

Name: \_\_\_\_\_

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

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D

FORM OF ESCROW AGREEMENT