

RESOLUTION NO. RS2017-902

The Metropolitan Government of
Nashville and Davidson County
(Tennessee)

Resolution supplementing Substitute Resolution No. RS2010-1442 to authorize the execution, terms, issuance, sale and payment of water and sewer revenue bonds in an aggregate principal amount of not to exceed \$300,000,000 and authorizing the use of available funds of the Metropolitan Government's Water and Sewer Department to defease all or a portion of the Metropolitan Government's remaining outstanding Water and Sewer Revenue Refunding Bonds, Series 2008A.

Adopted _____

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WHEREAS, pursuant to the Act and the Charter (as such terms are hereafter defined), the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") owns and operates a water and sewer system (the "System");

WHEREAS, the Metropolitan Government is authorized under the Act and the Charter (as such terms are hereafter defined) to issue its water and sewer revenue bonds for the purposes of retiring its outstanding water and sewer bond anticipation notes; and

WHEREAS, the Metropolitan County Council (the "Metropolitan Council") on November 16, 2010 adopted Substitute Resolution No. RS2010-1442 (the "Water and Sewer Bond Resolution"), authorizing the issuance from time to time of water and sewer revenue bonds upon the adoption by the Metropolitan Council of a supplemental resolution, and providing for the terms of such water and sewer revenue bonds and the operation of the System; and

WHEREAS, the Metropolitan Council on November 16, 2010 adopted Substitute Resolution No. RS2010-1443 (the "First Supplemental Resolution"), authorizing the execution, terms, issuance, sale and payment of water and sewer revenue bonds in multiple series; and

WHEREAS, pursuant to the First Supplemental Resolution, the Metropolitan Government issued its Water and Sewer Revenue Refunding Bonds, Series 2010A, Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment), Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds) and Water and Sewer Revenue Refunding Bonds Federally Taxable, Series 2010D (collectively, the "Series 2010 Bonds"); and

WHEREAS, the Water and Sewer Bond Resolution was further supplemented and amended by Resolution No. RS2011-115 adopted by the Metropolitan Government on December 20, 2011, for the purpose, in part, of amending certain provisions of the Water and Sewer Bond Resolution; and

WHEREAS, the Metropolitan Council on March 19, 2013 adopted Resolution No. RS2013-621 (the "Third Supplemental Resolution"), authorizing the execution, terms, issuance, sale and payment of water and sewer revenue bonds; and

WHEREAS, pursuant to the Third Supplemental Resolution, the Metropolitan Government issued its Water and Sewer Revenue Bonds, Series 2013 (the "Series 2013 Bonds"); and

WHEREAS, the Metropolitan Council hereby finds that it is in the best interest of the citizens of the Metropolitan Government to adopt a fourth supplemental resolution to the Water and Sewer Bond Resolution for the purpose of issuing bonds on parity with the Series 2010 Bonds and the Series 2013 Bonds to provide funds to:

- (a) retire the Metropolitan Government's outstanding water and sewer commercial paper bond anticipation notes (the "Commercial Paper") which were issued pursuant to (i) Resolution No. RS2015-1604, adopted by the Metropolitan Council on August 18, 2015 and (ii) and Resolution No. RS2015-1417, adopted by the Metropolitan Council on April 7, 2015;
- (b) fund the Debt Service Reserve Requirement (as defined by the Water and Sewer Bond Resolution) for said bonds; and
- (c) pay the costs of issuing said bonds; and

WHEREAS, to facilitate the issuance of said water and sewer revenue bonds on parity with the Series 2010 Bonds and the Series 2013 Bonds, the Metropolitan Government shall use available System funds to defease all or a portion of its remaining outstanding Water and Sewer Revenue Refunding Bonds, Series 2008A, maturing January 1, 2018 through January 1, 2022 (the "Series 2008 Bonds"); and

WHEREAS, as required by Tennessee Code Annotated Sections 9-21-301 et seq., the Metropolitan Council on October 20, 2009 adopted Resolution No. RS2009-994 (the "First Initial Resolution"), preliminarily authorizing the issuance of up to \$500,000,000 of water and sewer revenue bonds; and

WHEREAS, as required by Tennessee Code Annotated Sections 9-21-301 et seq., the Metropolitan Council on March 19, 2013 adopted Resolution No. RS2013-620 (the "Second Initial Resolution" and, together with the First Initial Resolution, the "Initial Resolutions"), preliminarily authorizing the issuance of up to \$500,000,000 of additional water and sewer revenue bonds; and

WHEREAS, in order to maximize the marketability of the water and sewer revenue bonds authorized herein, the Metropolitan Council wishes to authorize the taking of all steps necessary to designate (and to maintain the designation of) all or a portion of such bonds as "Green Bonds" in accordance with the 2017 edition of the Green Bond Principles published by the International Capital Market Association; and

WHEREAS, for the purpose of retiring the Commercial Paper, financing all or a portion of the Projects and facilitating the issuance of debt for the foregoing purposes on parity with the Series 2010 Bonds and the Series 2013 Bonds, the Metropolitan Council hereby finds it to be in the best interest of the citizens of the Metropolitan Government to issue its water and sewer revenue bonds pursuant to the terms of the Water and Sewer Bond Resolution and to defease all or a portion of the Series 2008 Bonds; and

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

ARTICLE I.
AUTHORITY; FINDINGS; DEFINITIONS

Section 1.1. Resolution Supplemental to the Water and Sewer Bond Resolution. This Fourth Supplemental Resolution is a Supplemental Resolution, as defined in the Water and Sewer Bond Resolution, providing for the issuance of the sixth series of Bonds to be issued thereunder.

Section 1.2. Findings. The Metropolitan Council hereby finds that retiring the Commercial Paper is advisable at this time because prevailing long-term interest rates are at historic lows and the Metropolitan Government has no additional Commercial Paper capacity. The Metropolitan Council further hereby finds that defeasing the Series 2008 Bonds is advisable to facilitate the issuance of the Series 2017 Bonds on parity with the Series 2010 Bonds and the Series 2013 Bonds and thereby provide for the lowest interest rate possible on the Series 2017 Bonds.

Section 1.3. Definition of Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed in the Water and Sewer Bond Resolution. 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:

Bond Purchase Agreement means the bond purchase agreement providing for the purchase and sale of the Series 2017 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 Series 2017 Bonds being purchased.

Commercial Paper has the meaning ascribed in the preamble.

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.

Debt Service Reserve Requirement means, with respect to the Series 2010 Bonds, Series 2013 Bonds, Series 2017 Bonds and any future Bonds which may, by Supplemental Resolution, be treated as an Additionally Secured Series benefitting from the Series 2010/2013/2017 Debt Service Reserve Account, an amount equal to the least of (a) 10% of the stated original principal amount of the Series 2010 Bonds, Series 2013 Bonds, Series 2017 Bonds and any such future Bonds; (b) the maximum Debt Service Requirement on the Series 2010 Bonds, Series 2013 Bonds, Series 2017 Bonds and any such future Bonds for any Fiscal Year; or (c) 125% of the average Debt Service Requirement for each Fiscal Year on the Series 2010 Bonds, Series 2013 Bonds, Series 2017 Bonds and any such future Bonds.

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, or its successor or successors under the terms of the Escrow Agreement.

Escrow Agreement means the Escrow Agreement 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.

Financial Advisor means FirstSouthwest, a Division of Hilltop Securities Inc.

First Initial Resolution has the meaning ascribed in the preamble.

First Supplemental Resolution has the meaning ascribed in the preamble.

Fourth Supplemental Resolution means this resolution, which is the third supplement to the Water and Sewer Bond Resolution.

Initial Resolutions has the meaning ascribed in the preamble.

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

Official Statement and **Preliminary Official Statement** mean the Official Statement and Preliminary Official Statement described herein pertaining to the sale of the Series 2017 Bonds.

Second Initial Resolution has the meaning ascribed in the preamble.

Series 2008 Bonds has the meaning ascribed in the preamble.

Series 2010 Bonds has the meaning ascribed in the preamble.

Series 2013 Bonds has the meaning ascribed in the preamble.

Series 2017 Bonds means the series of water and sewer revenue bonds authorized by this Bond Resolution.

Series 2010/2013/2017 Debt Service Reserve Account means the account with that name established by Section 2.3 hereof.

Underwriters means Morgan Stanley & Co., J.P. Morgan Securities, FTN Financial Capital Markets, Raymond James and Associates, Loop Capital Markets and Siebert Cisneros Shank & Co.

Water and Sewer Bond Resolution has the meaning ascribed in the preamble.

ARTICLE II.

AUTHORITY, PLEDGE OF TRUST ESTATE, ADDITIONALLY SECURED OBLIGATIONS

Section 2.1. **Authority.** For the purposes of (i) retiring the Commercial Paper at maturity; (ii) funding all or a portion of the Debt Service Reserve Requirement attributable to the Series 2017 Bonds, as contemplated by Section 2.3 hereof; and (iii) paying costs incident to the sale and issuance of the Series 2017 Bonds, there shall be issued pursuant to, and in accordance with, the provisions of Tennessee Code Annotated Sections 7-34-101 *et seq.*, 9-21-101 *et seq.*, the Charter (as hereafter defined), the Initial Resolutions, the Water and Sewer Bond Resolution and other applicable provisions of law, water and sewer revenue bonds of the Metropolitan Government in one or more series in an aggregate principal amount of not to exceed \$300,000,000.

Section 2.2. **Pledge of Trust Estate.** The Series 2017 Bonds shall be payable from and secured by the Trust Estate, as set forth in the Water and Sewer Bond Resolution.

Section 2.3. Additionally Secured Obligations. Except as set forth below, the Series 2017 Bonds shall be an Additionally Secured Series and beneficiaries of the Series 2010/2013 Debt Service Reserve Account on an equal basis with the Series 2010 Bonds and the Series 2013 Bonds. Upon the issuance of the Series 2017 Bonds, the Metropolitan Government shall fund the Series 2010/2013 Debt Service Reserve Account in an amount equal to the increase in the Debt Service Reserve Requirement attributable to the issuance of the Series 2017 Bonds. Unless the Metropolitan Government proceeds as contemplated by the balance of this Section 2.3, the Series 2010/2013 Debt Service Reserve Account shall, upon the issuance of the Series 2017 Bonds, be thereafter described as the "Series 2010/2013/2017 Debt Service Reserve Account".

Notwithstanding the foregoing, if it is determined by the Metropolitan Mayor and/or Director of Finance that the Series 2017 Bonds can be effectively marketed without being designated as an Additionally Secured Series, the Series 2017 Bonds may be issued on such basis. In that case, there shall be established no Debt Service Reserve Account within the Debt Service Reserve Fund for the Series 2017 Bonds. The Metropolitan Mayor shall establish and set forth in the Bond Purchase Agreement whether or not the Series 2017 Bonds shall be an Additionally Secured Series.

ARTICLE III. FORM AND TERMS OF SERIES 2017 BONDS

Section 3.1. Authorized Bonds. The aggregate principal amount of Series 2017 Bonds that may be issued under this Fourth Supplemental Resolution shall not exceed \$300,000,000. The Series 2017 Bonds may be issued in one or more series, as designated by the Metropolitan Mayor and/or Director of Finance and set forth in the Bond Purchase Agreement.

Section 3.2. Form of Bonds. The Series 2017 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Series 2017 Bonds 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 Supplemental Resolution, the blanks therein to be appropriately completed when the Series 2017 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.

Section 3.3. Maturities, Interest Rates, Book-Entry Bond.

(a) Each series of Series 2017 Bonds shall be designated "Water and Sewer Revenue Bonds, Series 2017", together with such other designation as may identify the series of Series 2017 Bonds being issued and shall be dated the Date of Issuance. Each series of The Series 2017 Bonds shall bear interest from the date thereof at fixed rates not exceeding 6.00%, such interest being payable semi-annually on the first day of January and July of each year, commencing on January 1, 2018. The Series 2017 Bonds shall mature, subject to prior redemption as hereinafter provided, either serially or through mandatory redemption, commencing on July 1, 2021 through July 1, 2050, in such amounts as shall be provided in the Bond Purchase Agreement. The foregoing terms are subject to adjustment as described in Section 6.1.

(b) The Series 2017 Bonds will be Book Entry Bonds, registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Transfers of beneficial ownership will be effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC. Payments of principal, interest, and redemption premium, if any, with respect to the Series 2017 Bonds, so long as DTC is the only owner of the Series 2017 Bonds, shall be paid by the Paying Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation.

(c) The Paying Agent appointed herein is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Series 2017 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2017 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2017 Bonds and provision of notices with respect to Series 2017 Bonds registered by DTC (or any of its designees identified to the Paying 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 Series 2017 Bonds, provided, however, that the Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 3.4. Designation of Series 2017 Bonds as Green Bonds. The Metropolitan Mayor and the Director of Finance are hereby authorized to designate one or more series of the Series 2017 Bonds may be designated as “Green Bonds” in accordance with the 2017 edition of the Green Bond Principles published by the International Capital Market Association. Any designation of a series of Series 2017 Bonds as Green Bonds shall be set forth in the Bond Purchase Agreement, and the designation of such series of Bonds shall include a reference to “Green Bonds”. The officers of the Metropolitan Government are hereby authorized to take such steps, incur such Green Bond rating expenses and enter into such reporting and monitoring agreements as may be necessary to obtain and maintain a Green Bond rating for such series of Green Bonds.

ARTICLE IV.
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 4.1. Redemption Dates and Prices.

(a) Subject to the adjustments permitted pursuant to Section 6.1 hereof, the Series 2017 Bonds may be subject to redemption prior to maturity at the option of the Metropolitan Government on July 1, 2027 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 Series 2017 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 Series 2017 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 Series 2017 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2017 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 Series 2017 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2017 Bonds within the maturity to be redeemed shall be selected by the Paying Agent by lot or such other random manner as the Paying Agent in its discretion shall determine.

(c) Pursuant to Section 6.1 hereof, the Metropolitan Mayor and Director of Finance, or either of them, are authorized to sell the Series 2017 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 Series 2017 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 DTC Participant in the Term Bonds to be so redeemed shall be selected by DTC, or such person as shall then be serving as Depository for the Series 2017 Bonds, using its procedures generally in use at that time. If DTC, or another Depository is no longer serving as securities depository for the Series 2017 Bonds, the Term Bonds to be so redeemed shall be selected by the Paying Agent by lot or such other random manner as the Paying Agent in its discretion shall select.

(d) 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 Paying Agent for cancellation Series 2017 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under the mandatory redemption provisions set forth in (c) above for any Series 2017 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 Paying 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 Paying 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 Series 2017 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 Paying 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 Paying 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 Series 2017 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2017 Bond registration records of the Paying 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 Series 2017 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 Paying Agent moneys sufficient to redeem all the Series 2017 Bonds of a series called for redemption, the notice of redemption shall state that the redemption of such Series 2017 Bonds of such series is conditional upon and subject to deposit of moneys with the Paying Agent sufficient to redeem all such Series 2017 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 Paying Agent shall mail said notices, in the case of mandatory redemption of Term Bonds, as and when provided herein and in the Series 2017 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 Paying 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 Paying Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Series 2017 Bonds to be redeemed as provided in this Third Supplemental Resolution, then: (1) the Series 2017 Bonds so called for redemption shall become and be due and payable at the redemption price provided for

redemption of such Series 2017 Bonds on such date; (2) interest on the Series 2017 Bonds so called for redemption shall cease to accrue; and, (3) such Series 2017 Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of this Third Supplemental Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Paying Agent.

(b) If on the redemption date, monies for the redemption of all Series 2017 Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Paying Agent so as to be available therefor on such date, the Series 2017 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 this Third Supplemental Resolution.

ARTICLE V.
PAYING AGENT AND BOND REGISTRAR

The Metropolitan Government hereby appoints U.S. Bank National Association to serve as the Paying Agent and Bond Registrar for the Series 2017 Bonds, and authorizes and directs the Paying Agent to maintain registration records with respect to the Series 2017 Bonds, to authenticate and deliver the Series 2017 Bonds at original issuance, upon transfer, or as otherwise directed by the Metropolitan Government, to effect transfers of the Series 2017 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2017 Bonds as provided herein, to cancel and destroy Series 2017 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 Series 2017 Bonds canceled and destroyed, and to furnish the Metropolitan Government at least annually an audit confirmation of Series 2017 Bonds paid, Series 2017 Bonds Outstanding and payments made with respect to interest on the Series 2017 Bonds. The Metropolitan Mayor, the Director of Finance, the Metropolitan Treasurer, or any 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 Paying Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Paying Agent and Bond Registrar. The payment of all reasonable fees and expenses of the Paying Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Metropolitan Mayor, the Director of Finance, the Metropolitan Mayor, or any of them, is hereby authorized to enter into agreements with the Paying Agent for the performance of these duties on terms consistent with this Supplemental Resolution.

ARTICLE VI.
SALE OF BONDS AND APPLICATION OF PROCEEDS

Section 6.1. Sale of Series 2017 Bonds.

(a) The Series 2017 Bonds shall be sold at a negotiated sale by the Metropolitan Mayor, as permitted by law, in one or more series, at a price of not less than 98% of par, without regard to any original issue 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 sale of the Series 2017 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 the Series 2017 Bonds to be sold in an aggregate principal amount less than that provided in Section 3.1 hereof.

(c) The Metropolitan Mayor and Director of Finance, or either of them, are further authorized with respect to the Series 2017 Bonds to:

- (1) change the dated date to a date other than the Date of Issuance;
- (2) change the series designation;
- (3) change the first interest payment date to a date other than January 1, 2018, provided that such date is not later than twelve months from the Date of Issuance;
- (4) establish the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series 2017 Bonds, provided that (A) the total principal amount of the Series 2017 Bonds does not exceed the total amount of Series 2017 Bonds authorized herein, (B) the final maturity date shall be not later than that provided in Section 3.3 of this Supplemental Resolution and (C) the weighted average maturity of the Series 2017 Bonds does not exceed the expected weighted average life of the projects financed by the Commercial Paper;
- (5) adjust or remove the optional redemption provisions for the Series 2017 Bonds;
- (6) sell the Series 2017 Bonds, or any maturities thereof, as Term Bonds with mandatory redemption requirements as determined by the Metropolitan Mayor or Director of Finance to be most advantageous to the Metropolitan Government; and
- (7) determine whether the Series 2017 Bonds shall be an Additionally Secured Series; and
- (8) designate one or more series of the Series 2017 Bonds as Green Bonds.

(d) The form of the Series 2017 Bonds set forth in Exhibit A hereto shall be conformed to reflect any changes made pursuant to this Section 6.1 hereof.

(e) The Metropolitan Mayor and the Metropolitan Clerk are authorized to cause the Series 2017 Bonds to be authenticated and delivered by the Paying Agent to the original purchaser of the Series 2017 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 Series 2017 Bonds.

Section 6.2. 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 Series 2017 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 Series 2017 Bonds and the financial condition of the Metropolitan Government. After the Series 2017 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 herewith as are necessary or desirable to complete it as a final Official Statement for the Series 2017 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 Series 2017 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 6.3. Disposition of Bond Proceeds. The proceeds of the sale of the Series 2017 Bonds shall be disbursed as follows:

(a) An amount which will be sufficient to retire the Commercial Paper at maturity shall be deposited to the Commercial Paper Fund established by the Issuing and Paying Agency Agreements related thereto, between the Metropolitan Government and U.S. Bank National Association (the "Issuing and Paying Agent"), and invested by the Issuing and Paying Agent as directed by the Director of Finance until needed to retire the Commercial Paper. Any amounts remaining with the Issuing and Paying Agent after the retirement of the Commercial Paper shall be transferred to the Debt Service Fund and applied to the payment of interest on the Series 2017 Bonds.

(b) If applicable, an amount sufficient to fund any Debt Service Reserve Requirement attributable to the Series 2017 Bonds, as contemplated by Section 2.3 hereof, will be deposited to the applicable account of the Debt Service Reserve Fund.

(c) The balance of the proceeds of the Series 2017 Bonds shall be expended on the costs of issuing the Series 2017 Bonds.

Section 6.4. Tax Matters. The Metropolitan Government recognizes that the purchasers and owners of the Series 2017 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 Series 2017 Bonds. As such, the Metropolitan Government agrees that it shall take no action which may cause the interest on any of said Series 2017 Bonds to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Metropolitan Council that the proceeds of the Series 2017 Bonds will not be used in a manner which will cause the Series 2017 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Metropolitan Government.

ARTICLE VII.
DEFEASANCE OF SERIES 2008 BONDS AND ESCROW AGREEMENT

Section 7.1. Defeasance of Series 2008 Bonds and Disposition of Funds. To facilitate the issuance of the Series 2017 Bonds on parity with the Series 2010 Bonds and the Series 2013 Bonds, the Metropolitan Government is hereby authorized to defease all or a portion of the Series 2008 Bonds pursuant to the terms of the Prior Resolution. The Metropolitan Government shall defease the Series 2008 Bonds using available funds of the System. The Metropolitan Government shall transfer System funds to the Escrow Agent under the Escrow Agreement in an amount which, together with any investment earnings thereon, will be sufficient to pay principal of and interest on the Series 2008 Bonds selected for defeasance to their maturity dates. Such amount shall be deposited to the escrow fund established under the Escrow Agreement to be held and applied as provided therein.

Section 7.2. Authorization of Escrow Agreement. For the purpose of providing for the payment of the principal of and interest on the Series 2008 Bonds, there is hereby authorized to be executed and delivered on behalf of the Metropolitan Government an Escrow Agreement with the Escrow Agent and to be deposited with the Escrow Agent the amount described in Section 7.1 above to be used by the Escrow Agent to purchase the investments provided therein. 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 interest on the Series 2008 Bonds selected for defeasance and to exercise such duties as set forth in the Escrow Agreement.

ARTICLE VIII.
MISCELLANEOUS

Section 8.1. 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, notices, 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 Supplemental Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the Metropolitan Government of the Series 2017 Bonds.

Section 8.2. No Recourse Under Resolution or on Series 2017 Bonds. All stipulations, promises, agreements, and obligations of the Metropolitan Government contained in the Initial Resolutions, the Water and Sewer Bond Resolution or this Third Supplemental 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 Series 2017 Bonds or for any claim based thereon or on the Initial Resolutions, the Water and Sewer Bond Resolution or this Third Supplemental Resolution against any officer, director, or employee of the Metropolitan Government or against any official or individual executing the Series 2017 Bonds.

Section 8.3. Partial Invalidity. If any one or more of the provisions of this Third Supplemental 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 this Third Supplemental 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 8.4. Continuing Disclosure. The Metropolitan Government hereby covenants and agrees that it will provide financial information and event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2017 Bonds. The Metropolitan Mayor is authorized to execute at the Closing of the sale of the Series 2017 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2017 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 Series 2017 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 8.5. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 8.6. Effective Date. This Supplemental Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

[signature page follows]

RECOMMENDED BY:

Scott Potter
Director of Water and Sewerage Services

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 Bonds

(Form of Series 2017 Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
WATER AND SEWER REVENUE BOND, SERIES 2017

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 _____, 20__ 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 principal corporate trust office of U.S. Bank National Association, Nashville, Tennessee, 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 15th day of the calendar month next preceding an 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.

Except as otherwise provided herein or in the Bond Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Bond Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Metropolitan Government and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Bond Resolution, including receipt of all principal and maturity amounts of and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, 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 directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Bond Resolution. 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 its 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 or maturity amounts 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 the 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.

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 of the Metropolitan Government (the "Metropolitan Council") 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 Bond 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 Bond 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 (i) retire the Metropolitan Government's outstanding water and sewer commercial paper bond anticipation notes at maturity; (ii) [fund the Debt Service Reserve Requirement for the Series 2017 Bonds]; and (iii) pay costs incident to the sale and issuance of the Series 2017 Bonds, all as authorized by Substitute Resolution No. RS2010-1442 of the Metropolitan Council, adopted on November 16, 2010, as supplemented by Resolution No. RS2017-____ of the Metropolitan Council, adopted on _____, 2017 (together, 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 7, Chapter 34 and Title 9, Chapter 21 of the Tennessee Code Annotated, as amended, (together, 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 payable from and secured by a pledge of the revenues of the Metropolitan Government's water and sewer system (the "System"), on parity with the Metropolitan Government's outstanding Water and Sewer Revenue Refunding Bonds, Series 2010A, Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment), Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds), Water and Sewer Revenue Refunding Bonds Federally Taxable, Series 2010D and Water and Sewer Revenue Bonds, Series 2013, and subject to prior pledges of such revenues in favor of the Metropolitan Government's outstanding, to the extent outstanding, Water and Sewer Revenue Refunding Bonds, Series 2008A. No 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) 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 (b) 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 his 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 his 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: _____
Metropolitan Mayor

(SEAL)

ATTESTED:

Metropolitan Clerk

APPROVED AS TO FORM
AND LEGALITY:

Director of Law

Transferable and payable at the
principal corporate trust office of: _____
_____, _____

Date of Registration: _____

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

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 Escrow Agreement

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement"), dated as of _____, 2013, 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 Water and Sewer Revenue Refunding Bonds, Series 2008A (Taxable), maturing January 1, ___ through ___, inclusive (the "Series 2008 Bonds"); and

WHEREAS, the Metropolitan Government has determined that it is in its best interest to defease the Series 2008 Bonds by depositing in escrow with the Escrow Agent funds that, with the investment income therefrom, will be sufficient to pay the principal of and interest on the Series 2008 Bonds to their maturity dates; and

WHEREAS, to obtain the funds needed for said deposit, the Metropolitan Government has authorized the transfer of funds (the "Transferred Funds") from its Extension and Replacement Fund to the Escrow Fund established herein; and

WHEREAS, to create the escrow hereinabove described, provide for the deposit of the Transferred Funds and the application thereof, and to provide for the payment of the Series 2008 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 Substitute Resolution No. RS2010-1442 of the Metropolitan Government adopted November 16, 2010, as thereafter supplemented and amended (the "Water and Sewer Bond Resolution").

SECTION 1. Escrow Fund. There is hereby created and established a special and irrevocable 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 Government 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 Series 2008 Bonds shall have an express lien on all moneys, Government 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, Transferred Funds in the amount of \$_____. The Metropolitan Government hereby represents and warrants that such moneys are at least equal to an amount sufficient to purchase the Government Obligations set forth in Schedule A hereto and the Government Obligations so purchased at their respective maturities, together with the cash deposit, will be sufficient to pay principal of and interest on the Series 2008 Bonds to their maturity dates.

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 Government Obligations listed on Schedule A hereto and to deposit such Government 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 agent for the Series 2008 Bonds to pay principal of and interest on the Series 2008 Bonds as set forth on Schedule B hereto.

Except as provided in Sections 6 and 8 hereof, the investment income from the Government 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 Government Obligations held hereunder or to sell, transfer, or otherwise dispose of the Government Obligations acquired hereunder except as provided herein.

SECTION 4. Payment of Series 2008 Bonds.

(a) Payment. As the principal of the Government Obligations set forth in Schedules A hereof and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than the appropriate interest and principal payment dates for the Series 2008 Bonds, transfer from the Escrow Fund to the paying agent for the Series 2008 Bonds amounts sufficient to pay the principal of and interest on the Series 2008 Bonds at the times, in the amounts and in the manner set forth on Schedule B attached hereto and the resolutions authorizing the Series 2008 Bonds.

(b) Excess Funds. When the Escrow Agent has made all required payments of principal and interest on the Series 2008 Bonds as hereinabove provided, the Escrow Agent shall transfer any monies or Government 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 Government Obligations as provided in Section 3 hereof, the owners of the Series 2008 Bonds shall cease to be entitled to any lien, benefit or security under the resolution authorizing the Series 2008 Bonds, and all covenants, agreements and obligations of the Metropolitan Government to the owners of the Series 2008 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. 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 Government Obligations held hereunder.

Unless otherwise directed by the Metropolitan Government, any surplus amounts received from principal or interest payments on such Government Obligations remaining in the Escrow Fund from time to time and not needed at such time to pay principal and interest due or to become due on the Series 2008 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 Series 2008 Bonds.

SECTION 7. Responsibilities of the Escrow Agent. In the event of the Escrow Agent's failure to account for any of the Government Obligations, Substituted Obligations (as defined in Section 8 hereof) or monies received by it, said Government Obligations or Substituted Obligations or monies shall be and remain the property of the Metropolitan Government in trust for the holders of the Series 2008 Bonds, as herein provided, and if for any reason such Government 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 Government Obligations, Substituted Obligations and other monies available for such purpose to pay the Series 2008 Bonds. So long as the Escrow Agent applies the Government 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 Series 2008 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 Government 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 Government Obligations acquired hereunder and to substitute for the Government 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 Government Obligations together with any other funds available for such purpose or (ii) acquire such Substituted Obligations in exchange for the transfer of the Government 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, all principal of and interest on the Series 2008 Bonds which have not been paid previously; (b) the amounts and dates of the anticipated transfers from the Escrow Fund to the paying agent for the Series 2008 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 such disposition, substitution or purchase is permitted under the terms of the resolutions authorizing the Series 2008 Bonds. Any cash from the sale of any Government 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 Series 2008 Bonds and this Agreement, at any time for the payment when due

of the principal of and interest on the Series 2008 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 Series 2008 Bonds or otherwise existing under this Agreement.

SECTION 9. Defeasance of Series 2008 Bonds. The Series 2008 Bonds shall be paid in full on their respective maturity dates. The Agent, as paying agent for the Series 2008 Bonds, has heretofore given a notice of defeasance to the holders of the Series 2008 Bonds in accordance with the resolutions authorizing the Series 2008 Bonds. The Escrow Agent is hereby authorized and directed to make principal and interest payments on the Series 2008 Bonds to the holders thereof as such payments come due up to and including the maturity dates thereof.

SECTION 10. Amendments. This Agreement is made for the benefit of the Metropolitan Government and the holders from time to time of the Series 2008 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 Series 2008 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; and (iii) to include under this Agreement additional funds, securities or properties. 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 10, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Series 2008 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10.

SECTION 11. 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 Series 2008 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 12. 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 12.

SECTION 13. 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 Series 2008 Bonds by first-class mail, postage prepaid, at the addresses shown on the Bond registration books of the paying agent for the Series 2008 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 Series 2008 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 Series 2008 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 Series 2008 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 Series 2008 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 Series 2008 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 14. 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 15. 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 his designee unless otherwise specified in this Agreement.

SECTION 16. 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 17. 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 18. Governing Law. This Agreement shall be construed under the laws of the State of Tennessee.

SECTION 19. 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 20. 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 _____, 201__.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor

(SEAL)

ATTESTED:

Metropolitan Clerk

APPROVED AS TO FORM
AND LEGALITY:

Director of Law

U.S. BANK NATIONAL ASSOCIATION,
Escrow Agent

By: _____
Title: Authorized Signatory

(SEAL)

By: _____
Title: Authorized Signatory

SCHEDULE A

TO ESCROW AGREEMENT

**The Metropolitan Government of Nashville
and Davidson County (Tennessee)
Government 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 Series 2008 Bonds

Debt Service Schedule of **Water and Sewer Revenue Refunding Bonds, Series 2008A, dated March 12, 2008, maturing January 1, ___ through ___, inclusive**, to their Maturity Dates, 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:				

EXHIBIT D

Form of Preliminary Official Statement

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