

Resolution No. RS2012- 317

Resolution authorizing the execution, terms, issuance, sale and payment of general obligation qualified energy conservation bonds in the aggregate principal amount of not to exceed \$10,000,000.

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

WHEREAS, the Metropolitan Council hereby finds that it is in the best interest of the citizens of the Metropolitan Government to finance one or more public works projects (the "Projects") described in Resolution RS2012- 316, adopted on July 3, 2012 (the "Initial Resolution"), including all legal, fiscal, architectural, administrative and engineering costs incident thereto, and to reimburse the Metropolitan Government for funds previously spent therefor; and

WHEREAS, for the purpose of financing all or a portion of the Projects, the Metropolitan Council hereby finds it to be in the best interest of the citizens of the Metropolitan Government to issue its general obligation qualified energy conservation bonds.

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

ARTICLE I.
DEFINITIONS

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

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

"ARRA" means the American Recovery and Reinvestment Act of 2009.

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

"Bonds" means the general obligation qualified energy conservation bonds authorized by this Bond Resolution.

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

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

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

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

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

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

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

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

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

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

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

"Direct Payment Credit" means any refundable direct payment credit received by the Metropolitan Government from the United States Treasury pursuant to Section 54D and Section 6431 of the Code with respect to the Bonds, for which the Metropolitan Government makes an irrevocable election as set forth herein;

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

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

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

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

"Financial Advisor" means First Southwest Company.

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

"Initial Resolution" 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.

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

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

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

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

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

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

"Outstanding" means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Metropolitan Government at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Metropolitan Government for the benefit of the Owner thereof;

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

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

"Projects" has the meaning ascribed in the preamble.

"Registration Agent" means Regions Bank, Nashville, Tennessee, acting as registration and paying agent, or its successor or successors hereafter appointed in the manner provided in Article V hereof.

"Underwriters" means Morgan Keegan & Company, Inc. and the other underwriters designated in the Bond Purchase Agreement by the Metropolitan Mayor and the Finance Director.

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

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

ARTICLE II. AUTHORITY, PLEDGE, AND LEVY

Section 2.1. Authority. For the purposes of (i) funding the costs the Projects; (ii) reimbursing the Metropolitan Government for funds previously spent for the Projects not earlier than sixty (60) days preceding the adoption of the Initial Resolution; and (iii) paying costs incident to the sale and issuance of the Bonds, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Charter, the Initial Resolution, and other applicable provisions of law, general obligation qualified energy conservation bonds of the Metropolitan Government in one or more series in an aggregate principal amount of not to exceed \$10,000,000.

Section 2.2. Pledge. The Bonds, including the principal thereof and the premium, if any, and interest thereon, shall be payable from ad valorem taxes to be levied for such purpose on all taxable property in the General Services District without limit as to time, rate, or amount.

Said Bonds shall be direct general obligations of the Metropolitan Government, and the full faith and credit of the Metropolitan Government, together with the taxing power of the Metropolitan Government as to all taxable property in the General Services District, are hereby irrevocably pledged. The principal of and the premium, if any, and interest on, said Bonds may be paid from the debt service fund of the General Services District for debt service attributable to Projects financed by Bonds in the General Services District, from the debt service fund of the Urban Services District for debt service attributable to Projects financed by Bonds in the Urban Services District and from the school debt service fund for debt service attributable to school Projects financed by Bonds. The Bonds are additionally payable from, but not secured by, Direct Payment Credits received in respect of such Bonds.

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

ARTICLE III.

FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 3.1. Authorized Bonds and Findings of the Metropolitan Government. No Bonds may be issued under the provisions of this Bond Resolution except in accordance with the provisions of this Article. The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed \$10,000,000.

Section 3.2. Form of Bonds; Execution.

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

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

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

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

(a) The Bonds shall be designated as "General Obligation Improvement Bonds Federally Taxable, Series 2012 (Qualified Energy Conservation Bonds – Direct Payment)" or such other designation as shall be determined pursuant to Section 7.1 hereof. The Bonds shall be dated the Closing Date or such other date as shall be established pursuant to Section 7.1 hereof. Subject to adjustments permitted in Section 7.1 hereof, the Bonds shall bear interest from the date thereof at a rate or rates not exceeding 7.25% or the maximum interest rate permitted by applicable law, such interest being payable semi-annually on the fifteenth day of February and August of each year, commencing February 15, 2013. Subject to adjustments permitted in Section 7.1 hereof, the Bonds shall mature, subject to prior redemption as hereinafter provided, on August 15, 2033, in such amount as shall be provided in the Bond Purchase Agreement.

(b) The Bonds shall be payable, principal, premium, if any, and interest, in lawful money of the United States of America at the principal corporate trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the day

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

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

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

Section 3.5. Registration, Transfer and Exchange of Bonds.

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

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

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF

ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS BOND RESOLUTION.

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

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

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

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

Section 3.6. Authorization and Preparation of Temporary Bonds.

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

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

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

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

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

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

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Metropolitan Government may execute, and upon the request of an Authorized Officer of the Metropolitan Government the Registration Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the

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

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

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

Section 3.8. Authentication. The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Underwriters or as it may designate upon receipt by the Metropolitan Government of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

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

with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

ARTICLE IV.
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 4.1. Redemption Dates and Prices.

(a) Subject to the adjustments permitted pursuant to Section 7.1 hereof, the Bonds may be subject to redemption prior to maturity at the option of the Metropolitan Government, in whole or in part, at a redemption price equal to the greater of:

(i) 100% of the principal amount of the Bonds to be redeemed; or

(ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be redeemed discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus additional basis points not less than ten per maturity as shall be determined by the Mayor and the Director of Finance and set forth in the Bond Purchase Agreement,

plus, in each case, accrued and unpaid interest on the Bonds being redeemed to the redemption date.

(b) The Bonds are subject to mandatory redemption in whole or in part, and if in part in integral multiples of \$5,000 by lot, at a redemption price equal to the principal amount of the redeemed Bonds plus accrued interest to a redemption date designated by the Metropolitan Government that is not later than 90 days after the end of the Available Project Proceeds Expenditure Period (defined below), in a principal amount equal to the unexpended Available Project Proceeds (defined below) of the Bonds on deposit in the 2012 Energy Conservation Construction Fund as of the end of the Available Project Proceeds Expenditure Period. "Available Project Proceeds" means (i) the excess of the proceeds from the sale of the Bonds over the issuance costs financed by the Bonds and (ii) the proceeds from any investment of the excess described in (i). "Available Project Proceeds Expenditure Period" means the period ending (a) on the third anniversary of the date the Bonds are issued, or (b) in the event the United States Internal Revenue Series (the "IRS") grants an extension of the three-year expenditure period, the last day of the extended expenditure period.

(c) Subject to the adjustments permitted pursuant to Section 7.1 hereof, in addition, the Bonds may be subject to extraordinary optional redemption, in whole or in part, at the option of the Metropolitan Government, at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. Subject to the adjustments permitted in Section 7.1 hereof, the Extraordinary Redemption Price is equal to the greater of (A) the issue price of the Bonds (but not less than 100%), as described in the Federal Tax Certificate executed by the Finance Director in connection with the Bonds, to be redeemed or (B) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be redeemed to the first optional redemption date described above,

treating any principal payments due after such optional redemption date as if such principal payments were due on such optional redemption date, as it may be adjusted pursuant to Section 7.1 hereof, of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus not less than fifty basis points as may be adjusted pursuant to Section 7.1 hereof, plus accrued interest on the Bonds to be redeemed to the redemption date.

An "Extraordinary Event" shall have occurred if the Metropolitan Government determines that a material adverse change has occurred to Section 54D or Section 6431 of the Code (as such sections were added by ARRA, pertaining to qualified energy conservation bonds) with respect to the Bonds or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the Metropolitan Government to satisfy the requirements to receive the Direct Payment Credits, pursuant to which the Direct Payment Credits are reduced or eliminated.

"Treasury Rate" means, with respect to any redemption date for a particular Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

For the purposes of determining the Treasury Rate, the following definitions shall apply:

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has or have an actual or interpolated maturity comparable to the remaining life of the applicable Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the applicable Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Bond, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Designated Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the Metropolitan Government.

"Reference Treasury Dealer" means three firms, specified by the Metropolitan Government from time to time, that are primary U.S. Government securities dealers in City of New York, New York (each a "Primary Treasury Dealer"); provided, however, that if any of

them ceases to be a Primary Treasury Dealer, the Metropolitan Government shall substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.

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

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

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

(e) Pursuant to Section 7.1 hereof, the Metropolitan Mayor and Director of Finance, or either of them, are authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities established pursuant to the terms hereof. In the event any or all the Bonds are sold as Term Bonds, the Metropolitan Government shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the amounts provided in the Bond Purchase Agreement for each redemption date at a price of par plus accrued interest thereon to the date of redemption. The interest of each Participant in the Term Bonds to be so redeemed shall be selected by DTC, or such Person as shall then be serving as the securities depository for the Bonds, using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Term Bonds to be so redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Metropolitan Government may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against

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

Section 4.2. Notice of Redemption. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Metropolitan Government not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Bonds 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. The Registration Agent shall mail said notices, in the case of mandatory redemption of Term Bonds, as and when provided herein and in the Bonds, and, in the case of optional redemption, as and when directed by the Metropolitan Government pursuant to written instructions from an Authorized Officer of the Metropolitan Government given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent).

Section 4.3. Payment of Redeemed Bonds.

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

(b) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or

portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of the Bond Resolution.

ARTICLE V.
REGISTRATION AGENT

Section 5.1. Appointment and Acceptance of Duties.

(a) The Metropolitan Government hereby appoints the Registration Agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Metropolitan Government, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Metropolitan Government at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the Metropolitan Government at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The Metropolitan Mayor and the Director of Finance, or either of them is hereby authorized to execute and the Metropolitan Clerk is hereby authorized to attest such written agreement between the Metropolitan Government and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Registration Agent may also act as a filing agent for the Bonds and timely file the Form 8038-CP and receive the Direct Payment Credits in connection therewith. The Director of Finance is hereby authorized to enter into agreements with the Registration Agent for the performance of these duties on terms consistent with this Bond Resolution.

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

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

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Director of Finance. The Registration Agent may be removed at any time by the Director of Finance, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Director of Finance and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-

Five Million Dollars (\$75,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

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

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

ARTICLE VI. DEFEASANCE OF BONDS

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

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

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

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

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

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

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

ARTICLE VII. SALE OF BONDS AND DEPOSIT OF PROCEEDS

Section 7.1. Sale of Bonds. (a) The Bonds shall be sold at a negotiated sale by the Metropolitan Mayor, as permitted by law, in one or more series, at a price of not less than 98% of par, plus accrued interest, 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 Bonds to the Underwriters shall be binding on the Metropolitan Government, and no further action of the Metropolitan Council with respect thereto shall be required.

(b) The Metropolitan Mayor and the Director of Finance are authorized to cause to be sold an aggregate principal amount of Bonds less than that shown in Section 3.1 hereof, and to make corresponding adjustments to the maturity schedule designated in Section 3.1 hereof, so long as the total aggregate principal amount of all series issued under this Bond Resolution does not exceed the total aggregate of Bonds authorized to be issued herein.

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

(1) designate the Bonds as qualified energy conservation bonds pursuant to Section 54D of the Code and make an irrevocable election pursuant to Section 6431 of the Code and in accordance with subsection (d) below to receive periodic interest subsidy payments in connection with such Bonds;

(2) change the dated date to a date other than the date of issuance;

(3) specify the series designation;

(4) change the first interest payment date to a date other than February 15, 2013, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(8) adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of each series of the Bonds, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein, and (B) the final maturity date of each series shall be not later than provided in Section 3.3 (a) of this Bond Resolution;

(8) adjust or remove the optional redemption provisions, provided that the premium amount to be paid shall not exceed the amount set forth herein;

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

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

(d) The Bonds are hereby designated as qualified energy conservation bonds under Section 54D of the Code, and the Metropolitan Mayor is directed to make the irrevocable election required under Section 6431 of the Code to qualify such Bonds for Direct Payment Credits on each interest payment date. The Metropolitan Mayor or Director of Finance is further authorized to submit Form 8038-CP prior to each interest payment date for the purpose of receiving the Direct Payment Credit with respect to each interest payment date, or take such other actions required for receipt of the Direct Payment Credit required by the Internal Revenue Service of the United States Treasury. The Metropolitan Mayor or Director of Finance shall further designate and direct the deposit of the Direct Payment Credit for the payment of the interest on the Bonds or for deposit to the Metropolitan Government's Debt Service Fund. All decisions by the Metropolitan Mayor or Director of Finance made pursuant to this subsection

shall be binding on the Metropolitan Government, and no further action of the Metropolitan Council with respect thereto shall be required.

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

(f) The Metropolitan Mayor is authorized to sell the Bonds to the Underwriters at a negotiated sale. The sale of any series of Bonds by the Metropolitan Mayor to the Underwriters shall be binding on the Metropolitan Government, and no further action of the Metropolitan Council with respect thereto shall be required. The form of the Bonds set forth in Exhibit A hereto, shall be conformed to reflect any changes made pursuant to this Section 7.1 hereof.

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

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

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

Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Metropolitan Government except for the omission in the Preliminary Official Statement of such pricing and other information.

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

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

(b) An amount designated by the Director of Finance shall be placed in a special fund of the Metropolitan Government (the "2012 Energy Conservation Construction Fund") to be kept separate and apart from all other funds of the Metropolitan Government, which fund may bear such designation as the Director of Finance shall determine, and which fund may contain such accounts and sub-accounts as the Director of Finance shall determine. The 2012 Energy Conservation Construction Fund shall be disbursed solely to pay the costs of the Projects, including all legal, fiscal, architectural, administrative and engineering costs incident thereto and reimbursing the Metropolitan Government for funds previously expended for the Projects. Moneys in the 2012 Energy Conservation Construction Fund shall be invested as directed by the Metropolitan Treasurer in such investments as shall be permitted by applicable law and the earnings thereon shall either be retained in the 2012 Energy Conservation Construction Fund or directed to the payment of debt service on the Bonds, as the Director of Finance may determine, consistent with applicable law.

(c) The remaining proceeds of the sale of the Bonds shall be used to pay the costs of issuance and sale of the Bonds including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Any funds remaining after payment of said expenses shall be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds or shall be transferred to the 2012 Energy Conservation Construction Fund, as the Director of Finance may determine.

(f) Notwithstanding the above, all proceeds of the Bonds shall only be used for the purposes permitted for qualified energy conservation bonds under Section 54D of the Code.

ARTICLE VIII. MISCELLANEOUS

Section 8.1. Failure to Present Bonds.

(a) Subject to the provisions of Section 3.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the owner

thereof, all liability of the Metropolitan Government to such owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Bond Resolution or on, or with respect to, said Bond.

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

Section 8.2. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond, or the date fixed for redemption of any Bond, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 8.3. Miscellaneous Acts. The appropriate officers of the Metropolitan Government are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the Metropolitan Government of the Bonds.

Section 8.4. Amendment. The Metropolitan Council is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 8.5. No Recourse Under Bond Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Metropolitan Government contained in the Initial Resolutions or the Bond Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Metropolitan Government and not of any officer, director, or employee of the Metropolitan Government in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or the Bond Resolution against any officer, director, or employee of the Metropolitan Government or against any official or individual executing the Bonds.

Section 8.6. Partial Invalidity. If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 8.7. 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 Bonds. The Metropolitan Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the Metropolitan Government to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Metropolitan Government to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

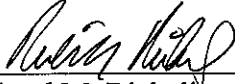
Section 8.8. Debt Management Policy. In conformance with the directive of the State Funding Board of the State of Tennessee, the Metropolitan Government has heretofore adopted its Debt Management Policy. The Metropolitan Council hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Metropolitan Government's Debt Management Policy. Specifically, the Metropolitan Council hereby finds that a negotiated sale of the Bonds is in the best interest of the Metropolitan Government because of the flexibility it affords in a fluctuating market environment.

Section 8.9. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 8.10. Effective Date. This Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.


[signature page follows]

APPROVED AS TO AVAILABILITY OF FUNDS BY:



Richard M. Riebeling
Director of Finance

APPROVED AS TO FORM AND LEGALITY:



Saul Solomon
Director of Law

INTRODUCED BY:

MEMBERS OF COUNCIL