



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

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**File #:** RS2021-699, **Version:** 1

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Resolution authorizing the execution, terms, issuance, sale and payment of general obligation refunding bonds in multiple series in an aggregate principal amount of not to exceed \$641,000,000.

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

WHEREAS, the Metropolitan Council hereby finds that it is in the best interest of the citizens of the Metropolitan Government, for the purposes of achieving debt service savings, to refund all or a portion of its outstanding General Obligation Improvement and Refunding Bonds, Series 2010A (the "Series 2010A Bonds"), General Obligation Refunding Bonds, Series 2010D (the "Series 2010D Bonds"), General Obligation Refunding Bonds, Series 2011 (the "Series 2011 Bonds"), General Obligation Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), General Obligation Refunding Bonds, Series 2013 (the "Series 2013 Bonds"), General Obligation Improvement Bonds, Series 2015C (the "Series 2015C Bonds"), and General Obligation Refunding Bonds, Series 2016 (the "Series 2016 Bonds" and collectively, the "Outstanding Bonds"); and

WHEREAS, under applicable federal tax laws, refunding bonds may not be issued on a tax-exempt basis, but may be issued on a taxable basis, in order to refund outstanding bonds more than 90 days prior to their first optional redemption date; and

WHEREAS, the Series 2011 Bonds, the Series 2012 Bonds, the Series 2013 Bonds, the Series 2015C Bonds and the Series 2016 are not subject to optional redemption until July 1, 2021, July 1, 2022, July 1, 2023, July 1, 2025 and July 1, 2026, respectively, so any bonds issued to refund those bonds must be issued on a taxable basis; and

WHEREAS, the plan of refunding for the Outstanding Bonds, as required by Section 9-21-903, Tennessee Code Annotated, and a request for approval of financing, as required by Section 9-21-910, Tennessee Code Annotated, have been submitted to the Director of the Division of Local Government Finance for the State of Tennessee (the "State Director"), and she has acknowledged receipt thereof and submitted her report thereon and approval thereof to the Metropolitan Government; and

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

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

## DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

"Debt Management Policy" means the debt management policy of the Metropolitan Government adopted by resolution of the Metropolitan Council on December 5, 2017, as may hereafter be amended.

"Defeasance Obligations" means direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to

redemption prior to their maturity other than at the option of the registered owner thereof.

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

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

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

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

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

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

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

"Federally Taxable Bonds" means any series of Bonds, the interest on which is includable in gross income of the holders thereof for federal income tax purposes.

"Federally Tax-Exempt Bonds" means any series of Bonds, the interest on which is intended to be excludable from gross income of the holders thereof for federal income tax purposes.

"Financial Advisor" means Hilltop Securities Inc.

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

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

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

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

"Metropolitan Government" means The Metropolitan Government of Nashville and Davidson County.

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

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

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

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

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

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

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

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

"Series 2010A Bonds" shall have the meaning ascribed in the preamble.

"Series 2010D Bonds" shall have the meaning ascribed in the preamble.

"Series 2011 Bonds" shall have the meaning ascribed in the preamble.

"Series 2012 Bonds" shall have the meaning ascribed in the preamble.

"Series 2013 Bonds" shall have the meaning ascribed in the preamble.

"Series 2015C Bonds" shall have the meaning ascribed in the preamble.

"Series 2016 Bonds" shall have the meaning ascribed in the preamble.

"Underwriters" means UBS Financial Services Inc., acting on behalf of itself and as representative for Morgan Stanley & Co., Loop Capital Markets, Barclays, Blaylock Van, LLC, Piper Sandler & Co. and the other underwriters, if any, designated in the Bond Purchase Agreement by the Metropolitan Mayor and the Director of Finance.

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

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

#### AUTHORITY, PLEDGE, AND LEVY

Authority. For the purposes of (i) refunding the Refunded Bonds and (ii) paying costs incident to the sale and issuance of the Bonds, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Charter and other applicable provisions of law, general obligation refunding bonds of the Metropolitan Government in one or more series in an aggregate principal amount of not to exceed \$641,000,000. The Metropolitan Government is hereby authorized to issue the Bonds in separate series, with one or more series being issued as Federally Tax-Exempt Bonds and Federally Taxable Bonds, all as permitted pursuant to Section 7.1 hereof. Federally Taxable Bonds shall be issued only to (i) refund the Series 2011 Bonds, Series 2012 Bonds, Series 2013 Bonds, Series 2015C Bonds and Series 2016 Bonds, and (ii) pay costs of issuing the Federally Taxable Bonds. Federally Tax-Exempt Bonds shall be issued only to (i) refund the Series 2010A Bonds and the Series 2010D Bonds, and (ii) pay costs of issuing the Federally Tax-Exempt Bonds.

Pledge. Debt service on the Bonds shall be payable from ad valorem taxes to be levied for such purpose on all taxable property in the Metropolitan Government 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 Metropolitan Government, are hereby irrevocably pledged. Without limiting the foregoing, the debt service on the Bonds shall be paid from (i) the debt service fund of the General Services District for debt service attributable to Bonds the proceeds of which refunded Refunded Bonds that financed or refinanced projects in the General Services District, (ii) the debt service fund of the Urban Services District for debt service attributable to Bonds the proceeds of which refunded Refunded Bonds that financed or refinanced projects in the Urban Services District, and (iii) the school debt service fund for debt service attributable to Bonds the proceeds of which refunded Refunded Bonds that financed or refinanced school projects.

Levy of Taxes. For the purpose of providing for the payment of debt service 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 debt service 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 debt service attributable to Bonds issued to refund Refunded Bonds that financed or refinanced school projects and projects in the General Services District; and the taxes so levied in the Urban Services District shall be levied in an amount sufficient to pay that portion of such debt service attributable to Bonds issued to refund Refunded Bonds that financed or refinanced projects in the Urban Services District; provided, further, however, that the Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property in the Metropolitan Government to the full extent necessary to pay all debt service 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. Debt service 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.

#### FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

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 \$641,000,000. The Metropolitan Government hereby finds that the refunding of the Refunded Bonds is advantageous and necessary to the Metropolitan Government to realize debt service savings.

#### Form of Bonds; Execution.

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

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 or her manual or facsimile signature.

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.

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

The Federally Tax-Exempt Bonds shall be designated "General Obligation Refunding Bonds, Series 2021A" or such other designation as shall be determined pursuant to Section 7.1 hereof. The Federally Taxable Bonds shall be designated "General Obligation Refunding Bonds, Series 2021B (Federally Taxable)" 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 6.00%, such interest being payable semi-annually on the first day of January and July of each year, commencing on July 1, 2021. Subject to adjustments permitted in Section 7.1 hereof, the Federally Tax-Exempt Bonds shall mature, subject to prior redemption as hereinafter provided, either serially or through mandatory redemption, commencing on July 1, 2021 through July 1, 2026, in such amounts as shall be provided in the Bond Purchase Agreement. Subject to adjustments permitted in Section 7.1 hereof, the Federally Taxable Bonds shall mature, subject to prior redemption as hereinafter provided, either serially or through mandatory redemption, commencing on July 1, 2021 through July 1, 2034, in such amounts as shall be provided in the Bond Purchase Agreement.

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

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.

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.

Registration, Transfer and Exchange of Bonds.

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.

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.

Authorization and Preparation of Temporary Bonds.

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.

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

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.

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.

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

Mutilated, Lost, Stolen, or Destroyed Bonds.

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.

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.

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.

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.

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.

## REDEMPTION OF BONDS PRIOR TO MATURITY

### Redemption Dates and Prices.

Subject to the adjustments permitted pursuant to Section 7.1 hereof, (i) the Federally Tax-Exempt Bonds shall not be subject to redemption prior to maturity at the option of the Metropolitan Government.

Subject to the adjustments permitted pursuant to Section 7.1 hereof, (i) the Federally Taxable Bonds shall be subject to redemption prior to maturity at the option of the Metropolitan Government on July 1, 2030 and thereafter, as a whole or in part at any time, at a redemption price equal to the par amount of the Federally Taxable Bonds to be redeemed, plus accrued and unpaid interest on such Federally Taxable Bonds to the redemption date.

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

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

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

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.

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

Payment of Redeemed Bonds.

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.

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.

## REGISTRATION AGENT

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

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.

## Resignation or Removal of the Registration Agent and Appointment of Successors.

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.

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.

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.

## DEFEASANCE OF BONDS

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:

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;

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

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.

#### SALE OF BONDS AND DEPOSIT OF PROCEEDS

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

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

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

- (1) designate the Outstanding Bonds to be refinanced by the Bonds as Refunded Bonds;
- (2) change the dated date to a date other than the date of issuance;
- (3) specify the series designation for each series of Bonds;
- (4) change the first interest payment date to a date other than July 1, 2021, provided that such date is not later than twelve months from the dated date of such series of Bonds;
- (5) adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Bonds, provided that (A) the total principal amount of the Bonds does not exceed the total amount of Bonds authorized herein, and (B) the final maturity date of the Bonds shall be not later than



the final maturity date of the Refunded Bonds;

(6) adjust the optional redemption provisions of the Bonds and the manner of the selection thereof;

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

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

(9) direct that any series of Bonds be issued as Federally Taxable Bonds or as Federally Tax-Exempt Bonds, in a manner consistent with this Resolution.

(d) The Metropolitan Mayor is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Metropolitan Council. The Metropolitan Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Metropolitan Council, in one or more series as 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 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.

Official Statement. The Metropolitan Mayor and Director of Finance, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds in the form of the Preliminary Official

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

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

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

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

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.

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

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

Authorization of Escrow Agreement. For the purpose of providing for the payment of the principal of and premium, if any, and interest on the Refunded Bonds, there is hereby authorized to be executed and delivered on behalf of the Metropolitan Government one or more Refunding Escrow Agreements with the Escrow Agent and to be deposited with the Escrow Agent the amount described in Section 7.3(b) hereof to be used by the Escrow Agent to purchase the investments provided therein; provided, however, that the yield on such investments shall be determined in such manner that none of the Federally Tax-Exempt Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The form of Escrow Agreement attached hereto as Exhibit C is hereby in all respects approved, and the Metropolitan Mayor is hereby authorized to execute and the Metropolitan Clerk to attest one or more Escrow Agreements 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 Agreements shall be approved as to form and legality by the Director of Law. The Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment when due of principal of and premium and interest on the Refunded Bonds and to exercise such duties as set forth in the Escrow Agreements.

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

#### MISCELLANEOUS

##### Failure to Present Bonds.

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.

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.

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.

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.

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

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

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.

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.

Debt Management Policy. In conformance with the directive of the State Funding Board of the State of Tennessee, the Metropolitan Government has heretofore adopted its Debt Management Policy. The Metropolitan Council hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Metropolitan Government's Debt Management Policy. Specifically, the Metropolitan Council hereby finds that a negotiated sale of the Bonds is in the best interest of the Metropolitan Government because of the flexibility it affords in a fluctuating market environment. Finally, given the historically low interest rate environment and the budget pressures facing the Metropolitan Government, the Metropolitan Council hereby approves a refunding of all or any portion of the Outstanding Bonds that generates net present value savings of not less than 3.5% of Refunded Bond principal.

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

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

### Analysis

This resolution authorizes the issuance of general obligation (G.O.) refunding bonds in an amount not to exceed \$641 million. This resolution will refund the Series 2010A, 2010D, 2011, 2012, and 2013 G.O. refunding bonds and the Series 2015C G.O. improvement bonds. The purpose of the refunding is to achieve debt service savings. The authorization of the refunding bonds will not result in the Metropolitan Government incurring new debt, but provides for the refinancing of debt that is currently outstanding. The term of the debt will not be extended and the annual debt service requirement will not increase. As with all general obligation bonds, these refunding bonds are supported by the full faith and credit of the Metropolitan Government and are to be paid from property tax revenue.

This refunding bond will be issued in two series: Series 2021A tax exempt bonds and Series 2021B taxable bonds. The refunding of the Series 2011, 2012, 2013, 2015C, and 2016 bonds will be taxable under the IRS regulations since they are being refunded more than 90 days prior to their first optional redemption date. Taxable bonds are usually issued at a slightly higher interest rate, but given this historically low borrowing costs right now, this amount should be negligible.

The interest rates on the various series of bonds to be refunded are between three and five percent. This resolution approves the refunding of all or a portion of the outstanding bonds that will generate net present value savings of at least 3.5% of the refunded bond principal in accordance with Metro's debt policy approved by Ordinance No. BL2017-949. If the market conditions are favorable to issuing the refunding bonds, it will net

Metro approximately \$39 million in net present value savings over the life of the bonds.

Pursuant to the plan of financing, the savings identified by year is as follows:

Series 2021A

| Date              | Prior Debt Service  | Refunding Debt Service | Savings             |
|-------------------|---------------------|------------------------|---------------------|
| 06/30/2022        | 52,629,875.00       | 50,799,277.78          | 1,830,597.22        |
| 06/30/2023        | 34,074,550.00       | 32,247,250.00          | 1,827,300.00        |
| 06/30/2024        | 32,737,550.00       | 30,910,250.00          | 1,827,300.00        |
| 06/30/2025        | 18,762,700.00       | 16,932,250.00          | 1,830,450.00        |
| 06/30/2026        | 11,267,200.00       | 9,437,500.00           | 1,829,700.00        |
| <u>06/30/2027</u> | <u>4,921,875.00</u> | <u>3,095,500.00</u>    | <u>1,826,375.00</u> |
| Total             | 154,393,750.00      | 143,422,027.78         | 10,971,722.22       |

Series 2021B

| Date              | Prior Debt Service   | Refunding Debt Service | Savings             |
|-------------------|----------------------|------------------------|---------------------|
| 06/30/2022        | 20,994,450.00        | 18,954,736.81          | 2,039,713.19        |
| 06/30/2023        | 39,571,450.00        | 37,534,511.25          | 2,036,938.75        |
| 06/30/2024        | 51,823,700.00        | 49,787,344.50          | 2,036,355.50        |
| 06/30/2025        | 44,968,500.00        | 42,927,279.00          | 2,041,221.00        |
| 06/30/2026        | 84,303,275.00        | 82,262,279.75          | 2,040,995.25        |
| 06/30/2027        | 62,442,500.00        | 60,401,965.50          | 2,040,534.50        |
| 06/30/2028        | 46,627,125.00        | 44,586,051.75          | 2,041,073.25        |
| 06/30/2029        | 9,547,750.00         | 7,509,509.00           | 2,038,241.00        |
| 06/30/2030        | 31,100,125.00        | 29,062,076.00          | 2,038,049.00        |
| 06/30/2031        | 31,096,625.00        | 28,057,769.00          | 3,038,856.00        |
| 06/30/2032        | 53,205,000.00        | 50,164,664.00          | 3,040,336.00        |
| 06/30/2033        | 53,802,000.00        | 50,760,895.00          | 3,041,105.00        |
| 06/30/2034        | 28,803,575.00        | 25,764,967.00          | 3,038,608.00        |
| <u>06/30/2035</u> | <u>28,803,825.00</u> | <u>25,762,828.00</u>   | <u>3,040,997.00</u> |
| Total             | 587,089,900.00       | 553,536,876.56         | 33,553,023.44       |

These bonds will be sold at a negotiated sale with UBS Financial Services as the lead underwriter, with Morgan Stanley & Co., Loop Capital Markets, Barclays, Blaylock Van, LLC, and Piper Sandler & Co. serving as additional underwriters. The Metropolitan Government debt management policy states that it is Metro's preference to use a competitive bid process for the issuance of debt, but may use a negotiated sale process when it is clear that such a process is in the best interest of the Metropolitan Government. Most of the recent bond sales for Metro have been by negotiated sale. Using a negotiated sale does provide more flexibility for timing the market, and Metro will only sell bonds in a principal amount that will generate a justifiable savings for the government, which may be less than the \$641 million authorized.

This resolution also authorizes the preparation and distribution of a preliminary official statement used to market the bonds.

The plan for this refinancing has been approved by the state Comptroller's office.