



# Metropolitan Nashville and Davidson County, TN

## Legislation Details (With Text)

|                       |   |                      |                      |
|-----------------------|---|----------------------|----------------------|
| <b>File #:</b>        | RS2024-297  | <b>Name:</b>         |                      |
| <b>Type:</b>          | Resolution  | <b>Status:</b>       | Passed               |
| <b>File created:</b>  | 3/7/2024  | <b>In control:</b>   | Metropolitan Council |
| <b>On agenda:</b>     | 3/19/2024   | <b>Final action:</b> | 3/19/2024            |
| <b>Title:</b>         | Resolution authorizing and providing for the issuance and sale of general obligation bond anticipation notes in a principal amount not to exceed \$375,000,000 at any one time in the form of commercial paper of The Metropolitan Government of Nashville and Davidson County; authorizing and providing for one or more dealer agreements, issuing and paying agency agreements, and liquidity facility agreements; and providing for certain other matters related thereto |                      |                      |
| <b>Sponsors:</b>      | Delishia Porterfield  |                      |                      |
| <b>Indexes:</b>       |   |                      |                      |
| <b>Code sections:</b> |   |                      |                      |
| <b>Attachments:</b>   | 1. Exhibits A-E   |                      |                      |

| Date      | Ver. | Action By                    | Action   | Result |
|-----------|------|------------------------------|----------|--------|
| 3/20/2024 | 1    | Mayor                        | approved |        |
| 3/19/2024 | 1    | Metropolitan Council         | adopted  |        |
| 3/18/2024 | 1    | Budget and Finance Committee | approved |        |
| 3/12/2024 | 1    | Metropolitan Council         | filed    |        |

Resolution authorizing and providing for the issuance and sale of general obligation bond anticipation notes in a principal amount not to exceed \$375,000,000 at any one time in the form of commercial paper of The Metropolitan Government of Nashville and Davidson County; authorizing and providing for one or more dealer agreements, issuing and paying agency agreements, and liquidity facility agreements; and providing for certain other matters related thereto

WHEREAS, under the provisions of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is authorized to issue and sell from time to time its general obligation bonds, and in anticipation thereof to issue and sell from time to time general obligation bond anticipation notes, to finance the costs of "public works projects", as defined by Section 9-21-105 of the Act; and

WHEREAS, in order to provide financing for such costs for which general obligation bonds and bond anticipation notes have been authorized by initial resolution of the Metropolitan County Council, the Metropolitan County Council deems it advisable and in the best interests of the Metropolitan Government to provide at this time for the issuance and sale from time to time of general obligation bond anticipation notes of the Metropolitan Government, in the form of commercial paper; and

WHEREAS, the Metropolitan Government has previously authorized and issued its general obligation bond anticipation notes ("Prior Notes") pursuant to Resolution No. RS2021-963 adopted by the Metropolitan County Council on June 1, 2021, as amended; and

WHEREAS, the Metropolitan Government desires to refinance all Prior Notes outstanding under Resolution No. RS2021-963 by the issuance of notes authorized hereunder; and

WHEREAS, the Metropolitan Government desires to authorize the execution and delivery of agreements in

connection with the notes authorized hereunder;

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

## ARTICLE I

### DEFINITIONS; AUTHORITY

**SECTION 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, including the preambles hereto, have the following respective meanings:

“Act” means Title 9, Chapter 21, Tennessee Code Annotated, as amended from time to time.

“Authorized Officer” means the Director of Finance and any other persons authorized in writing by the Director of Finance to act as an Authorized Officer hereunder.

“Bank” means a provider of a Facility and its successors and assigns.

“Bank Note” means a promissory note issued by the Metropolitan Government to the order of a Bank, evidencing and securing all loans or advances made by such Bank under a Facility and in accordance with such Facility.

“Bond Counsel” means Bass, Berry & Sims PLC or any other firm of attorneys specializing in the field of municipal finance law, selected by the Metropolitan Government.

“Bonds” means general obligation bonds of the Metropolitan Government authorized on a preliminary basis by the Initial Resolutions.

“Book-Entry Commercial Paper” means Commercial Paper issued in book-entry only form through the Depository pursuant to Section 2.03.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) a State legal holiday, (iv) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the office of the Issuing and Paying Agent is located, or the city in which the principal office of the Dealer is located or the city in which the office of any Bank at which requests for funds under a Facility are required to be presented, are authorized or obligated by law or executive order to be closed, (v) a day on which the New York Stock Exchange is not open for trading, or (vi) with respect to the Book-Entry Commercial Paper, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

“Code” means the Internal Revenue Code of 1986, including regulations, rulings and judicial decisions promulgated thereunder.

“Commercial Paper” means general obligation bond anticipation notes of the Metropolitan Government issued in the form of commercial paper in anticipation of the issuance of Bonds in accordance with the terms hereof.

“Commercial Paper Fund” means the special purpose trust fund established pursuant to Section 2.06 and to be held by the Issuing and Paying Agent.

“Commercial Paper Program” means the program of the Metropolitan Government consisting of the issuance from time to time of Commercial Paper pursuant to the terms of this Resolution.

“Dealer” means BofA Securities, Inc., its successors and assigns, and any other dealer for the Commercial Paper Program, and its successors and assigns, appointed pursuant to this Resolution.

“Dealer Agreement” means the Dealer Agreement authorized by Section 5.01, as the same may be amended or supplemented, and any other dealer agreement which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the Commercial Paper Program.

“Depository” means (i) DTC, (ii) any other Person appointed by the Metropolitan Government to serve as securities depository for the Master Note, and (iii) in each such case, its successors and assigns.

“Director of Finance” means the Director of Finance of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government 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 Finance.

“Director of Law” means the Director of Law of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government 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.

“Director of the Division of Local Government Finance” means the Director of the Division of Local Government Finance within the Office of the Comptroller of the Treasury of the State of Tennessee.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Electronic Means” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“Facility” means a letter of credit and the corresponding reimbursement agreement, revolving credit agreement, line of credit or other liquidity facility or credit support or mechanism delivered, made, entered into or otherwise obtained for the purpose of paying the principal of the Commercial Paper in accordance with the terms of Article IV hereof, and includes the Initial Facility authorized pursuant to Section 4.05 hereof.

“Holder” means any Person who is in possession of any Commercial Paper issued or endorsed to such Person or to the order of such Person or to bearer or in blank; provided, however, that “Holder”, when used with reference to Book-Entry Commercial Paper evidenced by a Master Note, and such Master Note, shall mean the registered owner of such Master Note as shown on the books of the Issuing and Paying Agent kept pursuant to Section 2.03(b).

“Initial Bank” means TD Bank, N.A. and its successors and assigns.

“Initial Facility” means the Revolving Credit Agreement between the Metropolitan Government and the Initial Bank, as amended, supplemented, modified or restated from time to time in accordance with its terms.

“Initial Resolutions” means, collectively, (i) the following initial resolutions of the Metropolitan Government adopted by the Metropolitan County Council for the purposes and not in excess of the respective amounts therein: RS2009-746; RS2010-1363; RS2012-276; RS2013-559; RS2013-710, RS2014-963, RS2014-1126, RS2015-1500, RS2016-245, RS2017-713, RS2017-963, RS2018-1328, RS2018-1454, RS2019-100, RS2020-213, RS2021-757, RS2021-1201, RS2022-1452 and RS2023-1978; and (ii) future initial resolutions adopted by the Metropolitan County Council of the Metropolitan Government; provided that any future initial resolution must first be published and either not sufficiently protested or approved by referendum, all as prescribed by the Act.

“Issuing and Paying Agency Agreement” means the Issuing and Paying Agency Agreement authorized by Section 5.02, as the same may be amended, supplemented, modified or restated from time to time in accordance with its terms, and any other issuing and paying agency agreements which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the Commercial Paper Program.

“Issuing and Paying Agent” means U.S. Bank Trust Company, National Association, appointed by the Metropolitan Government pursuant to this Resolution to serve as Issuing and Paying Agent in accordance with the Issuing and Paying Agency Agreement, and any successor thereto appointed pursuant to this Resolution.

“Master Note” means a master note issued pursuant to Section 2.03.

“Maximum Rate” means, as of any time, with respect to any Commercial Paper and any Bank Note, the maximum rate permitted by applicable State law.

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

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

“Moody's” means Moody's Investors Service, Inc., or any successor then maintaining a rating on Commercial Paper at the request of the Metropolitan Government.

“Office” means, when used with reference to the Issuing and Paying Agent, such address as the Issuing and Paying Agent may designate from time to time by notice in writing to the Metropolitan Government and the Dealer.

“Original Commercial Paper” means Commercial Paper issued for a purpose described in clauses (i) or (ii) of Section 2.02.

“Outstanding” means, when used as of any particular time with reference to Commercial Paper, all Commercial Paper and any Bank Note (to the extent evidencing loans or advances made under a Facility) theretofore or thereupon issued pursuant to this Resolution except (i) Commercial Paper theretofore canceled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation; (ii) Commercial Paper with respect to which, and only to the extent, all liability of the Metropolitan Government shall have been discharged in accordance with Section 8.01; and (iii) Commercial Paper in lieu of, or in substitution for which, other Commercial Paper has been or is then being issued by the Issuing and Paying Agent pursuant to the terms of this Resolution.

“Person” means an individual, corporation, firm, association, partnership, limited liability company, trust, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Prior Notes” shall have the meaning ascribed in the preamble.

“Program Documents” shall mean, collectively, this Resolution, the Dealer Agreement, the Issuing and Paying Agency Agreement, the Bank Note and the Facility (and any fee letter relating to the Facility, as the same may be amended, restated, supplemented or otherwise modified from time to time).

“Rating Agency” means Moody's and S&P, and/or such other securities rating agencies providing a

rating on Commercial Paper at the request of the Metropolitan Government.

“Representation Letter” shall have the meaning set forth in Section 2.03(c).

“Request” shall have the meaning set forth in Section 3.01(c).

“Resolution” means this Resolution, as the same may be amended or supplemented pursuant to Article VII.

“Rollover Commercial Paper” means Commercial Paper issued for the purpose described in clause (iii) of Section 2.02.

“S&P” means S&P Global Ratings, or any successor, then maintaining a rating on Commercial Paper at the request of the Metropolitan Government.

“State” means the State of Tennessee.

“Termination Date” means the date on which a Facility terminates or expires in accordance with its terms.

## SECTION 1.02 Interpretation.

(a) Unless the context shall otherwise indicate, words importing the singular shall include the plural and vice versa.

(b) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(c) The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms used in this Resolution refer to this Resolution as a whole unless otherwise expressly stated.

(d) Any headings preceding the text of the several Articles and Sections and any table of contents of this Resolution are solely for convenience of reference and shall neither constitute a part of this Resolution nor affect its meaning, interpretation or effect.

(e) All references to time herein shall, unless otherwise stated, be to the prevailing time in New York, New York.

SECTION 1.03 Authority for this Resolution. This Resolution is adopted pursuant to the Act and the Initial Resolutions.

## ARTICLE II

### GENERAL OBLIGATION COMMERCIAL PAPER

SECTION 2.01 Authorization for the Issuance of Commercial Paper. In anticipation of the issuance and sale of Bonds, there are hereby authorized to be issued from time to time bond anticipation notes in the form of Commercial Paper in an aggregate principal amount outstanding at any time of not to exceed \$375,000,000, consisting of (i) Original Commercial Paper and (ii) Rollover Commercial Paper related thereto. Not more than \$375,000,000 of Commercial Paper shall be at any one time Outstanding pursuant to this Resolution, but the Metropolitan Government may, during the course of the Commercial Paper Program, issue more than \$375,000,000 of Commercial Paper. Nothing herein shall preclude the Metropolitan Government from, or limit its ability to, issue bond anticipation notes in anticipation of the issuance of the Bonds outside of this Resolution. Commercial Paper shall not be issued by the Metropolitan Government unless and until an Authorized Officer shall have determined that such issuance shall satisfy the conditions and limitations set forth in Section 3.01(b) hereof.

SECTION 2.23 Use of Proceeds. The proceeds of Commercial Paper shall be used only for (i) the

purpose of providing financing for the costs of public works projects (as defined and permitted by the Act) for which Bonds have been authorized by an Initial Resolution; (ii) payment of the Prior Notes; and (iii) the payment of the principal of Outstanding Commercial Paper or the Bank Note and the related loans and advances evidenced thereby. The proceeds of the sale of Commercial Paper shall be applied in the manner set forth in Section 3.02.

#### SECTION 2.03 Book-Entry Commercial Paper.

(a) Subject to subsection (f) of this Section, the Commercial Paper of a series shall be issued (i) in the form of one or more fully registered master note or notes (each, a "Master Note") the ownership of which shall be registered in the name of the nominee of the Depository (initially, with respect to DTC, Cede & Co.) and which may be transferred or exchanged only as hereinafter provided in this Section and, to the extent not inconsistent herewith, in accordance with the procedures of the Depository as then in effect, and (ii) otherwise in book-entry only form through the Depository.

(b) The ownership and transfer of Master Notes shall be registered on books of the Issuing and Paying Agent, which shall be kept for that purpose at the Office of the Issuing and Paying Agent. The Master Notes shall be transferable by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the registration or transfer of a Master Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Master Note, evidencing the Metropolitan Government's obligations with respect to the same Book-Entry Commercial Paper as the instrument surrendered.

(c) In order to qualify the Commercial Paper for the Depository's book-entry system, any Authorized Officer is hereby authorized from time to time to execute and deliver on behalf of the Metropolitan Government to such Depository a letter or letters from the Metropolitan Government representing such matters as shall be necessary or advisable to so qualify the Commercial Paper (each, a "Representation Letter"). The execution and delivery of a Representation Letter shall not in any way impose upon the Metropolitan Government any obligation whatsoever with respect to persons having interests in the Commercial Paper other than the Holders thereof and the Depository. In addition to the execution and delivery of a Representation Letter, the Authorized Officers and the other officers and employees of the Metropolitan Government are hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Commercial Paper for the Depository's book-entry system.

(d) The Depository and its nominee shall be deemed to be and be treated by the Metropolitan Government and the Issuing and Paying Agent as the sole and exclusive Holder of the Master Notes and of all Book-Entry Commercial Paper evidenced thereby, and the beneficial owners of Book-Entry Commercial Paper shall not be deemed to be or treated as the Holders thereof, for the purposes of payment of the principal of or interest on such Book-Entry Commercial Paper, payments under the Master Notes, giving any notice permitted or required to be given to Holders under this Resolution, registering the transfer of the Master Notes, obtaining any consent or other action to be taken by Holders, and for any and all other purposes whatsoever, and neither the Metropolitan Government nor the Issuing and Paying Agent shall be affected by any notice to the contrary. The Issuing and Paying Agent shall pay all principal of and interest on Book-Entry Commercial Paper only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Metropolitan Government's obligations with respect to the principal of and interest on such Book-Entry Commercial Paper to the extent of the sum or sums so paid.

(e) With respect to all Book-Entry Commercial Paper, neither the Metropolitan Government nor the Issuing and Paying Agent shall have any responsibility or obligation to any Depository, direct or indirect participant or any Person claiming a beneficial ownership interest in Book-Entry Commercial Paper under or through the Depository or any Depository participant, or any nominee of any thereof, or any other Person which is not shown on the books of the Issuing and Paying Agent as being the Holder of a Master Note, with

respect to: (1) sending transaction statements; (2) maintaining, supervising or reviewing, or the accuracy of, any records maintained by the Depository, any Depository participant or any such nominees; (3) payment or the timeliness of payment by the Depository to any Depository participant, or by any Depository participant or other nominees of beneficial owners to any beneficial owners, of any amount in respect of the principal of or interest on Book-Entry Commercial Paper; (4) delivery or timely delivery by the Depository to any Depository participant, or by any Depository participant or other nominees of beneficial owners to any beneficial owners, of any notice which is permitted or required to be given to Holders under this Resolution; or (5) any consent or other action taken by the Depository or its nominee as Holder of Book-Entry Commercial Paper.

(f) The Depository may determine not to continue to act as securities depository for the Commercial Paper, or the Metropolitan Government may determine to discontinue the book-entry only issuance of the Commercial Paper through the Depository and in such case shall deliver a written notice to the Issuing and Paying Agent and the Dealer to that effect. In either case, if the Metropolitan Government determines to replace the Depository with another qualified securities depository, the Metropolitan Government shall prepare or direct the preparation of one or more new, separate, fully registered Master Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the Metropolitan Government, the Issuing and Paying Agent and the replacement Depository as are not inconsistent with the terms of this Resolution. If the Metropolitan Government fails to identify another securities depository to replace the Depository, the Metropolitan Government may amend this Resolution pursuant to paragraph (f) of Section 7.01 and shall deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions of this Resolution, as so amended, and of the Issuing and Paying Agency Agreements, Commercial Paper instruments executed on behalf of the Metropolitan Government, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Commercial Paper instrument shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions of this Resolution and of the Issuing and Paying Agency Agreements.

#### SECTION 2.04 Terms Applicable to Commercial Paper.

(a) Subject to the conditions and limitations contained herein, Commercial Paper (i) shall be designated "General Obligation Commercial Paper Notes," (ii) shall bear such series or additional designations as may be determined by an Authorized Officer, (iii) shall be dated as of the date of their issuance, (iv) shall mature on a Business Day, (v) shall not be subject to redemption or tender prior to maturity, except as otherwise permitted by the Facility with respect to a Bank Note, (vi) shall bear interest from their issuance date, payable at maturity with principal, computed on the basis of actual days elapsed, including the issue date and excluding the maturity date, and a 360-day year, except as otherwise provided by the Facility with respect to a Bank Note, (vii) shall be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess of such amount, provided that Bank Notes may be issued in any denomination, (viii) unless otherwise directed by an Authorized Officer, shall be numbered in such manner as the Issuing and Paying Agent shall determine, and (ix) shall be issued on such dates and otherwise have such terms and conditions, all as shall be specified in a Request given to the Issuing and Paying Agent pursuant to Section 3.01(c).

(b) Both the principal of and interest on Commercial Paper shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts. Except in the case of Book-Entry Commercial Paper, principal of and interest on Commercial Paper shall be payable upon presentation and surrender thereof at the Office of the Issuing and Paying Agent.

**SECTION 2.05 Security and Sources of Payment.** The Commercial Paper and the Bank Note are payable primarily from the proceeds of the Bonds in anticipation of which the Commercial Paper is being issued. Additionally, the Commercial Paper and the Bank Note shall be direct general obligations of the Metropolitan Government, and the full faith and credit and unlimited taxing power of the Metropolitan Government is irrevocably pledged to the payment of the principal of and interest on the Commercial Paper and the Bank Note. The Metropolitan Government hereby agrees that a tax sufficient to pay when due such

principal and such interest shall be levied annually and assessed, collected and paid in like manner with the other taxes of the Metropolitan Government and shall be in addition to all other taxes authorized or limited by law. This Resolution shall be deemed to be the tax resolution required to be adopted in respect of the Commercial Paper under Section 9-21-215 of the Act. Debt service on the Commercial Paper and the Bank Note falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Metropolitan Government, and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided shall be reduced to the extent of any other funds (including debt proceeds), taxes and revenues from the Metropolitan Government appropriated to the debt service on the Commercial Paper.

#### SECTION 2.06 Commercial Paper Fund.

(a) There is hereby created and established with the Issuing and Paying Agent a separate and special purpose trust fund for the benefit of the Holders of Commercial Paper and the Bank. Such fund shall be designated as the "Metropolitan Government General Obligation Commercial Paper Fund" (the "Commercial Paper Fund"). Subject to the provisions of subsection (b), the Issuing and Paying Agent shall have the sole right of withdrawal over the moneys in the Commercial Paper Fund.

(b) The Issuing and Paying Agent, as agent for the Holders from time to time of Commercial Paper and the Bank, shall:

(i) deposit into the Commercial Paper Fund the proceeds of sale of all Commercial Paper issued on any day, and (A) first, apply such proceeds (together with any amounts then on deposit pursuant to subsection (b)(iv) below) to the payment of the principal of the Bank Note and the principal of the Outstanding Commercial Paper becoming due and payable on such day (with the Bank Note to be paid prior to Outstanding Commercial Paper); and (B) second, transfer any remaining proceeds to or on behalf of the Metropolitan Government as directed in writing by an Authorized Officer, for the purpose of financing the Costs of Projects;

(ii) deposit into the Commercial Paper Fund the proceeds of any loan or advance made pursuant to the Facility on any day; apply such proceeds exclusively to the payment of the principal of Outstanding Commercial Paper becoming due and payable on such day; and immediately return to the Bank the amount of such proceeds as shall not be necessary to pay such principal on such date (and correspondingly reduce the principal amount of outstanding loans or advances under the Bank Note);

(iii) deposit into the Commercial Paper Fund any payments made by the Metropolitan Government to the Issuing and Paying Agent pursuant to a demand submitted by the Issuing and Paying Agent pursuant to the Issuing and Paying Agency Agreement, and apply such deposits to the payment of principal of and interest on Outstanding Commercial Paper (with payments allocated first to interest and then to principal); and

(iv) deposit into the Commercial Paper Fund any payments made to the Issuing and Paying Agent by the Metropolitan Government from the proceeds of Bonds, notes or otherwise for the purpose of paying the principal of Outstanding Commercial Paper and/or the Bank Note pursuant to Section 6.01(b), and apply such proceeds to the payment of the principal of Outstanding Commercial Paper and the Bank Note, as directed in writing by an Authorized Officer; provided that the Bank Note shall be paid prior to the payment of the Outstanding Commercial Paper.

(c) Amounts on deposit in the Commercial Paper Fund as proceeds of Commercial Paper or a loan or advance under the Facility to be used to pay the principal of other Commercial Paper as required by subsection (b)(i) or (b)(ii) of this Section shall not be invested prior to their application for such purposes. Other amounts on deposit in the Commercial Paper Fund may be invested prior to their application for authorized purposes, but only at the direction of an Authorized Officer, and only in securities held in the name of the Metropolitan Government or the Issuing and Paying Agent as trustee or agent for the Metropolitan



Government (in either case, either as registered or beneficial owner), and otherwise shall not earn interest.

(d) The Commercial Paper Fund, and all moneys and securities on deposit therein, shall be held by the Issuing and Paying Agent in a segregated account and shall not be commingled with the assets of the Issuing and Paying Agent or any other person. It is the intent of the Metropolitan Government that the Commercial Paper Fund, and all moneys and securities on deposit therein, shall constitute a special deposit held in a segregated account and not a general deposit of the Issuing and Paying Agent.

#### SECTION 2.07 Forms and Execution of Commercial Paper.

(a) The Master Note shall be executed on behalf of the Metropolitan Government with the manual or facsimile signatures of the Metropolitan Mayor and of the Metropolitan Clerk, shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Metropolitan Government, and shall be approved as to form and legality by the Director of Law by his or her manual or facsimile signature. In case any officer of the Metropolitan Government whose signature or whose facsimile signature shall appear on the Master Note shall cease to be such officer before the delivery of the Master Note, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

(b) The Master Note and the endorsement for authentication to appear thereon shall be substantially in the form attached hereto as Exhibit A or such other form as shall be consistent with the terms of this Resolution, and each Commercial Paper instrument, other than the Master Note, and the endorsement for authentication to appear thereon shall be in such form as the Metropolitan Government may prescribe at the time such Commercial Paper instrument is to be issued, in each case with such appropriate series designations, insertions, omissions, substitutions and other variations as are permitted or required by this Resolution, and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures, or CUSIP) and such legends and endorsements thereon as may, consistent herewith, be approved by an Authorized Officer.

(c) The Master Note shall not be valid or obligatory for any purpose until manually countersigned for authentication by the Issuing and Paying Agent.

### ARTICLE III

#### ISSUANCE AND SALE OF COMMERCIAL PAPER

##### SECTION 3.01 Issuance and Sale of Commercial Paper.

(a) The Commercial Paper shall be issued by the Issuing and Paying Agent in accordance with Requests to be given pursuant to subsection (c) of this Section.

(b) The Metropolitan Government shall not make a Request for the issuance of Commercial Paper unless all of the following conditions and limitations are satisfied:

(i) The aggregate of (1) the principal amount of Outstanding Commercial Paper and the outstanding loans and advances as evidenced by the Bank Note, plus (2) the principal amount of the Commercial Paper then being issued, plus (3) the principal amount of all Bonds, notes and other debt obligations theretofore issued pursuant to the Initial Resolutions, does not exceed the maximum principal amount of Bonds authorized to be issued by the Initial Resolutions;

(ii) The aggregate of the principal of (1) any Outstanding Commercial Paper and the outstanding loans and advances as evidenced by the Bank Note, plus (2) the Commercial Paper then being issued, does not exceed the available commitment under the Facility supporting the principal due at maturity in connection with the Commercial Paper; and

(iii) The principal amount of Commercial Paper Outstanding hereunder at any time shall not

exceed \$375,000,000.

(iv) Commercial Paper shall mature on a Business Day not later than 270 days from its date of issuance.

(v) Original Commercial Paper, all Rollover Commercial Paper associated therewith, and any advance under a Bank Note associated therewith, shall not mature later than two years from the initial date of issuance of the Original Commercial Paper; *provided however*, that the Commercial Paper and the Bank Note may be extended or renewed for not more than two additional periods not exceeding two years each with the approval of the Director of the Division of Local Government Finance, in each such instance in accordance with Section 9-21-505 of the Act. In each year in which the Original Commercial Paper or the Bank Note is extended or renewed and is Outstanding beyond two years from the date of initial issuance, the Metropolitan Government shall retire a portion thereof equal to not less than 1/20th of the principal amount of the Original Commercial Paper or the Bank Note as required by the Act unless otherwise waived by the Director of the Division of Local Government Finance. Each such approval or waiver of the Director of the Division of Local Government Finance shall be in writing and shall be delivered to the Metropolitan Government, the Issuing and Paying Agent and the Bank and Dealer. Notwithstanding the foregoing, the duration of Original Commercial Paper issued to retire the Prior Notes, and any advance under a Bank Note associated therewith, shall be measured from the original issue date of the Prior Notes.

(vi) Commercial Paper shall be sold at par.

(vii) Original Commercial Paper shall not be issued unless and until the Metropolitan Government delivers or causes to be delivered to the Dealer and the Issuing and Paying Agent an opinion of Bond Counsel regarding such Original Commercial Paper in the form attached to the Offering Memorandum.

(viii) Commercial Paper of a series shall mature not later than the Business Day preceding the applicable Termination Date.

(ix) No Commercial Paper shall be issued in contravention of any prohibition set forth in the Facility, including following the delivery of a notice by a Bank to the Issuing and Paying Agent and to the Metropolitan Government, directing the Metropolitan Government not to issue and the Issuing and Paying Agent not to authenticate any Commercial Paper.

(x) No Commercial Paper shall be issued unless and until the Director of the Division of Local Government Finance has approved the issuance thereof. Each such approval shall be in writing and shall be delivered to the Metropolitan Government, the Issuing and Paying Agent, the Bank and the Dealer.

(c) Prior to the issuance by the Issuing and Paying Agent of any Commercial Paper, an Authorized Officer shall instruct the Issuing and Paying Agent to, in the case of Book-Entry Commercial Paper, deliver appropriate issuance instructions to DTC, or shall acknowledge or confirm the same (whether an instruction, acknowledgment or confirmation, herein referred to as a "Request"). Each Request shall contain information with respect to:

(i) the aggregate principal amount of Commercial Paper of a series then to be issued,

(ii) the rate or rates of interest, if any, on such Commercial Paper,

(iii) the issue date or dates and maturity date or dates of such Commercial Paper, and

(iv) in the case of Book-Entry Commercial Paper, each Depository direct participant to which such Book-Entry Commercial Paper is to be credited on the books of the Depository, and the principal amount (which shall be in an authorized denomination) of Commercial Paper to be credited to each

such participant.

Instructions and confirmations shall be given and/or confirmed by an Authorized Officer, as provided in the Issuing and Paying Agency Agreements.

(d) Each Request given by an Authorized Officer pursuant to subsection (c) of this Section 3.01 shall constitute a representation by the Metropolitan Government that (i) the Commercial Paper Program is in compliance with the conditions and limitations contained in subsection (b) of this Section 3.01, (ii) the Metropolitan Government is in receipt of an opinion of Bond Counsel, upon which Holders of the Commercial Paper may rely, as to the validity of the Commercial Paper and the exclusion of interest on the Commercial Paper from gross income for Federal income tax purposes, and the exemption of interest on the Commercial Paper from State taxes in the form attached to the Offering Memorandum, (iii) all action on the part of the Metropolitan Government necessary for the valid issuance of the Commercial Paper then to be issued has been taken, (iv) all provisions of State and Federal law necessary for the valid issuance of such Commercial Paper have been complied with, (v) such Commercial Paper in the hands of the Holders thereof will be valid obligations of the Metropolitan Government according to their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other laws theretofore or thereafter enacted affecting creditors' rights, and to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforceability is considered in a proceeding in equity or at law, (vi) the Facility covering the Commercial Paper is in full force and effect and no default exists under such Facility, and (vii) the Metropolitan Government is not in violation of the conditions and limitations contained in Section 3.01(b), or of the covenants and agreements contained within any Program Document.

The Metropolitan Government agrees that it shall immediately give notice by Electronic Means to the Issuing and Paying Agent and the Bank if it is unable at any time to make any of the representations set forth in this Section 3.01(d). The Issuing and Paying Agent shall not honor any Request so long as the Metropolitan Government is unable to make any of the representations put forth in this Section 3.01(d).

(e) Notwithstanding anything herein to the contrary, including without limitation Section 8.01 hereof, upon the (i) payment of the principal amount of any maturing Commercial Paper by the Metropolitan Government pursuant to a demand made of it pursuant to the Issuing and Paying Agency Agreement, and upon receipt of instructions from the Metropolitan Government (which shall conform to the requirements of Section 3.01(c) hereof), or (ii) payment of the principal amount of advances or loans outstanding under any Bank Note by the Metropolitan Government to the Bank pursuant to the applicable Facility, and upon receipt of instructions from the Metropolitan Government (which shall conform to the requirements of Section 3.01(c) hereof) and the Bank, the Issuing and Paying Agent shall cause to be issued to the Metropolitan Government Rollover Commercial Paper in the principal amount of such payment. Such Rollover Commercial Paper shall mature on such date and bear interest at such rate as may be specified by the Metropolitan Government in such instructions, provided that such maturity date and rate is consistent with the terms hereof. Such Rollover Commercial Paper shall be considered Outstanding for all purposes of this Resolution, it being the intent of the Metropolitan Government that, as permitted by Sections 5-8-301 and 6-56-106, Tennessee Code Annotated, such Rollover Commercial Paper shall remain an outstanding debt obligation of the Metropolitan Government until its subsequent payment pursuant to the terms of this Resolution.

**SECTION 3.02 Proceeds of Sale of Commercial Paper.** The proceeds of the sale hereunder of Commercial Paper shall be applied as follows:

(a) The proceeds of each sale of Commercial Paper on any day in an amount not in excess of the principal amount of loans or advances outstanding under the Bank Note and the principal amount of the Outstanding Commercial Paper of such series becoming due and payable on such day, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the applicable Commercial Paper Fund, shall be issued for the purpose of paying such principal, and such proceeds shall be deposited into the Commercial Paper Fund and used to pay such principal as provided in Section 2.06(b)(i)(A).

(b) The proceeds of each sale of Commercial Paper on any day in an amount in excess of the principal amount, if any, of loans or advances outstanding under the Bank Note and the principal amount of the Outstanding Commercial Paper becoming due and payable on such day, if any, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the Commercial Paper Fund, shall be issued for the purpose of paying, and shall be allocated to, authorized purposes pursuant to Section 2.02(i) and shall be transferred to the Metropolitan Government as directed in writing by an Authorized Officer, as provided in Section 2.06(b)(i)(B).

(c) Notwithstanding the foregoing or anything else herein to the contrary, proceeds of the Commercial Paper issued hereunder for the purpose of paying the Prior Notes shall be deposited with the issuing and paying agent for the Prior Notes and used to retire the Prior Notes. The Director of Finance is authorized to enter into an escrow agreement with the Issuing and Paying Agent consistent with the terms of this resolution to provide for the deposit and investment of such proceeds, if he determines it to be in the Metropolitan Government's best interest to do so.

### SECTION 3.03 Offering Memoranda.

(a) Any Authorized Officer is hereby authorized to issue one or more Offering Memoranda or other offering statements containing such information concerning the Commercial Paper, the Metropolitan Government and its financial condition, the Bank, the Facility, and such other information as such Authorized Officer shall approve, and to revise supplement and update the same from time to time. The Metropolitan Government hereby authorizes the use of any such Offering Memorandum and all such revisions, supplements and updates in connection with the sale of the Commercial Paper.

(b) The Metropolitan Government hereby approves the use of the initial Offering Memorandum in substantially the form of the draft attached hereto as Exhibit B, with such changes, insertions, deletions, amendments, and supplements as any Authorized Officer shall approve.

## ARTICLE IV

### LIQUIDITY FACILITY

SECTION 4.01 Facility Required for Commercial Paper. With respect to the Commercial Paper issued hereunder, the Metropolitan Government agrees, on the terms and conditions contained in this Resolution, to cause a Bank to execute and deliver a Facility to the Issuing and Paying Agent pursuant to which such Bank will agree to loan or advance funds sufficient to provide for the payment of the principal amount of maturing Commercial Paper. The Bank will agree to loan or advance funds from time to time on any Business Day in an aggregate principal amount equal to the principal of any Outstanding Commercial Paper of its series maturing on such date, to the extent other amounts deposited in the Commercial Paper Fund are insufficient therefor.

SECTION 4.02 Bank Notes. All loans or advances made by a Bank to the Metropolitan Government pursuant to a Facility shall be evidenced by a Bank Note, which shall be issued in the form contemplated by the Facility. The principal amount of each Bank Note shall be the maximum amount of funds available to be loaned or advanced under the related Facility, up to the maximum principal amount of the Commercial Paper, and shall be payable by the Metropolitan Government at such times and in such manner as described in the Facility. The Bank Note shall mature on such Business Day as shall be provided by the Facility (which shall be the later of the expiry date of the Facility and the date on which all obligations due and owing thereunder have been paid in full). The Bank Note shall bear interest at a rate of interest as shall be provided by the Facility, not to exceed the Maximum Rate, and shall otherwise contain the terms and provisions set forth in the Facility.

SECTION 4.03 Condition to Loan Funds. The obligation of a Bank to loan funds pursuant to a Facility shall be a subject to the terms and conditions of the Facility.

SECTION 4.04 Application of Proceeds. The proceeds of each loan made pursuant to a Facility shall be applied solely to pay the principal of Outstanding Commercial Paper of the related series on the maturity

date thereof.

#### SECTION 4.05 Initial Facility.

(a) The Metropolitan County Council hereby appoints the Initial Bank to provide the Initial Facility with respect to the Commercial Paper in the available principal amount of \$375,000,000. The Mayor is hereby authorized to execute any extensions to the Initial Facility (including the related fee letter) or additional Facility, and to execute, deliver and issue corresponding Bank Notes, without further action of the Metropolitan County Council, provided that any such extended or additional Facility (and Bank Note) shall be in substantially the form attached hereto as Exhibit E. The Metropolitan Government also hereby covenants that it shall use its best efforts to obtain a substitute Facility in the event the Metropolitan Government has reason to believe that a Bank will not or will be unable to honor its obligations under its Facility, and hereby delegates to the Mayor the authority to execute and deliver one or more substitute Facilities in substitution for any Facility then in effect, without further action of the Metropolitan County Council, provided that any such substitute Facility shall be in substantially the form attached hereto as Exhibit E. Each Bank Note issued hereunder shall constitute a "bond anticipation note" for purposes of the Act.

(b) The Issuing and Paying Agent will cause sufficient funds to be made available under the Facility (at such times required therein in order to have funds available on the maturity date) to fund the payment of the principal of the Commercial Paper due on such date to the extent not otherwise provided for. If funds paid under the Facility are insufficient to meet all the purposes for which such funds are to be paid and applied on such date, such funds as are available shall be applied to the payment of principal of Commercial Paper due on such date and, if the amount available shall not be sufficient to pay in full all such principal, then to the payment thereof ratably, according to the amounts of principal due on each such Commercial Paper, without any discrimination or preference.

(c) *Substitute Facility*. Upon satisfaction of the requirements set forth in this section, and subject to the terms of the existing Facility, the Metropolitan Government may replace a Facility then in effect with one or more substitute Facilities effective following the maturity date of all of the Outstanding Commercial Paper of a series covered by such Facility; provided, however, that the Facility being replaced shall in no event be terminated or released until the substitute Facility has been delivered to the Issuing and Paying Agent, and all Outstanding Commercial Paper supported by the prior Facility has matured prior thereto. Any replacement of a Facility by a substitute Facility is specifically conditioned, among other things, upon the payment by the Metropolitan Government to the Bank of the principal of and interest on the Bank Note issued pursuant to such Facility and all amounts due and owing under such Facility.

On or prior to the date set for the replacement of any Facility, the Metropolitan Government shall have delivered to the Issuing and Paying Agent an opinion of counsel for the issuer of the substitute Facility that it constitutes a legal, valid and binding obligation of the issuer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general heretofore or hereafter enacted, as such laws would apply in the event of the bankruptcy, insolvency, reorganization or liquidation of, or other similar occurrence with respect to, the issuer or in the event of any moratorium or similar occurrence affecting the issuer.

Each substitute Facility must be an obligation of a financial institution or surety whose debt obligations (or whose holding company parent's debt obligations) or suretyship undertakings, as the case may be, have at least an investment grade rating from each Rating Agency then rating the Commercial Paper.

(d) *Execution of Initial Facility and Bank Note*. The Metropolitan Mayor and the Metropolitan Clerk are hereby authorized to execute and deliver the Initial Facility (including the related fee letter) and the Bank Note, which shall be substantially in the form of the drafts thereof attached hereto as Exhibit E, with such changes and additions to and omissions from such draft of such agreement as the officer executing such agreement shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such

approval. Each Bank Note issued hereunder shall be executed by the Metropolitan Government in the same manner as provided herein for in Section 2.07(a).

## ARTICLE V

### DEALER AND ISSUING AND PAYING AGENT

#### SECTION 5.01 Dealer.

(a) The Metropolitan Mayor and the Metropolitan Clerk are hereby authorized to execute and deliver a Dealer Agreement with the Dealer and any successor thereto, which shall be substantially in the form of the draft thereof attached hereto as Exhibit C, with such changes and additions to and omissions from such draft of such agreement as the officer executing such agreement shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval. The Metropolitan Government covenants at all times to maintain and provide a Dealer for the Commercial Paper in accordance with the terms of the Facility.

(b) The Metropolitan Government may remove any Dealer in accordance with the terms of the Dealer Agreement. Notwithstanding the foregoing, the removal of the Dealer shall be conditioned upon a successor Dealer being appointed and in place at or prior to the removal of the prior Dealer, and shall further be subject to the terms and conditions of the Facility then in effect.

(c) The Dealer may resign in accordance with the terms of the Dealer Agreement. The Metropolitan Government shall give written notice of the appointment of a successor Dealer to the Issuing and Paying Agent and the applicable Bank. Notwithstanding the foregoing, the appointment of a new Dealer shall be subject to the terms and conditions of the applicable Facility.

#### SECTION 5.02 Issuing and Paying Agent.

(a) The Metropolitan Mayor and the Metropolitan Clerk are hereby authorized to execute and deliver an Issuing and Paying Agency Agreement with the Issuing and Paying Agent and any successor thereto, which shall be substantially in the form of the draft thereof attached hereto as Exhibit D, with such changes and additions to and omissions from such draft of such agreement as the officer executing such agreement shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval.

(b) The Metropolitan Government covenants to maintain and provide an Issuing and Paying Agent for the Commercial Paper at all times while the Commercial Paper is Outstanding, which shall be a bank, trust company or national banking association (and, except in the case of Book-Entry Commercial Paper, having an office for delivery of Commercial Paper in New York, New York), in each case with trust powers having a combined capital surplus and undivided profits of not less than \$100,000,000. Subject to the terms and conditions of the applicable Facility, a successor Issuing and Paying Agent may be appointed without the consent of the Holders.

## ARTICLE VI

### COVENANTS

#### SECTION 6.01 Punctual Payment; Covenant to Refinance.

(a) The Metropolitan Government will punctually pay or cause to be paid the principal of and interest on the Commercial Paper in conformity with the Program Documents. For the purpose of providing for the payment of the principal of Outstanding Commercial Paper on the date that the same shall become due and payable, the Metropolitan Government, on or prior to such date, will pay or cause to be paid to the Issuing and Paying Agent for deposit in the Commercial Paper Fund, amounts which will be sufficient and available to make such payment on such date, to the extent proceeds from Rollover Commercial Paper or advances under the Facility are not available therefor. For the purpose of providing for the payment of the interest on

Outstanding Commercial Paper on the date that the same shall become due and payable, the Metropolitan Government, on or prior to such date, will pay or cause to be paid to the Issuing and Paying Agent for deposit in the Commercial Paper Fund, amounts which will be sufficient and available to make such payment on such date. The Metropolitan Government acknowledges that the proceeds of Rollover Commercial Paper or advances under the Facility will not be available to pay accrued interest on Outstanding Commercial Paper, and that funds of the Metropolitan Government must be timely provided therefor.

(b) Unless the payment of the principal of the Commercial Paper otherwise shall be provided for by or on behalf of the Metropolitan Government from proceeds of other Commercial Paper or other available moneys, on or before the respective maturity dates thereof, the Metropolitan Government shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of Bonds or other debt obligations of the Metropolitan Government in an amount sufficient to provide for the payment of the outstanding principal of the Commercial Paper at maturity.

SECTION 6.02 Compliance With Agreements and Other Documents. The Metropolitan Government will comply with the terms and provisions of each Dealer Agreement, Issuing and Paying Agency Agreement, Facility and any other resolution or contract to which the Metropolitan Government is a party, the non-compliance with which would materially adversely affect the ability of the Metropolitan Government to make payment of the principal of and interest on the Commercial Paper as and when the same becomes due and payable.

SECTION 6.03 Commercial Paper to Remain Tax Exempt. The Metropolitan Government covenants that it will execute and deliver a Federal Tax Certificate in the form prescribed by Bond Counsel in connection with the first issuance of Commercial Paper, and that in connection with any subsequent issuance of Commercial Paper it will, if requested by Bond Counsel, execute and deliver either written confirmation that the facts, estimates, circumstances and reasonable expectations contained therein continue to be accurate as of such issue date or a revised Federal Tax Certificate dated such issue date. Each Request by an Authorized Officer given or made pursuant to Section 3.01(c) shall constitute a representation by the Metropolitan Government that the facts, estimates, circumstances and reasonable expectations contained in the latest of such Federal Tax Certificates continue to be true and accurate as of the date of such Request, and that no fact material to the exclusion of the interest on the Commercial Paper from gross income for federal income tax purposes exists which has not been reflected in a revised Federal Tax Certificate. The Metropolitan Government represents and covenants that it will not expend, or permit to be expended, the proceeds of any Commercial Paper in any manner inconsistent with its reasonable expectations as certified in the Federal Tax Certificates to be executed from time to time with respect to the Commercial Paper Program; provided however, that the Metropolitan Government may expend Commercial Paper proceeds in such manner if the Metropolitan Government first obtains an unqualified opinion of Bond Counsel that such expenditure will not impair the exclusion of interest on the Commercial Paper from gross income for federal income tax purposes.

The Metropolitan Government further covenants that no use of the proceeds of any of the Commercial Paper or any other funds of the Metropolitan Government will be made which will cause any Commercial Paper to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. To that end, the Metropolitan Government shall comply with all requirements of said Section 148 and of all regulations issued thereunder or otherwise applicable thereto.

The Metropolitan Government covenants that it will not use any proceeds of the Commercial Paper or any other funds held under this Resolution for any purpose which would cause any Commercial Paper to be subject to treatment as a “private activity bond” defined in Section 141 of the Code.

SECTION 6.04 Reservation of Right to Issue Other Obligations. The Metropolitan Government hereby expressly reserves the right hereafter to issue Bonds, notes or other evidences of indebtedness in addition to the Commercial Paper, constituting a general obligation of the Metropolitan Government, and additionally secured as may be permitted by the Act or other provisions of law or as determined by the Metropolitan

Government, when and as the Metropolitan Government shall determine and authorize.

## ARTICLE VII

### AMENDMENTS AND SUPPLEMENTS

**SECTION 7.01 Without Consent of Holders of Commercial Paper.** The Metropolitan Government, from time to time and at any time, (i) without the consent or concurrence of any Holder of any Commercial Paper, may adopt a resolution for the purpose of providing for the issuance of additional Commercial Paper, and (ii) without the consent or concurrence of any Holder of any Commercial Paper, may adopt a resolution amendatory hereof or supplemental hereto, if the provisions of such resolution shall not materially adversely affect the rights of the Holders of the Commercial Paper then Outstanding, for any one or more of the following purposes; provided, however, that if any such amendment or modification adversely affects the rights, security or interest of the Bank, no such amendment or modification shall become effective without the prior written consent of the Bank:

(a) to make any changes or corrections in this Resolution required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

(b) to add additional covenants and agreements of the Metropolitan Government for the purpose of further securing the payment of the Commercial Paper;

(c) to confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution;

(d) to grant to or confer upon the Holders of the Commercial Paper any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(e) to comply with any request by or requirement of any Rating Agency which is necessary, or which the Metropolitan Government reasonably believes is necessary, to prevent a downward revision by such Rating Agency in the rating of Commercial Paper, which changes will not restrict, limit or reduce the obligation of the Metropolitan Government to pay the principal of and interest on the Commercial Paper or otherwise materially adversely affect the Holders under this Resolution, but only if there shall be supplied to the Metropolitan Government, the Issuing and Paying Agent, the Dealer and the applicable Bank an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Commercial Paper from gross income of the owners thereof for purposes of federal income taxation;

(f) to provide for the issuance, transfer, exchange, registration, discharge from registration and replacement of Commercial Paper other than Book-Entry Commercial Paper;

(g) to increase the maximum aggregate principal amount of Commercial Paper that may be Outstanding at any time; provided however, that prior to the effectiveness thereof the Metropolitan Government shall have received written evidence from each Rating Agency to the effect that such increase will not, by itself, result in a reduction, withdrawal or suspension of such Rating Agency's rating of the Commercial Paper Program which then prevails; or

(h) to modify any of the provisions of this Resolution in any other respect if such modification shall be effective only with respect to Commercial Paper issued subsequent to the effectiveness of such resolution or modification, in which case any Commercial Paper instrument (except any Master Note) issued subsequent to the effectiveness of any such modification shall contain a specific reference to, and the Metropolitan Government shall give written notice to the Depository of Book-Entry Commercial Paper of, the modifications contained in such resolution; provided, however, that nothing contained in this Resolution shall permit or be



construed to permit the amendment of the terms and conditions of this Resolution or of the Commercial Paper Program so as to:

- (i) make any change in the maturity of any Outstanding Commercial Paper;
- (ii) reduce the rate of interest borne by any Outstanding Commercial Paper;
- (iii) reduce the amount of the principal payable on any Outstanding Commercial Paper;
- (iv) modify the terms of payment of principal of or interest on any Outstanding Commercial Paper, or impose any conditions with respect to such payment;
- (v) affect the rights of the Holders of less than all Outstanding Commercial Paper; or
- (vi) reduce or restrict the provision made in Section 2.05 for payment of Outstanding Commercial Paper.

**SECTION 7.02 With Consent of Holders of Commercial Paper.** The Metropolitan Government, from time to time and at any time, with the prior written consent of the Bank and the consent of all of the Holders of Outstanding Commercial Paper, may adopt a resolution amendatory hereof or supplemental hereto, other than as described in Section 7.01. For purposes of this Section 7.02, so long as the Bank is not in default of its obligations under the Facility, the Bank shall be deemed to be the sole Holder of the Outstanding Commercial Paper. The effectiveness of any such amendatory resolution shall also be subject to the terms and conditions of the Facility.

**SECTION 7.03 Other Agreements.** Nothing in this Resolution shall be deemed to restrict any amendment, modification or supplement to any Issuing and Paying Agency Agreement, Facility or Dealer Agreement, or the establishment (or amendment, modification or supplementing) of any limitation on, or procedure for, the issuance of Commercial Paper which is effective only with respect to Commercial Paper issued subsequent to the effectiveness of such amendment, modification, supplement or limitation to the extent not in conflict with this Resolution.

## ARTICLE VIII

### DEFEASANCE; UNCLAIMED MONIES

**SECTION 8.01 Commercial Paper Deemed Paid; Discharge of Resolution.** Commercial Paper will be deemed paid for all purposes of this Resolution when (a) payment of the principal of and interest on such Commercial Paper to the due date of such principal and interest (whether at maturity or otherwise) either (1) has been made in accordance with the terms of such Commercial Paper or (2) has been provided for by depositing with the Issuing and Paying Agent (A) moneys sufficient to make such payment and/or (B) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (for purposes of this Section 8.01 and Section 8.02, "Government Obligations") maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, (b) all compensation and expenses of the Issuing and Paying Agent pertaining to the Commercial Paper Program in respect of which such deposit is made have been paid or provided for to the satisfaction of the Issuing and Paying Agent, and (c) all amounts owed under any Bank Note and/or Facility shall have been paid. When Commercial Paper is deemed paid, it will no longer be secured by or entitled to the benefits of this Resolution or be an obligation of the Metropolitan Government, except for payment from such moneys or Government Obligations, and no additional Commercial Paper may be issued except that it may be transferred, exchanged, registered, discharged from registration or replaced as provided in Article II and pursuant to paragraph (f) of Section 7.01.

When all outstanding Commercial Paper is deemed paid under the foregoing provisions of this Section, the Issuing and Paying Agent will, upon the request of the Metropolitan Government, acknowledge the discharge of the Metropolitan Government's obligations under this Resolution and the Commercial Paper

Program, except for obligations under Article II, or pursuant to paragraph (f) of Section 7.01, in respect of the transfer, exchange, registration, discharge from registration or replacement of Commercial Paper.

No such deposit will be made or used in any manner which, in the opinion of Bond Counsel, would cause any Commercial Paper to be treated as “arbitrage bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

**SECTION 8.02 Application of Trust Moneys.** The Issuing and Paying Agent will hold in trust moneys or Government Obligations (as defined in Section 8.01) deposited with it pursuant to Section 8.01 and apply the deposited money and the proceeds from the Government Obligations in accordance with this Resolution only to the payment of principal of and interest on the Commercial Paper with respect to which the same was deposited.

**SECTION 8.03 Repayment to Metropolitan Government.** The Issuing and Paying Agent will pay to the Metropolitan Government promptly upon its request any excess moneys or securities held by the Issuing and Paying Agent at any time under this Article VIII and any moneys held by the Issuing and Paying Agent under any provision of this Resolution for the payment of principal of or interest on Commercial Paper that remains unclaimed for one year or such other shorter or longer period, or to such other Person, as may at the time be prescribed by State law with respect to unclaimed property.

## ARTICLE IX

### MISCELLANEOUS

**SECTION 9.01 Intent to Extend Maturity and Defer Amortization.** The Metropolitan County Council hereby expresses its intent that the maturity of the Commercial Paper be extended from two years to six years, as permitted by the Act upon approval of the Director of the Division of Local Government Finance, and directs the officers of the Metropolitan Government to seek such approval and request a waiver of the principal amortization requirements prescribed by the Act during such extended period. Any actions heretofore taken by the Metropolitan Treasurer consistent with the foregoing are hereby ratified and approved.

**SECTION 9.02 Additional Actions.** The Metropolitan Mayor, the Metropolitan Clerk, the Director of Finance, the Metropolitan Treasurer and the other officers and employees of the Metropolitan Government are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Commercial Paper and otherwise to effectuate the purposes of and carry out the obligations of the Metropolitan Government under the Program Documents. The Metropolitan Mayor and the Metropolitan Clerk are hereby authorized to provide for modifications or amendments to this Resolution to ensure that the provisions of this Resolution conform to the terms and provisions of the Dealer Agreement and Issuing and Paying Agency Agreement as executed by the Metropolitan Mayor and Metropolitan Clerk.

**SECTION 9.03 Termination of Commercial Paper Program.** If, as verified by independent determination of the Issuing and Paying Agent, all of the Commercial Paper shall no longer be Outstanding and if the Metropolitan Government shall have advised the Issuing and Paying Agent that no additional Commercial Paper is to be issued, authenticated and delivered under this Resolution and no Facility remains outstanding and all amounts due and owing thereunder have been paid in full, all balances remaining in the funds and accounts established pursuant hereto shall be transferred to such other funds and/or accounts as an Authorized Officer may determine in writing delivered to the Issuing and Paying Agent.

**SECTION 9.04 Notices to Rating Agencies.** The Metropolitan Government shall give each Rating Agency, the Dealer, the Issuing and Paying Agent and the Bank advance notice in writing of any (i) change of Dealer, (ii) change of Issuing and Paying Agent, (iii) default under any Facility, (iv) expiration, termination, extension or substitution of any Facility, (v) amendment or material change to the Program Documents and (vi) termination or defeasance of the Commercial Paper Program; provided however, that if the Metropolitan

Government does not have advance actual notice of any such event, notice shall be given by the Metropolitan Government as soon as practicable after the Metropolitan Government has actual notice thereof.

**SECTION 9.05 Resolution to Constitute a Contract; Equal Security.** In consideration of the acceptance of the Commercial Paper, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Metropolitan Government and the Holders from time to time of the Commercial Paper and the Bank(s), and the pledge made by this Resolution by the Metropolitan Government and the covenants and agreements set forth in this Resolution to be performed by the Metropolitan Government shall be for the equal and proportionate benefit, security and protection of all Holders of the Commercial Paper and the Bank(s), without preference, priority or distinction as to security or otherwise of any of the Commercial Paper authorized hereunder over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Resolution.

**SECTION 9.06 Limitation of Benefits with Respect to this Resolution.** With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Commercial Paper Program is intended or should be construed to confer upon or give to any Person other than the Metropolitan Government, the Holders of the Commercial Paper, the Issuing and Paying Agent, the Bank and the Dealer any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Metropolitan Government, the Holders of the Commercial Paper, the Bank, the Issuing and Paying Agent and the Dealer as herein and therein provided.

**SECTION 9.07 Severability of Invalid Provisions.** If any one or more of the covenants, agreements or provisions or portions thereof herein contained shall be held by a court of competent jurisdiction contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Commercial Paper issued hereunder.

**SECTION 9.08 Payment and Performance on Business Days.** Whenever under the terms of this Resolution or the Commercial Paper Program, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Commercial Paper, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Commercial Paper, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date of performance or payment, and, with respect to any payment, without any additional interest accruing after the originally scheduled date of payment.

**SECTION 9.09 No Personal Recourse.** No recourse shall be had for any claim based on this Resolution or the Commercial Paper Program against any member, officer or employee, past, present or future, of the Metropolitan Government, the Metropolitan County Council of the Metropolitan Government or of any successor body as such, or against the Comptroller of the Treasury of the State or any officer or employee, past or future, of the State under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

**SECTION 9.10 Disclosure of Liability.** All covenants, stipulations, promises, agreements and obligations of the Metropolitan Government contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Metropolitan Government and not of any member, officer 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 Commercial Paper or for any claim based thereon or on this Resolution against any member, officer, or employee of the Metropolitan Government, or against any Person executing the Commercial Paper.

SECTION 9.11 Effect of Headings of Sections. The headings of the sections of this Resolution are for convenience of reference only, and shall not affect the meaning, construction or interpretation of this Resolution.

SECTION 9.12 Effective Date. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

### Analysis

This resolution authorizes and provides for the issuance and sale of general obligation bond anticipation notes, in the form of commercial paper, in an amount not to exceed \$375,000,000 at any one time. The Metropolitan Government has used commercial paper as a form of short-term financing for capital projects since 2003. Commercial paper is basically a line of credit Metro can access to cover interim construction costs while awaiting the appropriate time to issue long-term bonds. The State of Tennessee uses a similar commercial paper program, as do many other large cities.

The commercial paper program allows Metro to issue variable rate tax-exempt notes with varying maturity dates ranging from 1 day to 270 days, but commercial paper is usually “rolled” until the bonds are issued. State law allows commercial paper to be rolled up to six years with the approval of the Director of State and Local Finance.

This resolution approves a new commercial paper program with the same \$375,000,000 maximum as the prior program, which was approved by Resolution No. RS2021-963. BofA Securities, Inc. will be the dealer for these commercial paper notes, and TD Bank, N.A. will serve as the initial liquidity (credit) facility. TD Bank, N.A. will be paid an annual Facility Fee of 0.28%. The proceeds from the commercial paper would be used only for providing for the interim financing of capital projects for which bonds have been authorized by an initial general obligation bond resolution (capital spending plan).

Since commercial paper is used to finance projects for which general obligation bonds have been authorized, the full faith and credit of the Metropolitan Government is pledged as security for the principal and interest payments on the commercial paper.