

SUBSTITUTE RESOLUTION NO. R96-178

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
(TENNESSEE)

SUBSTITUTE RESOLUTION AUTHORIZING THE EXECUTION, TERMS
ISSUANCE, SALE, AND PAYMENT OF GENERAL OBLIGATION PUBLIC
IMPROVEMENT BONDS, SERIES 1996, IN THE AGGREGATE
PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTY-SEVEN MILLION
DOLLARS (\$77,000,000) OF THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE).

ADOPTED FEBRUARY 29, 1996

SUBSTITUTE RESOLUTION NO. R96-178

SUBSTITUTE RESOLUTION AUTHORIZING THE EXECUTION, TERMS ISSUANCE, SALE, AND PAYMENT OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 1996, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTY-SEVEN MILLION DOLLARS (\$77,000,000) OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE) AND AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF ALL OR A PORTION OF THE BONDS.

WHEREAS, by Substitute Resolution R96-153 duly adopted February 6, 1996 (the "Initial Resolution"), the Metropolitan County Council (the "Metropolitan Council") of the Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") has authorized the issuance, sale and delivery by Metropolitan Government of general obligation bonds in the aggregate principal amount of not to exceed Eighty Million Dollars (\$80,000,000) for the purpose of financing the costs of various improvement projects described therein; and,

WHEREAS, the Metropolitan Clerk has published the Initial Resolution in full, together with that certain notice specified in Section 9-21-206, Tennessee Code Annotated, as amended, in one or more newspapers of general circulation in Davidson County, Tennessee; and,

WHEREAS, in the event a petition is filed protesting the issuance of the bonds and such petition is determined by the Metropolitan Council to be sufficient after verification of signatures by the Davidson County Election Commission, the Metropolitan Council will direct the Election Commission to hold an election on the proposition whether to issue the bonds; and

WHEREAS, pending such determination and consideration and, if necessary, an election on the proposition whether to issue the bonds at which a majority of the voters voting at such election vote in favor of issuing said bonds, the Metropolitan Council now desires to establish the terms of said bonds and authorize the issuance of said bonds for the purpose of providing funds for the projects described in Initial Resolution; and,

WHEREAS, the Metropolitan Council is authorized by the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and by the Charter of the Metropolitan Government to issue such Bonds for said purposes; and,

WHEREAS, it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of General Obligation Public Improvement Bonds, Series 1996 in the

aggregate principal amount of not to exceed Seventy-Seven Million Dollars (\$77,000,000) to be issued only upon a determination that any petition which has been filed is not legally sufficient or, if determined to be legally sufficient, an election is held on the proposition whether to issue the bonds and a majority of those voting vote in favor of issuing the bonds.

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

ARTICLE I

DEFINITIONS

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

"Act" means collectively 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.

"Award Resolution" means the resolutions to be hereafter adopted by the Metropolitan Council which will, among other things, establish the interest rate or rate payable on the Bonds.

"Bonds" mean the General Obligation Public Improvement Bonds, Series 1996, dated April 1, 1996 or such other date which shall be determined by the Metropolitan Council pursuant to Section 7 hereof, authorized and issued under the Bond Resolution.

"Bond Counsel" means an attorney or a firm of attorneys recognized as having experience in matters relating to the issuance of state or local governmental obligations, selected by an Authorized Officer of the Metropolitan Government.

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

"Bond Resolution" means the within Resolution, duly adopted by the Metropolitan Council on February 29, 1996.

"Bondholder", "holder" and "registered owner" shall mean 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 previously amended and approved, and as may subsequently be amended and approved, in accordance with its terms.

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

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

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

"Director of Finance" means the Director of Finance appointed pursuant to the provisions of the Charter.

"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.

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

"Initial Resolution" means Substitute Resolution R96-153 adopted by the Metropolitan Council on February 6, 1996, which comprises the initial authorization for the issuance of the Bonds.

"Metropolitan Clerk" means the Metropolitan Clerk appointed pursuant to the provisions of the Charter.

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

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

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

"Notes" means the General Obligation Public Improvement Bond Anticipation Notes, Series 1996 authorized to be issued pursuant to this Bond Resolution.

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

"Outstanding," "Bonds Outstanding," or "Outstanding Bonds" 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 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 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.

"Public Works Projects" means (i) the acquisition of certain land, and all improvements thereon, within an area to be known as the East Bank Redevelopment Project, as described in the East Bank Redevelopment Plan, as contained in Ordinance No. 096-163 of the Metropolitan Council, as it shall from time to time be amended and finally approved by the Metropolitan Council, and the demolition of buildings and structures therein, the relocation of residents thereof, and generally, the preparation of said land for redevelopment and the exercise of all powers with respect to redevelopment projects and urban renewal projects with respect to the East Bank Redevelopment Project, as provided in Sections 13-20-201 et seq., Tennessee Code Annotated; (ii) the construction, reconstruction, renovation, improvement and acquisition of streets, roads, riverfront improvements, docking facilities, parking facilities, bridges, plazas, public buildings, parks, green spaces, sidewalks, and lighting and drainage improvements in and for The Metropolitan Government of Nashville and Davidson County; (iii) payment of such portion of the costs of construction of a stadium facility as shall be attributable to the use and ownership thereof by The Metropolitan Government of Nashville and Davidson County or the Sports Authority of The Metropolitan Government of Nashville and Davidson County; and (iv) paying all legal, fiscal, architectural, administrative and engineering costs incident thereto and incident to the issuance and sale of the Bonds.

"Registration Agent" means the registration agent and paying agent appointed by the Director of Finance having the qualifications for a successor registration agent and paying agent as set forth in Article V hereof, or its successor or successors hereafter appointed in the manner provided in Article V hereof.

"Resolution" means this Bond Resolution, as supplemented and amended by the Award Resolution.

"Vice Mayor" means the Vice Mayor elected pursuant to the provisions of the Charter.

Section 1.2. References to Resolution. The words "hereof", "herein", "hereunder", and other words of similar import refer to this Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc. References to Articles, Sections, and other subdivisions of this Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Bond Resolution as originally adopted.

Section 1.4. Headings. The headings of this Bond Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

AUTHORITY, PLEDGE, AND LEVY

Section 2.1. Authority. In order to finance the costs of the Public Works Projects, and all necessary expenses in connection therewith, the retirement of any of the Notes which may hereafter be issued and to pay costs incident to the sale and issuance of the Notes, if any, and the Bonds, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Charter, the Bond Resolution, and other applicable provisions of law, General Obligation Public Improvement Bonds, Series 1996 of the Metropolitan Government in the aggregate principal amount of not to exceed \$77,000,000. The Bonds shall finance the cost of the Public Works Projects as identified in the Initial Resolution provided that reasonably expected economic life of such projects being financed is greater than thirty (30) years.

Section 2.2. Pledge. The Bonds, including the principal thereof and the premium, if any, and interest thereon, shall be payable from ad valorem taxes to be levied for such purpose on all taxable property in the General Services District without limit as to time, rate, or amount. Said Bonds shall be a direct general obligation of the Metropolitan Government, and the full faith and credit of the Metropolitan Government, together with the taxing power of the Metropolitan Government as to all taxable property in the General Services District, are hereby irrevocably pledged. The principal of and the premium, if any, and interest on, said Bonds may be paid out of the debt service fund of the General Services District. In addition to the extent provided by law, the Bonds shall be payable as to principal, premium, if any, and interest from a redesignation of 1¢ of the Hotel Occupancy Privilege Tax and a portion of the Local Option Sales Tax of The Metropolitan Government of Nashville and Davidson County.

Section 2.3. Levy of Taxes. For the purpose of providing for the payment of the principal of, and the premium, if any, and interest on, the Bonds, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the General Services District, fully sufficient to pay all such principal, premium, if any, and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of the General Services District, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. Principal, premium, if any, and interest, or any of the foregoing, 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 said General Services District, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. The tax herein provided may be reduced each year to the extent of any Hotel Occupancy Privilege Tax or Local Option Sales Tax used to pay debt service on the Bonds and to the extent of any appropriations from other general funds of the Metropolitan Government to the payment of debt service on the Bonds.

ARTICLE III

FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 3.1. Authorized Bonds; Limited Obligations. 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 Resolution shall be Seventy-Seven Million Dollars (\$77,000,000).

Section 3.2. Form of Bonds; Execution. (a) The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of Five Thousand Dollars (\$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 Resolution shall be substantially in the form set forth in Exhibit A, attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by the 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 numbered consecutively from one upwards and will be made eligible for processing by DTC. The Bonds need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this paragraph and Section 3.5(b) hereof, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Metropolitan Government may discontinue use of DTC for the Bonds at any time upon determination by the Metropolitan Government that the use of DTC is no longer in the best interest of the Beneficial Owners (as defined in Section 3.5(b) hereof) of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

- (i) any successor of DTC or its nominee;

- (ii) any substitute Depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute Depository or its successor) from its functions as Depository, or (b) a determination by the Metropolitan Government that DTC or its successor (or any substitute Depository or its successor) is no longer able to carry out its functions as Depository; or
- (iii) any person, upon (a) the resignation of DTC or its successor (or substitute Depository or its successor) from its functions as Depository, or (b) termination by the Metropolitan Government of the use of DTC (or substitute Depository or its successor).

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

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

Section 3.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds. The Bonds shall be designated "General Obligation Public Improvement Bonds, Series 1996". The Bonds shall be dated as of April 1, 1996, or such later date as set forth in Section 7.1 herein; shall bear interest from the date thereof at a rate to be hereafter determined by the Metropolitan Council by the Award Resolution when said Bonds are sold, but not exceeding a maximum coupon rate on any of the Bonds of seven percent (7%) per annum, such interest being payable semi-annually on the first day of May and November of each year, commencing November 1, 1996; and, shall mature, subject to prior redemption as hereinafter provided, on the first day of May in the years and in the aggregate principal amounts set forth below:

<u>Year</u>	<u>Principal</u>
1997	\$ 880,000
1998	1,245,000
1999	1,295,000
2000	1,345,000
2001	1,400,000
2002	1,480,000
2003	1,525,000
2004	1,595,000
2005	1,670,000
2006	1,745,000
2007	1,830,000
2008	1,920,000
2009	2,020,000
2010	2,125,000
2011	2,235,000
2012	2,355,000
2013	2,480,000
2014	2,610,000
2015	2,755,000
2016	2,905,000
2017	3,065,000
2018	3,240,000
2019	3,420,000
2020	3,605,000
2021	3,805,000
2022	4,020,000
2023	4,245,000
2024	4,480,000
2025	4,730,000
2026	4,985,000

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

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

Section 3.4. Negotiability of Bonds. All Bonds issued under this Bond Resolution shall be negotiable, subject to the

provisions for registration and transfer contained in this Bond Resolution and in the Bonds.

Section 3.5. Registration, Transfer and Exchange of Bonds.

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

(b) Except as otherwise provided in this subsection, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. 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 hereinafter 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 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 relating to the Bonds from the Metropolitan Government and the Registration Agent to DTC (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. The Metropolitan Government and the Registration Agent shall not 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 shall 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.

THE METROPOLITAN GOVERNMENT AND THE REGISTRATION AGENT SHALL NOT 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 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.

Section 3.6. Authorization and Preparation of Temporary Bonds. (a) Without unreasonable delay after the sale thereof, the Metropolitan Government shall cause definitive Bonds to be prepared, executed, and delivered to the purchaser or purchasers thereof, which Bonds shall be fully engraved (as that term is customarily used) or lithographed or printed on steel engraved borders, or, if acceptable to the purchaser or purchasers of such Bonds (such acceptance to be conclusively evidenced by the acceptance of such Bonds by such purchaser or purchasers), such definitive Bonds may be typewritten, printed, photocopied, or any combination of the foregoing. Until such definitive Bonds are ready for delivery, there may be executed by the Metropolitan Government, and upon request by an Authorized Officer of the Metropolitan Government, the Registration Agent shall also authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved, lithographed, or photocopied Bonds, or Bonds having any combination of the foregoing, as prepared and executed by the Metropolitan Government, which temporary Bonds shall be substantially of the tenor of such definitive Bonds but with such appropriate omissions, insertions, and variations as may be required.

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

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

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

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

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

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

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

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed,

lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

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

Section 3.9. Qualification for Depository Trust Company. 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, teletype or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

Section 4.1. Redemption Dates and Prices. (a) Except as otherwise herein provided in this Section, no Bond shall be subject to redemption prior to its respective maturity.

(b) Bonds maturing May 1, 1997 through May 1, 2006 shall mature without option of prior redemption. Bonds maturing on May 1, 2007 and thereafter shall be subject to redemption prior to maturity at the option of the Metropolitan Government on or after May 1, 2006 as a whole or in part at any time at the prices set forth below (expressed as percentages of principal amount) plus interest accrued to the redemption date:

<u>Redemption Date</u> <u>(dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
May 1, 2006 through April 30, 2007	102½
May 1, 2007 through April 30, 2008	101
May 1, 2008 and thereafter	100

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body of the Metropolitan Government in its discretion, and, if less than all of the Bonds of a maturity shall be called for redemption, 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 select.

Section 4.2. Notice of Redemption. (a) Notice of call for redemption shall be given by the Registration Agent on behalf of the Metropolitan Government not less than thirty (30) 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. The Registration Agent shall mail said notices as and when directed by the Metropolitan Government pursuant to written instructions from an authorized representative 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).

(b) Each notice required by this Section shall state: (1) the Bonds to be redeemed identified by CUSIP number and called amounts of each certificate (for partial calls), date of issue, interest rate, and maturity date; (2) the date fixed for redemption; (3) that such Bonds will be redeemed at the principal corporate trust office of the Registration Agent; (4) the redemption price to be paid; and, (5) that from and after the redemption date interest thereon shall cease to accrue. If at the time of notice of optional redemption, the Metropolitan Government shall not have deposited with the Registration Agent monies sufficient to redeem all the Bonds called for optional redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Registration Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless monies are so deposited.

Section 4.3. Payment of Redeemed Bonds. (a) If notice of redemption shall have been given in the manner and under the

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

(b) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of the Bond Resolution.

ARTICLE V

REGISTRATION AGENT

Section 5.1. Appointment and Acceptance of Duties. (a) The Metropolitan Government hereby authorizes the Director of Finance to appoint the registration agent and paying agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Metropolitan Government, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Metropolitan Government at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the Metropolitan Government at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The Metropolitan Mayor 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.

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

Section 5.3. Resignation or Removal of the Registration Agent and Appointment of Successors. (a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Director of Finance. The Registration Agent may be removed at any time by the Director of Finance provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Director of Finance and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-Five Million Dollars (\$75,000,000), and willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

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

Section 5.4. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding.

ARTICLE VI

DEFEASANCE OF BONDS

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

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

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal 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);

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

and if the Metropolitan Government shall also pay or cause to be paid all other sums payable hereunder by the Metropolitan Government with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow 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 Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any

such Federal 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 Federal 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 Federal 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. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section, 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.

ARTICLE VII

SALE OF BONDS AND DEPOSIT OF PROCEEDS

Section 7.1. Sale of Bonds. The Bonds shall be offered for public sale as required by law at a price of not less than 98% of par and accrued interest, as a whole or in part from time to time as shall be determined by the Metropolitan Mayor. The Metropolitan Council is authorized to sell an aggregate principal amount of the Bonds less than that authorized herein and to make corresponding adjustments to the maturity schedule set forth in Article III hereof, to change the dated date of the Bonds to a date other than April 1, 1996, to change the Series designation of the Bonds to a Series other than "Series 1996", and to sell all or a portion of the serial bonds as term bonds in order to facilitate the sale and delivery of the Bonds, and in connection with such change, the Metropolitan Mayor is authorized to adjust principal and interest payment dates and redemption dates consistent with the change of the dated date. The maximum coupon rate any of the Bonds shall bear shall not exceed seven percent (7%) per annum. The Bonds shall be awarded by the Metropolitan Council to the bidder whose bid results in the lowest interest cost to the Metropolitan Government, provided the coupon rate on none of the Bonds exceeds seven percent (7%) per annum. No Bonds shall be issued or sold until it has been determined that any petition which has been filed

protesting the issuance of the Bonds is not legally sufficient or, if determined to be legally sufficient, an election is held on the proposition whether to issue the Bonds at which a majority of those voting vote in favor of the issuance of the Bonds. The Metropolitan Mayor, the Director of Finance and the Metropolitan Clerk, or any of them, are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds.

The Director of Finance shall cause notice of such Public Sale to be published once, not less than five (5) calendar days prior to the date of sale, in both: (1) The Tennessean and The Nashville Banner, newspapers of general circulation in Davidson County, Tennessee; and, (2) The Bond Buyer, a financial newspaper published in New York, New York, and having national circulation.

Section 7.2. Official Statement. The Metropolitan Mayor and Director of Finance, working with Public Financial Management, Inc., the Metropolitan Government's financial advisor, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the Metropolitan Mayor and Director of Finance shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement 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 successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

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

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

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

(b) The remainder of said proceeds shall be deposited to a special fund of the Metropolitan Government known as the Land Acquisition and Public Improvement Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the Metropolitan Government. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Public Works Projects, including legal, fiscal, administrative, architectural and engineering costs incident thereto, and costs of issuance of the Bonds, including necessary legal, accounting, engineering, architectural 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. Money in the Construction Fund shall be expended only for the purposes authorized in the preceding sentence. Any funds remaining in the Construction Fund after completion of the Public Works Projects and payment of authorized expenses shall be used to pay principal of, premium, if any, and interest on the Bonds. Moneys in the Construction Fund shall be invested as directed by the Director of Finance in such investments as shall be permitted by applicable law and the earnings thereon may either be retained in the Construction Fund and used for the same purposes as all other funds in the Construction Fund or paid to the debt service fund to be used to pay interest on the Bonds, as the Director of Finance in his discretion shall determine.

Section 7.4. Non-Arbitrage Certification. The Metropolitan Government recognizes that the purchasers and owners of the 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 Bonds. In this connection, the Metropolitan Government agrees that it shall take no action which may cause the interest on any of said Bonds to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Metropolitan Council that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the 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 Council 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 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 Bonds from being included in gross income for federal income tax purposes. The Metropolitan Mayor, the Metropolitan Clerk and the Director of Finance, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Metropolitan Government.

ARTICLE VIII

BOND ANTICIPATION NOTES

Section 8.1. Authorization and Terms. (a) Pending the issuance, sale, preparation and delivery of the Bonds, the Metropolitan Government is authorized to issue interest bearing bond anticipation notes in an aggregate principal amount not to exceed the principal amount of the Bonds (the "Notes") for the purpose of financing the costs of the Public Works Projects in anticipation of the issuance of the Bonds. The Notes shall be issued pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, as amended. The Notes shall be issued in fully registered form, without coupons, shall be known as "General Obligation Public Improvement Bond Anticipation Notes, Series 1996", shall be dated the date of delivery and shall mature not later than two years from the dated date at such times and in such amounts as determined by the Metropolitan Mayor or Director of Finance or either of them. The Notes shall bear interest at a coupon rate not to exceed seven percent (7%) per annum, payable not later than the maturity date or at such times as the Metropolitan Mayor or Director of Finance or either of them shall designate, unless sooner redeemed.

The Notes shall not be subject to redemption prior to maturity; provided, however, that if the Metropolitan Mayor or the Director of Finance shall determine that it is in the best interests of the Metropolitan Government to offer the Notes for sale subject to prior redemption then the Metropolitan Mayor or the Director of Finance shall set such redemption dates and redemption prices. However, if the Notes are sold at a discount, then the redemption premium, if any, shall not be greater than that allowed by Section 9-21-502, Tennessee Code Annotated, as amended.

If the Notes are subject to prior redemption, unless waived by the owners of the Notes, notice of call for redemption shall be given by the Registration Agent on behalf of the Metropolitan Government not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate

notice to the registered owners of the Notes 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 Notes for which proper notice was given. The Registration Agent shall mail said notices as and when directed by the Metropolitan Government pursuant to written instructions from an authorized representative 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). From and after the redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

The Notes shall be issued and be subject to such terms of transfer, payment, execution, delivery and destruction as set forth in Article II hereof for the Bonds.

Section 8.2. Security. The Notes shall be payable primarily from the proceeds of the sale of the Bonds, and, in the event of a deficiency in such proceeds, from unlimited ad valorem taxes to be levied on all taxable property in the General Services District without limit as to time, rate or amount. The Notes shall be additionally payable from the hotel/motel tax and the local option sales tax of the Metropolitan Government. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the Metropolitan Government is hereby irrevocably pledged.

Section 8.3. Form of the Note. The Notes shall be substantially in the following form, the omissions to be appropriately completed when the Notes are prepared and delivered.

(Form of Note)

Number _____ REGISTERED \$ _____
UNITED STATES OF AMERICA
STATE OF TENNESSEE
THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND ANTICIPATION NOTE,
SERIES 1996

Interest Rate: Maturity Date: Date of Note: CUSIP No.:

Registered Owner:
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That The Metropolitan Government of Nashville and Davidson County, Tennessee (the "Metropolitan Government"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures or is redeemed, said interest being payable unless earlier redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of _____ of _____, Tennessee, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the note 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 owner at such owner's address shown on said note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the Metropolitan Government to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due.

Reference is hereby made to the further provisions of this Note set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, The Metropolitan Government of Nashville and Davidson County, Tennessee, has caused this Note to be signed by its Metropolitan County Mayor with his manual or facsimile signature, attested by its Metropolitan Clerk with her manual or facsimile signature, and approved as to legality by the Director of Law of the Metropolitan Government, by his manual or facsimile signature, under an imprint of the corporate seal of the Metropolitan Government or a facsimile thereof, all as of the day and date hereinabove set forth.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY


BY: _____
Metropolitan County Mayor

(FACSIMILE SEAL)

ATTESTED:

Metropolitan Clerk

APPROVED AS TO LEGALITY:



Director of Law

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

Date of Registration: _____

This Note is one of the issue of notes issued pursuant to the
Resolution hereinabove described.

Registration Agent

By: _____
Authorized Officer

(Form of Reverse Side of Note)

[Notes of the issue of which this Note is one are not subject to redemption prior to maturity.] [Notes of the issue of which this Note is one are subject to redemption prior to maturity at the option of the Metropolitan Government as a whole, or in part at any time, at a price of par plus accrued interest to the redemption date as set forth below:]

[Unless waived by the owners of the Notes, notice of call for redemption shall be given by the Registration Agent on behalf of the Metropolitan Government not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes 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 Notes for which proper notice was given. From and after the redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.]

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Metropolitan Government nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note.

This Note is one of a total authorized issue aggregating \$_____ issued by the Metropolitan Government for the purpose

of providing funds to finance the costs of certain public works projects under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to a Resolution duly adopted by the Metropolitan County Council on the _____ day of _____, 1996 (the "Resolution").

This Note is payable primarily from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, and, in the event of a deficiency in such proceeds, from unlimited ad valorem taxes to be levied on all taxable property within the General Services District. This Note shall also be payable from the hotel/motel tax and the local option sales tax of the Metropolitan Government. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the Metropolitan Government is hereby irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to said resolution.

This Note and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Note during the period the Note is held or beneficially owned by a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____), the within Note of The Metropolitan Government of Nashville and Davidson County, Tennessee and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Note on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

Section 8.4. Sale of Notes. (a) The Notes shall be sold by the Metropolitan Mayor in whole or in part from time to time at public or private sale as shall be determined by the Metropolitan Mayor, at not less than ninety-nine percent (99%) of par and accrued interest. The maximum coupon rate any of the Notes shall bear shall not exceed seven percent (7%) per annum. The Notes shall not be issued until after the approval of the State Director of Local Finance shall have been obtained as required by Sections 9-21-101 et seq., Tennessee Code Annotated. The action of the Metropolitan Mayor in selling the Notes and fixing the interest rate or rates on the Notes, but not exceeding a coupon rate on any of the Notes of seven percent (7%) per annum, shall be binding on the Metropolitan Government, and no further action by the Metropolitan Council with respect thereto shall be required. The Metropolitan Mayor and Metropolitan Clerk are authorized to cause the Notes to be authenticated and delivered by the registration agent (to be designated by the Director of Finance) to the purchaser thereof, or as he may direct, and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Notes.

(b) If not sold pursuant to subsection (a) above, the Notes may be issued to evidence and interfund borrowing, bearing a rate or rates equal to the rate received by the Metropolitan Government on its investments in the Metropolitan Government Investment Pool. If issued pursuant to this subsection (b), the Notes shall be an investment of the Metropolitan Government and shall not be transferable or negotiable. The Director of Finance is authorized to cause the Notes to be held as an investment of the Metropolitan Government.

(c) Note proceeds shall be administered, invested, deposited and disbursed in accordance with the requirements of Section 7.3 hereof.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Failure to Present Bonds. (a) Subject to the provisions of Section 3.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the Metropolitan Government to such Owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bond.

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

Section 9.2. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond, or the date fixed for redemption of any Bond, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 9.3. Miscellaneous Acts. The appropriate officers of the Metropolitan Government are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause

to be filed or recorded, in any appropriate public offices, all such documents, instruments,, and certifications, in addition to those acts, things, documents, instruments; and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the Metropolitan Government of the Bonds.

Section 9.4. Amendment. The Metropolitan Council is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 9.5. No Recourse Under Bond Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Metropolitan Government contained in the Initial Resolutions or the Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Metropolitan Government and not of any officer, director, or employee of the Metropolitan Government in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or the Resolution against any officer, director, or employee of the Metropolitan Government or against any official or individual executing the Bonds.

Section 9.6. Partial Invalidity. If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 9.7. Continuing Disclosure. The Metropolitan Government hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The 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 material event notices to be provided and its obligations relating thereto. Failure of the Metropolitan Government to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Metropolitan Government to comply with its undertaking as set forth

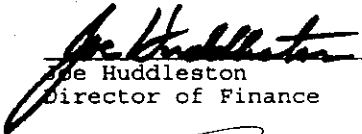
herein and in said agreement, including the remedies of mandamus and specific performance.

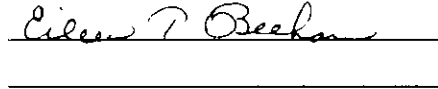
Section 9.8. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 9.9. Effective Date. This Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

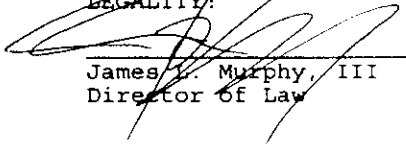
APPROVED AS TO AVAILABILITY OF FUNDS BY:

INTRODUCED BY:


Joe Huddleston
Director of Finance



APPROVED AS TO FORM AND LEGALITY:


James V. Murphy, III
Director of Law

MEMBERS OF COUNCIL

EXHIBIT A

REGISTERED
Number _____

(Form of Face of Bond)

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND
SERIES 1996

Interest Rate: ___ Maturity Date: ___ Date of Bond: CUSIP No.: ___
April 1, 1996

Registered Owner:
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), a lawfully organized and existing municipal corporation, for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on November 1, 1996 and semi-annually thereafter on the first day of May and November in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of _____, Tennessee, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft, or by wire transfer, as provided by the Bond and Award Resolution, as such term is hereinafter defined, mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Metropolitan Government to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the

close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Metropolitan Government, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Metropolitan Government of Nashville and Davidson County, Tennessee, has caused this Bond to be signed by its Metropolitan County Mayor with his manual or facsimile signature, attested by its Metropolitan Clerk with her manual or facsimile signature, and approved as to legality by the Director of Law of the Metropolitan Government, by his manual or facsimile signature, under an imprint of the corporate seal of the Metropolitan Government or a facsimile thereof, all as of the day and date hereinabove set forth.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

BY: _____
Metropolitan County Mayor

(SEAL)

ATTESTED:

Metropolitan Clerk

APPROVED AS TO LEGALITY:

Director of Law

Transferable and payable at the principal corporate trust office of:

Date of Registration: _____

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

Registration Agent

By: _____
Authorized Officer

(Form of Reverse Side of Bond)

Bonds of the issue of which this Bond is one maturing May 1, 1997 through May 1, 2006 shall mature without option of prior redemption. Bonds maturing on May 1, 2007 and thereafter shall be subject to redemption prior to maturity at the option of the Metropolitan Government on or after May 1, 2006 as a whole or in part at any time at the prices set forth below (expressed as percentages of principal amount) plus interest accrued to the redemption date:

<u>Redemption Date</u> <u>(dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
May 1, 2006 through April 30, 2007	102½
May 1, 2007 through April 30, 2007	101
May 1, 2008 and thereafter	100

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Metropolitan Government in its discretion, and, if less than all of the Bonds of a maturity shall be called for redemption, 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 shall determine.

Notice of call for redemption shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. From and after any

redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars (\$5,000) or any authorized integral multiple thereof. At the principal corporate trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Bond and Award Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for Depository Trust Company ("DTC") processing. Except as otherwise provided in this paragraph, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Metropolitan Government may discontinue use of DTC for Bonds at any time upon determination by the Metropolitan Government that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

- (i) any successor of DTC or its nominee;
- (ii) any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Metropolitan Government that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or
- (iii) any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Metropolitan Government of the use of DTC (or substitute depository or its successor).

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute

owner thereof for all purposes and neither the Metropolitan Government nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Metropolitan Government to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$77,000,000 and issued by the Metropolitan Government for the purpose of providing funds to finance various projects as described in and authorized by Substitute Resolution No. R96-178 of the Metropolitan County Council (the "Metropolitan Council"), of the Metropolitan Council of the Metropolitan Government, adopted on February 29, 1996 entitled "Substitute Resolution Authorizing the Execution, Terms Issuance, Sale, and Payment of General Obligation Public Improvement Bonds, Series 1996, in the Aggregate Principal Amount of not to exceed Seventy-Seven Million Dollars (\$77,000,000) of the Metropolitan Government of Nashville and Davidson County (Tennessee)" as supplemented by that certain Resolution No. ___ of the Metropolitan Council of the Metropolitan Government, adopted on _____, 1996 entitled "Resolution Supplementing Resolution No. ___ and Awarding the Sale of General Obligation Public Improvements Bonds, Series 1996 in the Aggregate Principal Amount of Seventy-Seven Million Dollars (\$77,000,000) of the Metropolitan Government of Nashville and Davidson County" (said Resolution No. _____, as supplemented by such Resolution No. _____, being herein called, the "Bond and Award Resolution") and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to Title 9, Chapter 21 of the Tennessee Code Annotated, as amended, (the "Act"), and the Charter of the Metropolitan Government (the "Charter"). Copies of said resolutions, including the Bond and Award Resolution, are on file at the office of the Metropolitan Clerk of the Metropolitan Government, and reference is hereby made to said resolutions, including the Bond and Award Resolution, the Act, and the Charter for a description of the pledge securing the Bonds, the nature, manner, and description of the pledge securing the Bonds, the nature, manner, and extent of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect to such pledge, the terms and conditions upon which the Bonds are issued thereunder, and a statement of the rights, duties, immunities, and obligations of the Metropolitan Government. Such

pledge and other obligations of the Metropolitan Government under the Bond and Award Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond and Award Resolution.

This Bond, both principal and interest as the same shall become due, is a full faith and credit obligation of the metropolitan Government to which the ad valorem taxation power of each Metropolitan Government with respect to all taxable property in the General Services District of the Metropolitan Government has been pledged. No other taxation power of the Metropolitan Government has been pledged to the payment of the principal of, or the premium, if any, or interest on, this Bond.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is

(Please insert Social Security or Federal Tax Identification Number _____) the within Bond of the Metropolitan Government of Nashville and Davidson County, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

0423341.05

ORIGINAL

METROPOLITAN COUNTY COUNCIL

SUBSTITUTE RESOLUTION NO. R96-178

A SUBSTITUTE RESOLUTION AUTHORIZATION, THE EXECUTION, TERMS ISSUANCE, SALE, AND PAYMENT OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 1996, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTY-FOUR MILLION DOLLARS (\$74,000,000) OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE).

Referred to BUDGET & FINANCE COMMITTEE

SUBSTITUTE RESOLUTION Introduced FEB 27 1996

DEFERRED FEB 27 1996

Adopted FEB 29 1996

Approved MAR 5 1996

By [Signature]
Metropolitan Mayor

Departments Notified _____