

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE
OF AN AMOUNT NOT TO EXCEED
FORTY-FIVE MILLION DOLLARS (\$45,000,000) PRINCIPAL AMOUNT
OF THE CITY OF CHATTANOOGA,
GENERAL OBLIGATION BONDS, SERIES 2015A.**

WHEREAS, pursuant to the provisions of Sections 9-21-101 to 9-21-1017, inclusive, Tennessee Code Annotated (the “Act”), the City Council of the City of Chattanooga, Tennessee (the “City Council”) duly adopted (1) INITIAL RESOLUTION No. 27962 on July 29, 2014; Initial Resolution No. 27962 authorized the issuance and sale of Bonds in an amount not to exceed Twenty Million Dollars (\$20,000,000) of the City of Chattanooga, Tennessee for the purpose of paying all or a portion of the costs of Electronic Content Management Project, Telecom/Network Upgrade, Technology Replacement, 311 CSR System Upgrade, Miller Park & MLK Streetscape, Bell School Park, Recreation & Community Centers –HVAC, Self-Contained Breathing Apparatus, Highland Park/Hixson Fire Stations, Playground Improvements, Greenway Farms, Ada Repairs-Parks, Parks Asphalt Management, Parks Restrooms, Knuckleboom, Curbside Recycling Trucks, Traffic Signal Retroreflectivity, Sustainable Infrastructure, Paving, Broad Street Protected Bike Lanes, Virginia Avenue Greenway/Traffic Calming, Bridge Repair, 3rd/4th Street Improvement /Gateway Project, Bridge Repairs (City-Owned), Central Avenue Extension, Shallowford Road - Airport Road To Jersey Pike, Gunbarrel Road - Shallowford To Hamilton Run, Shepherd Rd. And W. Shepherd Rd. Improvements, YFD Building Renovations and Equipment, Washington Hills YFD Center, John A Patten Parking Lot, Brainerd Mission Community, Tennis Court Rehab, and 3500 Block Of Broad Street (Aka St. Elmo Storm Sewer); (2) INITIAL RESOLUTION No. 28304 on June 30, 2015; Initial Resolution No. 28304

authorized the issuance and sale of Bonds in an amount not to exceed Fifteen Million Dollars (\$15,000,000) of the City of Chattanooga, Tennessee for the purpose of paying all or a portion of the costs of the following: Fire Apparatus, CARTA Capital Match, Library HVAC System, Memorial and Tivoli Capital, Tivoli HVAC, Network Upgrades (NoogaNET), Telecommunication Upgrades, Family Justice Center, Mobile CAD & GPS AVL, Automated Salt Brine Maker, Curbside Recycling, Knuckleboom & Multi-Use Chassis Replacement, Street Sweeper, Park Restrooms, Intersection Modernization, ITS Development, Traffic Engineering Capital Equipment, Sidewalks, Goodwin Road (Gunbarrel-Hamilton Place Blvd), Hwy 27 Rossville Blvd Multimodal, Hwy 58 Pedestrian & Bike Improvement, MLK Blvd Corridor Improvements, Protected Bicycle Lanes, Shepherd Road Improvements, Wilcox Tunnel Rehabilitation, Youth & Family Development (YFD) Building Roofs, YFD Building Safety & Security Improvements, YFD Center HVAC Replacement, YFD Center Improvements, YFD Maintenance Equipment, and YFD Tennis Court Rehab and (3) INITIAL RESOLUTION No. _____ on September 15, 2015; Initial Resolution No. _____ authorized the issuance and sale of Bonds in an amount not to exceed Ten Million Dollars (\$10,000,000) of the City of Chattanooga, Tennessee for the purpose of paying all or a portion of the costs of construction of storm sewer – 3500 Block of Broad Street (a/k/a St. Elmo Storm Sewer);

WHEREAS, notice of the adoption of Initial Resolutions No. 27962 and No. 28304, have been given by publication, as required by 9-21-206 of the Act; and notice of Resolution No. _____ will be published in accordance with 9-21-206 of the Act;

WHEREAS, in order to maximize debt service savings to the City, the City Council desires to delegate certain responsibilities to the Mayor and/or City Finance Officer relating to establishing certain terms of the Bonds and determining the method of sale of the Bonds. Such

determinations by the Mayor and/or City Finance Officer will be subsequently set forth in a resolution adopted by the City Council;

WHEREAS, the qualified electors of the City have not protested the issuance of the Bonds related to Initial Resolutions Nos. 27962 and 28304; and

WHEREAS, the authorization of Bonds related to Initial Resolution No. _____ is subject to confirmation in a subsequent Resolution to be adopted by the City Council that the qualified electors of the City have not protested the issuance of such Bonds.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That there be issued and sold Bonds of the City of Chattanooga, Tennessee (the “City”), in an amount not to exceed \$ _____, to be known as “THE CITY OF CHATTANOOGA, GENERAL OBLIGATION BONDS, SERIES 2015A (the “Bonds”). The Bonds shall be issued in registered form in the denomination of \$5,000 or any integral multiple thereof. The Bonds may be issued in one or more series and multiple series may be differentiated by the addition of a letter following the term Series 2015. The Bonds shall be numbered from one (1) consecutively upwards within a maturity in order of issuance. Principal and redemption price, if any, of and interest on the Bonds shall be payable in accordance with Section 8 hereof. The Bonds shall be dated, shall bear interest at a rate or rates not to exceed the rate or rates prescribed by law, be payable as to interest and principal on such dates, and mature in the years and amounts set forth in a supplemental resolution to be adopted by the City Council. Provided, however, that the authorization of Bonds related to Initial Resolution No. _____ is subject to confirmation in a subsequent Resolution to be adopted by the City Council that the qualified electors of the City have not protested the issuance of such Bonds.

The Bonds shall subject to redemption prior to maturity at such times and subject to such terms as set forth in a supplemental resolution to be adopted by the City Council.

Notice of any call for redemption shall be given by mailing such notice, at least thirty (30) days prior to the date set for such redemption, to the registered owner of each Bond being so redeemed at his address, as shown on the registration books of the City (the "Registration Books") kept for that purpose at the office of the Paying Agent (as hereinafter defined). While Depository Trust Company ("DTC"), New York, New York or its nominee is the registered owner of the Bonds, the City shall send the notice of redemption to DTC and the City shall not be responsible for mailing notices of redemption to Participants or Indirect Participants or the Beneficial Owners of the Bonds. Any failure of DTC to mail such notice to any Participant will not affect the sufficiency or the validity of the redemption of the Bonds. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with the redemption price, if any, and interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

SECTION 2. The full faith and credit of the City is hereby irrevocably pledged to the payment of the principal and redemption price, if any, of and interest on the Bonds. The City hereby covenants and agrees with the owners of said Bonds that in each year in which any of the bonds shall be outstanding, there will be levied and collected at the same time and in the same manner as other ad valorem taxes in the City are levied and collected, such ad valorem taxes upon all taxable property within the City in an amount sufficient to pay the principal and redemption price, if any, of and interest on the Bonds as they respectively become due and mature, and also in an amount sufficient to pay the principal and redemption price, if any, of and

interest on all other general obligation bonds and notes, or general indebtedness of the City heretofore or hereafter issued as the same shall become due and mature, and also in an amount necessary for the current operation and all other municipal expenses of the City for such fiscal year.

SECTION 3. That the City hereby authorizes that the Bonds may be sold at a competitive or negotiated sale and that the Mayor and the City Finance Officer are hereby authorized to make such determination. Such determination of the method of sale shall be subsequently set forth in a resolution adopted by the City Council. Such sale shall be subject to the terms and conditions set forth in Section 18 of this Resolution. In connection with a competitive sale, that the City hereby authorizes publication of a notice of sale relating to the sale of the Bonds soliciting proposals therefor, such notice may contain terms of the Bonds including maturities (not to exceed thirty (30) years) maximum interest rates and redemption provisions all as determined by the Mayor and the City Finance Officer. That the Mayor be and is hereby authorized to receive proposals for the sale of the Bonds; and the City Council may make an award of same; SUBJECT, however, to the terms and provisions of Sections 9-21-101 to 9-21-117, both inclusive, Tennessee Code Annotated (the “Act”); PROVIDED, that no award shall be made at a price less than ninety-eight percent (98%) of par and accrued interest.

SECTION 4. The proceeds derived from the sale of the Bonds shall be used for the purpose of paying all or a portion of the costs of Electronic Content Management Project, Telecom/Network Upgrade, Technology Replacement, 311 CSR System Upgrade, Miller Park & MLK Streetscape, Bell School Park, Recreation & Community Centers –HVAC, Self-Contained Breathing Apparatus, Highland Park/Hixson Fire Stations, Playground Improvements, Greenway Farms, ADA Repairs-Parks, Parks Asphalt Management, Parks Restrooms, Knuckleboom,

Curbside Recycling Trucks, Traffic Signal Retroreflectivity, Sustainable Infrastructure, Paving, Broad Street Protected Bike Lanes, Virginia Avenue Greenway/Traffic Calming, 3rd/4th Street Improvement /Gateway Project, Bridge Repairs (City-Owned), Central Avenue Extension, Shallowford Road - Airport Road To Jersey Pike, Gunbarrel Road - Shallowford To Hamilton Run, Shepherd Rd. and W. Shepherd Rd. Improvements, YFD Building Renovations, YFD Center Equipment, Washington Hills YFD Center, John A Patten Parking Lot, Family Justice Center, Tennis Court Rehab, and storm sewer 3500 Block of Broad Street (A/k/a St. Elmo Storm Sewer) and for the purpose of paying all or a portion of the costs of Fire Apparatus, CARTA Capital Match, Library HVAC System, Memorial and Tivoli Capital, Tivoli HVAC, Network Upgrades (NoogaNET), Telecommunication Upgrades, Family Justice Center, Mobile CAD & GPS AVL, Automated Salt Brine Maker, Curbside Recycling, Knuckleboom & Multi-Use Chassis Replacement, Street Sweeper, Park Restrooms, Intersection Modernization, ITS Development, Traffic Engineering Capital Equipment, Sidewalks, Goodwin Road (Gunbarrel-Hamilton Place Blvd), Hwy 27 Rossville Blvd Multimodal, Hwy 58 Pedestrian & Bike Improvement, MLK Blvd Corridor Improvements, Pedestrian Infrastructure, Protected Bicycle Lanes, Shepherd Road Improvements, Wilcox Tunnel Rehabilitation, Youth & Family Development (YFD) Building Roofs, YFD Building Safety & Security Improvements, YFD Center HVAC Replacement, YFD Center Improvements, YFD Maintenance Equipment, and YFD Tennis Court Rehab. The proceeds derived from the sale of the Bonds shall be kept in a separate account by the City Treasurer, and shall be disbursed only for the above purposes.

SECTION 5. No Bond shall be secured by this Resolution or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless such Bond has been executed by-the manual or facsimile signature of the Mayor, affixed with the corporate seal of the City, attested

by the manual or facsimile signature of the City Finance Officer, and endorsed by a certificate of authentication by the City, as paying agent, or any successor paying agent or any appointed registrar and paying agent (the "Paying Agent") substantially in the form prescribed in this Resolution, executed by the manual signature of a duly authorized officer of the Paying Agent. Such certificate on any Bond shall be conclusive evidence, and the only competent evidence, that such Bond has been duly authenticated and delivered under this resolution.

SECTION 6. In the event any Bond is mutilated, lost, stolen or destroyed, the City shall execute and the Paying Agent shall authenticate a new Bond of like date, maturity and denomination to that mutilated, lost, stolen or destroyed Bond, provided that, in the case of any mutilated Bond such mutilated Bond shall first be surrendered to the City, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the City and the Paying Agent evidence of such loss, theft or destruction satisfactory to the City and the Paying Agent, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the City may pay the same without surrender thereof making such requirements as it deems fit for its protection, including a lost instrument Bond. The City and the Paying Agent may charge the owner of such Bond with its reasonable fees and expenses for such service.

SECTION 7. Upon the surrender to the Paying Agent of any mutilated Bond, or any Bond acquired, redeemed, or paid at maturity, the same shall forthwith be canceled. Bonds so canceled may at any time, and in accordance with law, be destroyed by the Paying Agent, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers, describing the Bonds as destroyed, and one executed certificate shall be filed with-the City and the other executed certificate shall be retained by the Paying Agent.

SECTION 8. The Bonds shall be issued in book entry form and be payable, with respect to interest, principal and redemption price, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal and redemption price of the Bonds shall be payable at the principal office of the Paying Agent. The interest on the Bonds shall be payable by the Paying Agent by check or draft made payable to the registered owner of the Bonds on each interest payment date and mailed to the address of such owner as it shall appear on the Registration Books as of the close of business on the 15th business day of the calendar month immediately preceding such interest payment date (the “Record Date”).

SECTION 9. The City shall cause the Registration Books for the registration and for the transfer of the Bonds as provided in this Resolution to be kept by the Paying Agent. The principal and redemption price, if any, of any Bond shall be payable only to or upon the order of the registered owner or his duly authorized legal representative. Upon surrender for transfer of any Bond at the principal office of the Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the City shall execute, and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity or maturities and of authorized denomination for a like aggregate principal amount.

Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The City shall execute and the Paying Agent shall authenticate and deliver Bonds which the registered owner of any outstanding Bond or Bonds making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the City of any Bond or

any authorized denomination shall constitute full and due authorization of such denomination, and the City shall thereby be authorized to authenticate and deliver such Bond.

All Bonds surrendered in any such exchanges or transfers shall be canceled by the Paying Agent in the manner provided in Section 7 hereof. Neither the City nor the Paying Agent shall be required (a) to transfer or exchange Bonds for a period beginning with any Record Date and ending on any interest payment date for such Bonds or next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange Bonds called for redemption.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal and redemption price, if any, or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

There shall be no charge for any such exchange or transfer of Bonds, but the City or the Paying Agent may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

SECTION 10.

(a) The City covenants to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the provisions of the "Tax Certificate" (the "Tax Certificate") executed by the City on the date of initial issuance and delivery of the Bonds,

as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

(b) The City shall make any and all payments required to be made to the United States Treasury Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

(c) Notwithstanding any other provision of this Authorizing Resolution to the contrary, so long as necessary in order to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes, the covenants contained in this Section shall survive the payment of the bonds, including any payment defeasance thereof.

(d) Notwithstanding any other provision of this Resolution to the contrary, (i) upon the City's failure to observe or refusal to comply with the above covenants, the holders of the Bonds, or any Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Bondholders under this Resolution, other than the right (which is hereby abrogated solely in regard to any failure to observe, or refusal to comply with, the covenants of this Section 10) to declare the principal of all Bonds then outstanding, and the interest accrued thereon, to be due and payable; and (ii) neither the holders of bonds of any series other than the Bonds, nor any Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Bondholders under this Resolution based upon the City's failure to observe, or refusal to comply with, the covenants contained in this Section 10.

SECTION 11. That said Bonds and the Paying Agent's Certificate of Authentication shall be in substantially the following form.

UNITED STATES OF AMERICA

STATE OF TENNESSEE

NOTWITHSTANDING ANY PROVISION OF THE RESOLUTIONS REFERRED TO HEREIN TO THE CONTRARY, THE PRINCIPAL AMOUNT OUTSTANDING UNDER THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTIONS, "DTC") OR A TRANSFEREE OR ASSIGNEE OR DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND TO BE PAID. THE PRINCIPAL AMOUNT OUTSTANDING AND TO BE PAID ON THIS BOND SHALL FOR ALL PURPOSES BE THE AMOUNT INDICATED ON THE BOOKS OF THE PAYING AGENT.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA

STATE OF TENNESSEE CITY OF CHATTANOOGA

CITY OF CHATTANOOGA, GENERAL OBLIGATION BONDS, SERIES 2015A.

Interest Rate CUSIP	Maturity Date	Dated Date	%
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KNOW ALL MEN BY THESE PRESENTS, that the City of Chattanooga, Tennessee, a duly organized municipal corporation (the “City”), acknowledges itself to owe, and for value received, promises to pay to the registered owner above, or registered assigns on the Maturity Date hereof (or earlier as herein after referred to) upon the presentation and surrender hereof at the principal office of the City, as Paying agent or any successor Paying agent (herein called the “Paying Agent”), the principal sum of _____ DOLLARS lawful money of the United States of America with interest on said principal sum payable _____ and thereafter semiannually thereafter on _____ and _____ in each year, commencing _____ at the Interest Rate per annum stated hereon from the Dated Date hereof, except as otherwise stated in the Resolutions (as hereinafter defined), until payment of said principal sum shall be discharged. Interest when due shall be payable by the Paying Agent, by check or draft mailed to the registered owner hereof on each interest payment date at his address as shown on the registration books of the City which shall be kept for that purpose at the principal office of the Paying Agent (the “Registration Books”), as of the close of business on the fifteenth business day of the calendar month immediately preceding each such interest payment date (the “Record Date”). Principal and redemption price, if any, of and interest on this bond are payable in lawful money of the United States of America, and for the prompt payment of this bond and the interest thereon the full faith, credit and resources of the City of Chattanooga, Tennessee, are hereby irrevocably pledged.

This Bond is one of a duly authorized issue of bonds of the City designated The City of Chattanooga, General Obligation Bonds, Series 2015A, issued as fully registered bonds, in any integral multiples of \$5,000, in the aggregate principal amount of \$_____ (the “Bonds”) issued by the City pursuant to and in accordance with the provisions of Sections 9-21-101 to 9-21-1017, both inclusive, Tennessee Code Annotated, (the “Act”) and pursuant to (1) an initial resolution duly passed by the City Council of said City on July 29, 2014 (the “Initial Resolution”) for the purpose of paying all or a portion of the costs of Electronic Content Management Project, Telecom/Network Upgrade, Technology Replacement, 311 CSR System Upgrade, Miller Park & MLK Streetscape, Bell School Park, Recreation & Community Centers –HVAC, Self-Contained Breathing Apparatus, Highland Park/Hixson Fire Stations, Playground Improvements, Greenway Farms, Ada Repairs-Parks, Parks Asphalt Management, Parks Restrooms, Knuckleboom, Curbside Recycling Trucks, Traffic Signal Retroreflectivity, Sustainable Infrastructure, Paving, Broad Street Protected Bike Lanes, Virginia Avenue Greenway/Traffic Calming, Bridge Repair, 3rd/4th Street Improvement /Gateway Project, Bridge Repairs (City-Owned), Central Avenue Extension, Shallowford Road - Airport Road To Jersey Pike, Gunbarrel Road - Shallowford To Hamilton Run, Shepherd Rd. And W. Shepherd Rd. Improvements, YFD Building Renovations And Equipment, Washington Hills YFD Center, John A Patten Parking Lot, Brainerd Mission Community, Tennis Court Rehab, and 3500 Block Of Broad Street (Aka St. Elmo Storm Sewer); (2) pursuant to an initial resolution duly passed by the City Council of said City on June 30, 2015 (the “Initial Resolution”) for the purpose of paying all or a portion of the costs of the following: Fire Apparatus, CARTA Capital Match, Library HVAC System, Memorial and Tivoli Capital, Tivoli HVAC, Network Upgrades (NoogaNET), Telecommunication Upgrades, Family Justice Center, Mobile CAD & GPS AVL, Automated

Salt Brine Maker, Curbside Recycling, Knuckleboom & Multi-Use Chassis Replacement, Street Sweeper, Park Restrooms, Intersection Modernization, ITS Development, Traffic Engineering Capital Equipment, Sidewalks, Goodwin Road (Gunbarrel-Hamilton Place Blvd), Hwy 27 Rossville Blvd Multimodal, Hwy 58 Pedestrian & Bike Improvement, MLK Blvd Corridor Improvements, Protected Bicycle Lanes, Shepherd Road Improvements, Wilcox Tunnel Rehabilitation, Youth & Family Development (YFD) Building Roofs, YFD Building Safety & Security Improvements, YFD Center HVAC Replacement, YFD Center Improvements, YFD Maintenance Equipment, and YFD Tennis Court Rehab and (3) pursuant to an initial resolution duly passed by the City Council of said City on September 15, 2015 (the “Initial Resolution”) for the purpose of paying all or a portion of the costs of the construction of storm sewer – 3500 Block of Broad Street (a/k/a St. Elmo Storm Sewer).

It is further certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened, and have been performed in regular and due form, time and manner as required by law, and that the total indebtedness of the City of Chattanooga, Tennessee, including this bond, does not exceed any statutory or constitutional limitation.

It is further provided by Section 9-21-117, Tennessee Code Annotated, that neither the principal nor the interest on this bond shall be taxed by the State of Tennessee or by any County or Municipality thereof, except inheritance, transfer and estate taxes.

IN TESTIMONY WHEREOF, the City of Chattanooga, Tennessee, has caused this to be executed by the manual or facsimile signature of the Mayor in the name of the City and the corporate seal of said City or a facsimile thereof, to be affixed hereto, or engraved, imprinted or otherwise reproduced hereon, attested by the City Finance Officer of the City by such officer's manual or facsimile signature, this the ___ day of _____, 2015.

CITY OF CHATTANOOGA, TENNESSEE

Mayor

ATTEST:

City Finance Officer

FORM OF PAYING AGENT'S CERTIFICATE
OF AUTHENTICATION ON ALL BONDS

This bond is one of the bonds executed and delivered pursuant to the within mentioned Resolutions.

Paying Agent

By _____
Authorized Officer

Date _____

(Back of Bond)

The City has covenanted that in each fiscal year while any of the Bonds are outstanding, there will be levied and collected at the same time and in the same manner as other ad valorem taxes in said City are levied and collected, such ad valorem taxes upon all taxable property within the City of Chattanooga in an amount sufficient to pay the principal and redemption price, if any, of and interest on said Bonds as they respectively become due and mature, and also in an amount sufficient to pay the principal of and interest on all other bonds, notes, or general indebtedness of said City heretofore or hereafter issued as the same shall become due and mature, and also in an amount necessary for current operation and all other municipal expenses of said City for such fiscal year.

The Bonds maturing on or before _____, shall not be subject to redemption prior to maturity.

The Bonds maturing on or after _____, shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at any

time, at the option of the City on or after _____ as hereinafter provided, at the price of 100 percent of principal amount plus interest accrued to the redemption date.

Notice of any call for redemption shall be given by mailing such notice, at least thirty (30) days prior to the date set for such redemption, to the registered owner of each bond being so redeemed at his address, as shown on the Registration Books of the City (the "Registration Books") kept for that purpose at the office of the Paying Agent (as hereinafter defined). While DTC or its nominee is the registered owner of the bonds, the City shall send the notice of redemption to DTC and the City shall not be responsible for mailing notices of redemption to Participants or Indirect Participants or the Beneficial Owners of any Bonds. Any failure of DTC to mail such notice to any Participant will not affect the sufficiency or the validity of the redemption of the Bonds. Notice of redemption have been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with the redemption price, if any, and interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The City shall cause books for the registration and for the transfer of the Bonds as provided in the Resolution to be kept by the Paying Agent. This bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this. Upon such transfer a new Bond or Bonds of the same maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The City and the Paying Agent shall deem and treat the

registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal, redemption price or interest due hereof and for all other purposes.

This Bond may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The City shall execute and the Paying Agent shall authenticate and deliver Bonds which the registered owner of any outstanding Bond or Bonds making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Paying Agent may require payment of a sum, sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Paying Agent shall be required to (a) to transfer or exchange Bonds for a period beginning on any Record Date and ending on any interest payment date on such Bonds or next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange Bonds called for redemption.

This bond shall not be entitled to any security, right or benefit under the Resolutions or be valid or obligatory for any purpose, unless the Certificate of Authentication hereon has been duly executed by the Paying Agent.

[End of Bond Forms]

SECTION 12.

(a) The Bonds initially shall be issued in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the bond register in the name of the Nominee, as nominee of the Bond Depository. Except as provided below, all of the Outstanding Bonds shall be registered in the bond register in the name of the Nominee.

(b) With respect to the Bonds registered in the bond register in the name of the Nominee, the City and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Bond Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than an owner as shown in the bond register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Bond Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the City redeems the Bonds in part or (iv) the payment to any Participant or any other person, other than an owner as shown in the bond register, of any amount with respect to principal of, Redemption Price, if any, or interest on, the Bonds. The City and the Paying Agent shall treat and consider the Person in whose name the Bonds is registered in the bond register as the holder and absolute owner of such Bonds for the purpose of payment of principal, Redemption Price, if any, and interest with respect to such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The City or the Paying Agent shall pay all principal of, Redemption Price, if any, and interest on, the Bonds only to or upon the order of the respective owner, as shown in the bond register, or the owner's respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, Redemption Price, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No Person other than an owner, as shown on the bond register, shall receive a Bond evidencing the obligation of the City to make payment of principal, Redemption Price, if any, and interest pursuant to this Resolution. Upon delivery by the Bond Depository to the City of written notice to the effect that the Bond Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Resolution shall refer to such nominee of the Bond Depository.

(c) Transfers Outside Book-Entry System. In the event the City determines that it is in the best interest of the City not to continue the book-entry system of transfer or that the interest of the holders of the Bonds might be adversely affected if the book-entry system of transfer is continued, the City may notify the Bond Depository, whereupon the Bond Depository will notify the Participants of the availability through the Bond Depository of bond certificates. In such event, the Bond Depository shall issue, transfer and exchange bond certificates in accordance with the provisions of the Resolution. In the event (i) the Bond Depository determines not to continue to act as securities depository for the Bonds, (ii) the Bond Depository shall no longer so act and gives notice to the City of such determination, or (iii) the City determines that the Bond Depository is incapable of discharging its responsibilities, then the City will discontinue the book-entry system with the Bond Depository with respect to the Bonds. If the City determines to replace the Bond Depository with another qualified securities depository

or establishes its own book-entry system, the City shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturities of the applicable Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee. If the City fails to identify another qualified securities depository to replace the Bond Depository, then the Bonds shall no longer be restricted to being registered in the bond register in the name of the Nominee, but shall be registered in whatever name or names owners transferring or exchanging Bonds shall designate, in accordance with the provisions of the Resolution.

(d) Payments to the Nominee. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, Redemption Price, if any, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise agreed in writing with the Bond Depository.

(e) Initial Depository and Nominee. The initial Bond Depository under this Article IV shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

SECTION 13. The covenants and liens entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(a) by paying the principal of and interest on the Bonds when the same shall become due and payable; or

(b) by depositing in an account as the City may hereafter create and establish by resolutions moneys sufficient at the time of such deposit to pay the Bonds, the interest thereon and the redemption premium, if any, as the same become due on said Bonds on or prior to the

redemption date or maturity date thereof; or by depositing in such account as the City may hereafter create and establish by resolution moneys which when invested in Defeasance Obligations (as hereinafter defined), will provide moneys which shall be sufficient to pay the Bonds, the interest thereon and the redemption premium, if any, as the same shall become due on said Bonds on or prior to their redemption date or maturity date thereof.

As used herein, Defeasance Obligation shall mean to the extent permitted by laws:

(i) Direct general obligations of, or obligations the payment of principal and interest on which is unconditionally guaranteed by, the United States of America;

(ii) Evidences of indebtedness issued by any of the following: Bank for Cooperatives; Federal Home Loan Banks, Federal Home Loan Mortgage Corporation (including participation certificates); Federal Land Banks; Federal Financing Banks; or any other agency or instrumentality of the United States of America created by an act of Congress which is substantially similar to the foregoing in its legal relationship to the United States of America;

(iii) Evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in (i) held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in (i), and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; and

(iv) Debt obligations, whether or not interest thereon is exempt from federal income taxes, which, at the time of deposit, are rated by either Moody's Investors Service

Inc. (“Moody’s”) or Standard & Poors (“S&P”) in either of the two highest long-term debt rating categories of such rating agency without regard to any refinement or gradation of such rating category by numerical modifier or otherwise; provided, that if any Bond being provided for is then rated by Moody’s or S&P, the obligations deposited must be rated by each rating agency having a rating in effect on such Bonds in a rating category no lower than that in effect on such Bonds; and

(v) Obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended, provision for the payment of the principal of, premium, if any, and interest on which shall have been made by the irrevocable deposit with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of securities described in clauses (i) or (ii) the maturing principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of, premium, if any, and interest on such obligations, and which securities described in clauses (i) or (ii) are not available to satisfy any other claim, including any claim of the trustee or escrow agent or of any person claiming through the trustee or escrow agent or to whom the trustee or escrow agent may be obligated, including in the event of the insolvency of the trustee or escrow agent or proceedings arising out of such insolvency.

Upon such payment or deposit in the amount and manner provided in this resolution, the Bonds shall no longer be deemed to be outstanding for the purposes of this Resolution and all liability of the City with respect to the Bonds shall cease and be completely discharged and extinguished, and the holders thereof shall be entitled for payment solely out of the moneys or Defeasance Obligations so deposited.

Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any series of Bonds, any portion of a series of Bonds, any maturity or maturities of a series of Bonds, any portion of a maturity of a series of Bonds, or any combination of the foregoing.

SECTION 14. That after the Bonds have been awarded as herein provided, the Mayor is hereby authorized to execute the Bonds on behalf of the City with his manual or facsimile signature, and the City Finance Officer to countersign the same with her manual or facsimile signature, attesting, and to affix, imprint or otherwise reproduce the Seal of the City on the Bonds, or a facsimile thereof. Thereupon, the Mayor or the City Finance Officer is hereby authorized to deliver the executed Bond to the approved Purchaser upon the payment of the amount specified in the award and Katten Muchin Rosenman LLP shall deliver the opinion approving the validity of said Bonds.

SECTION 15. The Mayor and City Finance Officer are hereby authorized and empowered to execute and deliver, or cause to be executed and delivered such other documents and opinions, and to do all such acts and things as may be necessary or desirable in connection with the issuance, execution and delivery of the Bonds and the final Official Statement.

SECTION 16. The City covenants and agrees that it will provide the documents and information required to be delivered to a nationally recognized municipal securities information repository and annually thereafter no later than 270 days from the end of its fiscal year, established as a result of the Securities and Exchange Commissions adoption of the amendments to Rule 15c2-12 issued under the Securities and Exchange Act of 1934.

SECTION 17. The preparation of the Preliminary Official Statement of the City substantially in the form presented at this meeting, relating to the Bonds, and the distribution

thereof to prospective purchasers of the Bonds is hereby approved. The Preliminary Official Statement is “deemed final” within the meaning of Securities Exchange Commission Rule 15c2-12(b)(1).

An Official Statement, substantially in the form of the Preliminary Official Statement, together with such appropriate changes, insertions and omissions as may be approved by the Mayor, his signing of such Official Statement to be conclusive evidence of his approval of any such changes, insertions and omissions, and his execution and delivery of such Official Statement is hereby authorized.

If during the 25-day period after the date of delivery of and payment for the Bonds, any event known to the City relating to or affecting the City, this resolution, or the Bonds, shall occur which might affect the correctness or completeness of any statement of a material fact contained in the Official Statement, the City will promptly notify the Purchasers in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the opinion of the Purchasers to amend or supplement the Official Statement by stating or restating any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, therein, not misleading, and the Purchasers shall have so advised the City, the City will forthwith prepare and furnish to the Purchasers a reasonable number of copies of an amendment of or a supplement to such Official Statement, in form and substance satisfactory to the Purchasers, which will so amend or supplement such Official Statement so that, as amended or supplemented, the Official Statement will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

SECTION 18. That the City hereby authorizes that the Bonds may be sold at a competitive or negotiated sale and that the Mayor and the City Finance Officer are hereby authorized to make such determination. Such sale shall be subject to the terms and conditions set forth in Sections 1 and 5 of this Resolution. In connection with a competitive sale, that the City hereby authorizes publication of a notice of sale relating to the sale of the Bonds soliciting proposals therefor, such notice may contain terms of the Bonds including maturities (not to exceed thirty (30) years) maximum interest rates and redemption provisions all as determined by the Mayor and the City Finance Officer. That the Mayor be and is hereby authorized to receive proposals for the sale of the Bonds; and the City Council may make an award of same; SUBJECT, however, to the terms and provisions of Sections 9-21-101 to 9-21-117, both inclusive, Tennessee Code Annotated (the "Act"); PROVIDED, that no award shall be made at a price less than ninety-eight percent (98%) of par and accrued interest. In connection with a negotiated sale of the Bonds, the Mayor and City Finance Officer are authorized to select one or more underwriters and to negotiate the terms of a bond purchase agreement ("Bond Purchase Agreement") with such underwriters, the Bonds shall be sold to the underwriters named in the Bond Purchase Agreement (the "Underwriter), at the purchase price and on the terms and conditions set forth in such Bond Purchase Agreement, with the principal amount, interest rates and maturities as so determined by the Mayor and/or the City Finance Officer subject to the limitations set forth in Section 1 and 5 hereof. Any such Bond Purchase Agreement and the terms therein shall be approved in a supplemental resolution adopted by the City Council. The Mayor and City Finance Officer are hereby authorized on behalf of the City to execute said Bond Purchase Agreement and to deliver it to the Underwriter; and said officers and all other officers of the City are hereby authorized and directed to carry out or cause to be carried out all

obligations of the City under said Bond Purchase Agreement and to take all action contemplated to be taken by the City pursuant to the terms of said Bond Purchase Agreement. The Mayor is hereby authorized to execute the Bonds on behalf of the City with his manual or facsimile signature, and the City Finance Officer to countersign the same with his manual or facsimile signature, attesting, and to affix, imprint or otherwise reproduce the Seal of the City on the Bonds, or a facsimile thereof. Thereupon, the Mayor of the City Finance Officer is hereby authorized to deliver the executed Bonds to the Underwriter upon the payment of the amount specified in the Bond Purchase Contract an Katten Muchin Rosenman LLP shall deliver the opinion approving the validity of said Bonds.

SECTION 19. The Mayor and City Finance Officer are hereby authorized to execute such documents, instruments and papers, to open such bank accounts or custodian accounts, and do such acts as may be necessary or advisable in connection with the authorization, sale and issuance of, and security for, the Bonds.

ADOPTED: _____

I, Nicole Gwyn, Clerk to the City Council, City Council of the City of Chattanooga, Tennessee, do hereby certify that the foregoing is a true, compared and correct copy of Resolution No _____, adopted by the City Council of the City of Chattanooga, Tennessee on _____, 2015.

Nicole Gwyn
Clerk to the City Council
City of Chattanooga, Tennessee,

WITNESS my hand and the Seal of the City of Chattanooga, Tennessee, this __ day of

_____ 2015.