

RESOLUTION NO. 30097

A RESOLUTION AUTHORIZING EIGHTEEN MILLION EIGHT HUNDRED SIXTY THOUSAND DOLLARS (\$18,860,000.00) CITY OF CHATTANOOGA, TENNESSEE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B, AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

WHEREAS, pursuant to the provisions of Section 9-21-101 et seq., of the Tennessee Code Annotated (the “Act”), the City Council of the City of Chattanooga, Tennessee (the “Council”) duly adopted Resolution No. 30083 on September 24, 2019 (the “Resolution”) authorizing the refunding of all or a portion of the City of Chattanooga’s General Obligation Bonds, Series 2010A and General Obligation Refunding Bonds, Series 2010B (the “Prior Bonds”) and authorizing the issuance and sale of an amount not to exceed \$24,000,000 principal amount of General Obligation Refunding Bonds, Series 2019B Bonds in one or more series (the “Bonds”);

WHEREAS, the provisions of the Resolution required the adoption of a supplemental resolution by the Council to set certain terms related to the Bonds, including specific Prior Bonds to be refunded, determination or one or more series, interest rates, the maturity dates and principal amount of the Bonds and the General Obligation Bonds, Series 2019A, to be issued coterminously with the Bonds.

WHEREAS, pursuant to Notice of Sale dated October 2, 2019 for the City of Chattanooga, Tennessee General Obligation Refunding Bonds, Series 2019B (the “Bonds”), the following proposals have been received for the Bonds and the General Obligation Bonds, Series 2019A, to be issued conterminously with the Bonds:

Bidder Name	TIC
Wells Fargo Bank, National Association	1.697949
Hutchinson, Shockey, Erley & Co.	1.712072
Citigroup Global Markets Inc.	1.714898
Fifth Third Securities, Inc.	1.720596
Piper Jaffray	1.726511
Bank of America Merrill Lynch	1.727531
Raymond James & Associates, Inc.	1.732348
Janney Montgomery Scott LLC	1.735813
Jefferies LLC	1.736849
TD Securities	1.736921
FTN Financial Capital Markets	1.752371
Mesirow Financial, Inc.	1.755254
Robert W. Baird & Co., Inc.	1.766494
J.P. Morgan Securities LLC	1.768404
BOK Financial Securities, Inc.	1.7695
BNYMellon Capital Markets	1.777421
UMB Bank, N.A.	1.779425

WHEREAS, the proposal of Wells Fargo Bank, National Association (“Purchaser”) offering to pay the principal sum of \$18,860,000 plus premium in the amount of \$3,891,487.25, together with accrued interest, bearing a true interest rate of 1.699133% per annum, referred to above, is the highest and most advantageous bid for said Bonds as determined in the manner provided in said Notice of Sale, and in all other respects complies with said Notice of Sale form attached hereto as Exhibit A;

NOW THEREFORE,

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

SECTION 1. That the proposal of said Purchaser, referred to in the preamble hereof, is accepted, and said \$18,860,000 City of Chattanooga, Tennessee General Obligation Refunding Bonds, Series 2019B, dated October 24, 2019, bearing interest and maturing as described below, be, and the same hereby are awarded to said Purchaser in accordance with the terms of their proposal.

**2019B BONDS: GENERAL OBLIGATION REFUNDING BONDS
MATURITY SCHEDULE**

Maturity Date	Principal Amount	Interest Rate	Yield	Price
2/1/2020	\$150,000	5.000%	1.150%	101.03
2/1/2021	2,210,000	5.000%	1.150%	104.836
2/1/2022	2,085,000	5.000%	1.140%	108.621
2/1/2023	2,240,000	5.000%	1.140%	112.351
2/1/2026	320,000	5.000%	1.190%	122.949
2/1/2027	325,000	2.000%	1.250%	105.195
2/1/2028	325,000	5.000%	1.290%	129.009
2/1/2029	3,600,000	5.000%	1.340%	131.801
2/1/2030	3,825,000	5.000%	1.390%	131.292
2/1/2031	3,780,000	4.000%	1.540%	121.172
	\$18,860,000			

Interest on the Bonds is payable on February 1, 2020 and each August 1 and February 1 thereafter.

The Bonds maturing on or after February 1, 2030 are subject to optional redemption prior to maturity by the City, or on after February 1, 2029, out of money deposited with or held by the Registration Agent for such purpose, as a whole or in part at any time at the price of par.

SECTION 2. That the Mayor and City Finance Officer of the City of Chattanooga be and are hereby authorized and directed to execute said Bonds with his or her manual or facsimile signature, and to deliver said Bonds to the Purchaser and to receive payment therefor without further authority from this City Council.

SECTION 3. That the City Finance Office be and is hereby authorized and directed to return forthwith the good faith checks of all unsuccessful bidders.

SECTION 4. That the Official Statement dated October 8, 2019, and the information contained therein to be used in connection with the offering and sale of said Bonds is hereby approved and further, that the City hereby ratifies, confirms and approves the use of the Preliminary Official Statement of the City, dated October 2, 2019, and Notice of Sale of the City, dated October 2, 2019, in connection with the offering and sale of said Bonds. The Official Statement may be modified in a manner not inconsistent with the substance thereof as shall be deemed advisable by the City or Financial Advisor to the City and by bond counsel to the City. The Mayor or any proper officer of the City is hereby authorized and directed to sign the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the City and deliver the same and any such amendment or supplement.

SECTION 5. That the refunding of the City of Chattanooga’s outstanding \$2,010,000 Series 2010A Bonds maturing in the years 2021, 2026, 2027, 2028, and 2030, and the outstanding \$20,270,000 General Obligation Refunding Bonds, Series 2010B maturing in the years 2021 through 2028 and 2031 (the “Refunded Bonds”), by the issuance of the Bonds is hereby authorized, and that the Mayor and/or Finance Officer are hereby authorized to proceed herewith. That it is necessary, advantageous, desirable and in the best interests of the City of Chattanooga (the “City”) and its residents that the Bonds be issued to refund and finance the costs of accomplishing the refunding of, the Refunded Bonds.

SECTION 6. That BNY Mellon is hereby appointed registrar and paying agent for said Bonds.

SECTION 7. That the City hereby appoints BNY Mellon as Escrow Agent and shall invest the proceeds of the Bonds to be applied to refund the Refunded Bonds pursuant to the provisions of an Escrow Deposit Agreement. The investment of such proceeds of the Bonds shall be subject to the terms and provisions set forth in said Escrow Deposit Agreement, and the Mayor and City Finance Officer are hereby authorized and direct on behalf of the City to execute said Escrow Deposit Agreement and to carry out or cause to be carried out all the obligations of the City under said Escrow Deposit Agreement, and to take all actions contemplated to be taken by the City pursuant to the terms of said Escrow Deposit Agreement.

SECTION 8. That this Resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED: October 8, 2019

CITY OF CHATTANOOGA, TENNESSEE

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

ESCROW AGREEMENT

DATED _____, 2019

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS, FINDINGS AND DETERMINATIONS BY THE CITY 1
Section 1.01 Definitions..... 1

ARTICLE II

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS..... 2
Section 2.01 Creation of Escrow Deposit Fund and Accounts Therein; Directions to Escrow Agent; Representations of City..... 2
Section 2.02 Irrevocable Deposit; Express Lien..... 2
Section 2.03 Matters Related to Tax-Exemption of Refunded Bonds and 2019B Bonds. 2
Section 2.04 Transfers from Escrow Deposit Fund. 3
Section 2.05 Funds and Accounts Constitute Irrevocable Escrow Fund. 3
Section 2.06 Transfer of Funds after all Payments Required by this Agreement are Made. 3
Section 2.07 Reports to be Submitted by Escrow Agent. 3
Section 2.08 Indemnity. 3
Section 2.09 Responsibilities of Escrow Agent..... 4
Section 2.10 Agreement to Notify Paying Agents to Call Refunded Bonds. 5

ARTICLE III

CONCERNING THE ESCROW AGENT 5
Section 3.01 Successor Escrow Agent..... 5

ARTICLE IV

MISCELLANEOUS 6
Section 4.01 Amendments to this Agreement..... 6
Section 4.02 Substitution of Securities. 7

Section 4.03	Severability	8
Section 4.04	Agreement Binding	8
Section 4.05	Termination	8
Section 4.06	Governing Law.	8
Section 4.07	Execution by Counterparts.....	8

EXHIBITS

SCHEDULE A	-	INVESTMENTS IN ESCROW DEPOSIT FUND
SCHEDULE B	-	PAYMENT REQUIREMENTS ON REFUNDED BONDS
SCHEDULE C	-	NOTICES OF REDEMPTION

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Agreement”) made and entered into _____, 2019, by and between the City of Chattanooga, Tennessee (the “City”), and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, under the City’s Resolutions adopted on September 24, 2019 and _____, 2019 (collectively, the “Resolutions”):

W I T N E S S E T H:

WHEREAS, the City has heretofore issued the City of Chattanooga, Tennessee General Obligation Bonds, Series 2010A, (the “Series 2010A Bonds”) and the City of Chattanooga, Tennessee General Obligation Refunding Bonds, Series 2010B (the “Series 2010B Bonds”); and

WHEREAS, \$2,010,000 aggregate principal amount of the Series 2010A Bonds maturing on February 1, 2021, 2026, 2027, 2028 and 2030, and \$20,270,000 aggregate principal amount of the Series 2010B Bonds maturing on February 1, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2031 both inclusive, (the “Refunded Bonds”), are to be refunded by the deposit of moneys or investment securities in an amount sufficient to pay the principal of, redemption price (if any) and interest of the Refunded Bonds, in accordance with the terms of this Agreement; and

WHEREAS, on the date hereof the City is issuing the CITY OF CHATTANOOGA, TENNESSEE \$_____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B (the “2019B Bonds”) to provide a source of funds to refund the Refunded Bonds, as more particularly described herein; and

WHEREAS, in order to redeem the 2010A Refunded Bonds on February 1, 20__ (the “Redemption Date”), the City shall cause the Escrow Agent to deposit the amount of \$_____ in the Escrow Deposit Fund (as such term is hereinafter defined) which amount consists of proceeds of the 2019B Bonds (collectively, the “Deposited Amount”); and

WHEREAS, \$_____ of the Deposited Amount will, simultaneously with the execution hereof, be applied to the purchase of the U.S. Obligations (as hereinafter defined; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said Irrevocable Escrow Deposit Fund to the payment of the Refunded Bonds, it is necessary to enter into this Escrow Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded Bonds:

ARTICLE I

DEFINITIONS, FINDINGS AND DETERMINATIONS BY THE CITY

Section 1.01 Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended;

“Agreement” shall mean this Escrow Agreement, dated _____, 2019, between the City and the Escrow Agent.

“Authorized Officer” shall mean the City Finance Officer and Assistant City Finance Officer and any other officer of the City so designated in a Resolution of the City Council.

“City” shall mean the City of Chattanooga, Tennessee.

“Escrow Agent” shall mean The Bank of New York Mellon Trust Company, N.A..

“Escrow Deposit Fund” shall mean the fund created pursuant to Section 2.01 of this Agreement and shall include the Advance Refunding Account.

“Paying Agent” shall mean that person named as paying agent, or any successor thereto, pursuant to the Resolution of the City, with respect to the Refunded Bonds.

“Refunded Bonds” shall mean the Series 2010A Bonds maturing February 1, 2021, 2026, 2027, 2028 and 2030 and the Series 2010B Bonds maturing February 1, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2030.

“Series 2010A Bonds” shall mean the City’s General Obligation Bonds Series 2010A.

“Series 2010B Bonds” shall mean the City’s General Obligation Refunding Bonds Series 2010B.

“SLGS” shall mean United States Treasury Certificates of Indebtedness, Treasury Notes and Treasury Bonds -- State and Local Government Series.

“U.S. Obligations” shall mean the direct non-callable obligations of the United States of America including SLGS so named which are described in Schedule A attached hereto.

“Verification Report” shall mean the report of _____ of even date herewith directed to, among other parties, the City and the Escrow Agent.

“Written Request” with respect to the City shall mean a request in writing signed by an Authorized Officer of the City satisfactory to the Escrow Agent.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include

the plural number and vice versa unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

Section 2.01 Creation of Escrow Deposit Fund and Accounts Therein; Directions to Escrow Agent; Representations of City. There is hereby created and established with the Escrow Agent a special, separate and irrevocable escrow fund for the benefit of the holders of the Refunded Bonds designated the Escrow Deposit Fund (the “Escrow Deposit Fund”) to be held in the custody of the Escrow Agent separate and apart from other funds of the City or of the Escrow Agent.

Concurrently with the execution of this Agreement, and upon receipt of the items described in the next paragraph, the City herewith directs the Escrow Agent to take the following actions:

1. Deposit \$_____ in the Escrow Deposit Fund.
2. Purchase the U.S. Obligations for \$_____ United States Treasury Securities to refund the Refunded Bonds.

Prior to taking the foregoing actions, the Escrow Agent shall have received the Verification Report.

The City warrants and represents to the Escrow Agent (i) that the Deposited Amount is sufficient to purchase the U.S. Obligations set forth in Schedule A hereto and (ii) that the principal and interest of U.S. Obligations and the Initial Cash Deposit described in Schedule A hereto will be sufficient to pay when due principal of, premium, if any, and interest on the Redemption Date for the Refunded Bonds.

Section 2.02 Irrevocable Deposit; Express Lien. Amounts in the Escrow Deposit Fund shall constitute an irrevocable deposit, solely for the benefit of the holders of the Refunded Bonds, except as provided herein with respect to amendments permitted under Section 4.01 hereof. The holders of the Refunded Bonds shall have an express lien on principal of an interest on the U.S. Obligations and any moneys on deposit in the Escrow Deposit Fund until such proceeds are applied in accordance with Section 2.04 of this Agreement.

Section 2.03 Matters Related to Tax-Exemption of Refunded Bonds and 2019B Bonds.

The City hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in this Agreement in any manner which would adversely affect the exclusion from gross income for Federal income tax purposes of the 2019B Bonds or the Refunded Bonds. The Escrow Agent has no responsibility for determining whether Section

148 of the Internal Revenue Code has been complied with. The Escrow Agent shall have no power or duty to invest, sell, transfer or otherwise dispose of the Deposited Amount or the Escrowed Amount (as hereinafter defined), or to make substitutions of the U.S. Obligations or to sell, transfer or otherwise dispose of the U.S. Obligations except as provided in this Agreement.

Section 2.04 Transfers from Escrow Deposit Fund. The principal of and interest on the U.S. Obligations and the Initial Cash Deposit (collectively, the “Escrowed Amount”) shall be held in an irrevocable escrow fund by the Escrow Agent, and shall be transferred in the necessary amounts and on the dates as set forth on Schedule B hereto, to the Paying Agent for the Refunded Bonds for the payment of the principal of, premium (if any), and interest on the Refunded Bonds as the same become due and payable.

The Resolutions for the Refunded Bonds provide that amounts paid by the Escrow Agent to the Paying Agent from the Escrow Deposit Fund shall be applied by such Paying Agent to the payment of all principal of, premium, if any, and interest on the Refunded Bonds for the equal and ratable benefit of the holders of the Refunded Bonds.

A portion of the investment income or earnings derived from the investment of the Deposited Amount may be transferred to the City upon receipt by the Escrow Agent of a written verification of an independent certified public accountant or a firm of independent certified public accountants and an opinion of bond counsel in form satisfactory to the Escrow Agent that subsequent to such transfer the Escrowed Amount remaining in the Escrow Deposit Fund are sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds.

Section 2.05 Funds and Accounts Constitute Irrevocable Escrow Fund. All the funds and accounts created and established pursuant to this Agreement for the Refunded Bonds shall be and constitute irrevocable escrow funds for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the City and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

Section 2.06 Transfer of Funds after all Payments Required by this Agreement are Made. After the final transfer by the Escrow Agent to the Paying Agents for the Refunded Bonds shall have been made pursuant to Section 2.04 hereof, all remaining moneys then held in the Escrow Deposit Fund shall be transferred to the City by the Escrow Agent; provided, however, that no such transfer (except transfers of investment income or earnings on the U.S. Obligations made pursuant to Section 2.04 hereof) to the City shall be made until the Escrow Agent shall have received verification from the Paying Agent that it is in receipt of all the principal of, premium, if any, and interest due on the Refunded Bonds.

Section 2.07 Reports to be Submitted by Escrow Agent. The Escrow Agent shall deliver to the Treasurer or recorder of the City a copy of each document evidencing each transfer or transaction relating to the Escrow Deposit Fund, or a report of each transaction or transfer relating to the Escrow Deposit Fund, not less than every 30 days.

Section 2.08 Indemnity. The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents

and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature, specifically including consequential damages, which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the City or any other person under any other agreement or instrument, but without double indemnity) and in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Deposit Fund, the acceptance of the funds and securities deposited therein, the purchase of the U.S. Obligations, the retention of the U.S. Obligations, or the proceeds thereof, and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the City shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or intentional breach of the terms of this Agreement. In no event shall the City or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement.

Section 2.09 Responsibilities of Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Deposit Fund, the acceptance of the moneys or securities deposited therein, the purchase of U.S. Obligations, the retention of the U.S. Obligations, or the proceeds thereof, the sufficiency of the U.S. Obligations to accomplish the defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the recitals herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the validity or sufficiency of this Agreement or as to the security afforded by this Agreement and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an Authorized Officer.

In the event of the Escrow Agent's failure to account for any of the U.S. Obligations or the Initial Cash Deposit, including any investment income or earnings thereon, or moneys received by it, as a result of its negligence or willful misconduct, said U.S. Obligations, Initial Cash Deposit, or moneys shall be held in irrevocable escrow fund for the holders of the Refunded Bonds as herein provided, and if for any improper reason such U.S. Obligations, Initial

Cash Deposit or moneys are not applied as herein provided, the Escrow Agent shall be liable for the amount thereof until the required application shall be made.

Section 2.10 Agreement to Notify Paying Agents to Call Refunded Bonds. The City hereby irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, in the name of the City, to take the following actions: (1) to give notice to U.S. Bank National Association, in its capacity as Paying Agent for the Refunded Bonds, to cause to be mailed not fewer than 30 days prior to _____, 20__, a notice of redemption in substantially the same form as set forth in Schedule C-1 hereto, to the Depository Trust Company, or its successor, as the registered owner of each Refunded Bond, in accordance with the Series 2010A Bond Resolution and the Series 2010B Bond Resolution.

ARTICLE III

CONCERNING THE ESCROW AGENT

Section 3.01 Successor Escrow Agent. The Escrow Agent may resign at any time by notice in writing given to the City Finance Officer, or may be removed upon application by the owners of a majority in principal amount of the Refunded Bonds then outstanding or may be removed for cause by the City. The Escrow Agent hereby agrees that any notice of resignation given by it shall state that such resignation shall not take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Bonds or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

In the event the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the City pursuant to the foregoing provisions of this Section within forty-five (45) days after written notice of resignation of the Escrow Agent has been given to the City, any holder of Refunded Bonds or any retiring Escrow Agent may apply to any court or competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation, located in the State of Tennessee, with trust powers organized under the

banking laws of the United States or the State of Tennessee, and shall have at the time of appointment capital, surplus and undivided profits of not less than \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation into which the Escrow Agent, or any successor to it in the irrevocable escrow fund created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party shall, if approved in writing by the City, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE IV

MISCELLANEOUS

Section 4.01 Amendments to this Agreement. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Section 4.02 Substitution of Securities. Notwithstanding the foregoing or any other provisions of this Agreement, at the written request of the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the U.S. Obligations held hereunder, and to substitute therefor direct obligations of the United States of America, which shall for all purposes of this Agreement be deemed to be U.S. Obligations, subject to the condition that, as evidenced by an accountant's certificate and opinion of bond counsel referenced to below, the moneys or principal amount of securities thereafter held by the Escrow Agent shall be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds.

The City hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which would adversely affect the exclusion from gross income for Federal income tax purposes of the interest on Refunded Bonds or on the 2019B Bonds. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the U.S. Obligations held hereunder or from other moneys available. Such substitution of securities may be effected only if there shall have been obtained (i) a statement provided by an independent certified public accountant or a firm of certified public accountants (ii) an unqualified opinion of nationally recognized bond counsel, prior to any such substitution, that after any such substitution the principal amount of the substituted securities in such fund or funds and other moneys to be held by the Escrow Agent will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds and (ii) an opinion from nationally recognized bond counsel addressed to the City and the Escrow Agent to the effect that the disposition and substitution or purchase of such securities complies with this Section and will not under current law cause the interest on the Refunded Bonds or on the Bonds to be included in gross income for Federal income taxation. Escrow Agent will not be liable for any losses created out of the purchase of such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the U.S. Obligations

Any surplus moneys resulting from the sale, transfer, other disposition or redemption of the U.S. Obligations held hereunder and the substitutions therefor of direct obligations of the United States of America, shall be transferred to the City. Such transfer shall not be made by the Escrow Agent until a written verification of an independent certified public accountant or a firm of independent certified public accountants and an unqualified opinion of nationally recognized bond counsel is received by the Escrow Agent in form satisfactory to the Escrow Agent that, subsequent to such transfer the moneys and U.S. Obligations remaining in the Escrow Deposit Fund are sufficient to pay when due the principal of premium, if any, and interest on the Refunded Bonds.

Section 4.03 Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 4.04 Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the City or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 4.05 Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

Section 4.06 Governing Law. This Agreement shall be governed by the applicable law of the State of Tennessee.

Section 4.07 Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officers and its corporate seal to be hereunto affixed and attested as of the date first above written.

CITY OF CHATTANOOGA, TENNESSEE

By: _____
City Finance Officer

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as Escrow Agent

By: _____
Authorized Officer

SCHEDULE A

INVESTMENTS IN ADVANCE REFUNDING ACCOUNT

Treasury Notes

Maturity Date	Par Amount	Rate
------------------	---------------	------

SCHEDULE B

PAYMENT REQUIREMENTS ON REFUNDED BONDS
Refunded Bonds

Period Ending	Interest	Principal Redeemed	Total
------------------	----------	-----------------------	-------

SCHEDULE C-1

NOTICE OF REDEMPTION

**CITY OF CHATTANOOGA, TENNESSEE
GENERAL OBLIGATION BONDS, SERIES 2010A
MATURING FEBRUARY 1, 2021, 2026, 2027, 2028 and 2030 AND
GENERAL OBLIGATION REFIMDOMG BONDS, SERIES 2010B
MATURING FEBRUARY 1, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028 AND 2031,
INCLUSIVE**

Notice is hereby given to the Owners of the outstanding General Obligation Bonds, Series 2010A, (the “Series 2010A Bonds”), of the City of Chattanooga, Tennessee that said Bonds having the scheduled maturities listed herein below, in the aggregate principal amount of \$_____, will be called for redemption prior to maturity, on February 1, 20, __, in accordance with their terms as set forth below, together with accrued interest and redemption premium thereon to February 1, 20__ and the outstanding General Obligation Refunding Bonds, Series 2010B, (the “Series 2010B Bonds”, together with the Series 2010A Bonds, the “Bonds”), of the City of Chattanooga, Tennessee that said bonds having the scheduled maturities listed below, in the aggregate principal amount of \$_____, will be called for redemption prior to maturity on February 1, 20__, in accordance with their terms as set forth below, together with accrued interest and redemption premium thereon to February 1, 20__.

Maturity (February 1)	Principal Amount	CUSIP No. (162375)	Redemption Price

The redemption price of and accrued interest on such Bonds shall become due and payable on February 1, 20__, and from and after February 1, 20__, interest on such Bonds shall cease to accrue and be payable.

There have been deposited with The Bank of New York Mellon Trust Company, N.A. (the “Escrow Agent”), pursuant to the provisions of an Escrow Agreement, dated as of _____, 2019, between the City and the Escrow Agent, certain governmental obligations (the “Securities”) and initial cash. The Securities will mature in amounts and bear interest

sufficient, together with the initial cash, to meet principal and interest payments and redemption premiums on the Bonds on the date such payments are due.

All registered owners presenting Bonds for redemption must submit a completed Department of Treasury Internal Revenue Service Form W-9 with said Bonds. Failure to provide completed Form W-9 will result in backup withholding to bondholders. Copies of Form W-9 may be obtained from the Internal Revenue Service or such other location as Internal Revenue Service Forms are generally available.

Owners of such Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the corporate trust offices of the paying agent, U.S. Bank National Association.

Dated this ___ day of _____, 2019.

By: **THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as Escrow Agent

OFFICIAL NOTICE OF SALE

CITY OF CHATTANOOGA, TENNESSEE
\$24,175,000* GENERAL OBLIGATION BONDS, SERIES 2019A
\$19,335,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B

Electronic Bids Only, as Described Herein
Will Be Accepted Until
10:00 a.m., Eastern Time, October 8, 2019*

* Preliminary, Subject to Change

CONTACTS

Issuer

City of Chattanooga, Tennessee
101 East 11th Street, Suite 101
Chattanooga, TN 37402

(423) 643-7360
Fax: (423) 643-7399

Daisy Madison, City Finance Officer
dmadison@chattanooga.gov

Legal Opinion

Katten Muchin Rosenman
575 Madison Avenue
New York, NY 10022

(212) 940-8557
Fax: (212) 894-5667

Craig Scully, Partner
craig.scully@kattenlaw.com

Financial Advisor

PFM Financial Advisors LLC
530 Oak Court Drive, Suite 160
Memphis, TN 38117

(901) 682-8356
Fax: (901) 682-8386

Lauren Lowe, Managing Director
lowel@pfm.com

Nick Yatsula, Senior Managing Consultant
yatsulan@pfm.com

BiDCOMP/PARITY®

Customer Service

(212) 404-8102

i-Deal Prospectus

Client Services

(212) 849-5024

OFFICIAL NOTICE OF SALE

CITY OF CHATTANOOGA, TENNESSEE
\$24,175,000* GENERAL OBLIGATION BONDS, SERIES 2019A
\$19,335,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B

NOTICE IS HEREBY GIVEN that irrevocable, electronic bids only will be received on the date and up to the time specified below:

SALE DATE: Tuesday, October 8, 2019*

SALE TIME: 10:00 a.m. Eastern Time*

ELECTRONIC BIDS: Must be submitted through **PARITY**[®] as described below.

No other form of bid or provider of electronic bidding services will be accepted.

Bids will be received for the purchase of all, but not less than all, of the \$24,175,000* General Obligation Bonds, Series 2019A (the “Series 2019A Bonds”) and \$19,335,000 General Obligation Refunding Bonds, Series 2019B (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Bonds”) to be issued by the City of Chattanooga, Tennessee (the “City”). The Series 2019A Bonds are being issued for the purpose of (i) financing certain public improvement projects and (ii) paying costs associated with the issuance of the Series 2019A Bonds. Projects include, but are not limited to, fire apparatus, HVAC systems, electrical upgrades, building renovation, expansion and major maintenance, building energy efficiency upgrades, campus consolidation, road/sidewalk/intersection/streetscape improvements and modifications, park facilities improvements, tunnel/bridge rehabilitation and water quality improvements. The Series 2019B Bonds are issued to (i) refund all or a portion of the City’s General Obligation Bonds, Series 2010A, dated January 28, 2010, maturing on and after February 1, 2021 and General Obligation Bonds, Series 2010B, dated January 28, 2010, maturing on and after February 1, 2021 and (ii) pay costs related to the issuance and sale of the Series 2019B Bonds. The Bonds are more particularly described in the Preliminary Official Statement dated October 2, 2019 relating to the Bonds, available at the i-Deal Prospectus website, www.i-dealprospectus.com. Prior to accepting bids, the City may as described herein, postpone the sale to a later date, or cancel the sale of the Bonds based upon market conditions as discussed herein. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 1:00 p.m., Eastern Time, on the business day preceding the bid opening. Such notice will specify the revised principal amount or feature, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Thomson Municipal News service at the internet website address www.tm3.com. Consideration of the bids and the award will be made by the City not later than 6:00 p.m., Eastern Time, on the Sale Date (as set forth above and in the Bidding Parameters table herein). The City will continue to reserve the right to adjust the principal amount of the Bonds offered, to eliminate maturities, or to cancel the sale of the Bonds after the bids are opened as further described herein. See ADJUSTMENT OF AMOUNTS AND MATURITIES.

BIDDING PARAMETERS TABLE*

\$24,175,000 General Obligation Bonds, Series 2019A

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max Reoffering Price	
Delivery Date:	October 24, 2019	Each Maturity:	N.A.
Interest Payment Dates:	February 1 and August 1	Aggregate:	130%
First Interest:	February 1, 2020	Min Reoffering Price	
Coupon Multiples:	1/8 or 1/20 or 1/100 of 1%	Each Maturity:	98.5%
Maximum Coupon:	5.00%	Aggregate:	100%
Minimum Coupon:	4.00% on and after February 1, 2030		
Maximum TIC:	N.A.	PROCEDURAL	
		Sale Date:	October 8, 2019
		Sale Time:	10:00 a.m. Eastern Time
		Bid Submission:	Electronic only through PARITY
PRINCIPAL		All or None:	Yes
Optional Redemption:	Callable on and after February 1, 2029 at par	Bid Award Method:	Lowest TIC
Principal Increases Each Maturity:	25%	Bid Confirmation:	Fax Signed PARITY screen
Aggregate:	Aggregate principal amount for the Bonds cannot exceed \$31,500,000	Awarding of Bid:	City Mayor not later than 6:00 p.m. Eastern Time on Sale Date
Principal Reductions Each Maturity:	25%	Good Faith Deposit:	As more fully described herein on page 9
Aggregate:	15%	Insurance:	May be purchased by the bidder at its option
Term Bonds:	Any consecutive maturities after February 1, 2029; Must have sinkers equal to amortization		

<u>Due February 1*</u>	<u>Amount</u>	<u>Due February 1*</u>	<u>Amount</u>
2020	\$1,610,000	2028	\$1,610,000
2021	1,615,000	2029	1,610,000
2022	1,615,000	2030	1,610,000
2023	1,615,000	2031	1,610,000
2024	1,615,000	2032	1,610,000
2025	1,615,000	2033	1,610,000
2026	1,610,000	2034	1,610,000
2027	1,610,000		

* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the body of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items. Information in the Bidding Parameters table may be subject to adjustment as set forth herein.

BIDDING PARAMETERS TABLE*

\$19,335,000 General Obligation Refunding Bonds, Series 2019B

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max Reoffering Price	
Delivery Date:	October 24, 2019	Each Maturity:	N.A.
Interest Payment Dates:	February 1 and August 1	Aggregate:	130%
First Interest:	February 1, 2020	Min Reoffering Price	
Coupon Multiples:	1/8 or 1/20 or 1/100 of 1%	Each Maturity:	98.5%
Maximum Coupon:	5.00%	Aggregate:	100%
Minimum Coupon:	4.00% on and after February 1, 2030		
Maximum TIC:	N.A.	PROCEDURAL	
		Sale Date:	October 8, 2019
		Sale Time:	10:00 a.m. Eastern Time
		Bid Submission:	Electronic only through PARITY
PRINCIPAL		All or None:	Yes
Optional Redemption:	Callable on and after February 1, 2029 at par	Bid Award Method:	Lowest TIC
Principal Increases Each Maturity:	25%	Bid Confirmation:	Fax Signed PARITY screen
Aggregate:	Aggregate principal amount for the Bonds cannot exceed \$27,000,000	Awarding of Bid:	City Mayor not later than 6:00 p.m. Eastern Time on Sale Date
Principal Reductions Each Maturity:	25%	Good Faith Deposit:	As more fully described herein on page 9
Aggregate:	15%	Insurance:	May be purchased by the bidder at its option
Term Bonds:	N.A.		

<u>Due February 1*</u>	<u>Amount*</u>	<u>Due February 1*</u>	<u>Amount*</u>
2020	\$155,000	2027	\$350,000
2021	2,260,000	2028	355,000
2022	2,140,000	2029	3,685,000
2023	2,300,000	2030	3,915,000
2026	340,000	2031	3,835,000

* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the body of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items. Information in the Bidding Parameters table may be subject to adjustment as set forth herein.

THE BONDS

The Bonds will be issued in fully registered, book-entry only form, without coupons, will be dated as of the date set forth in the Bidding Parameters Table; will be issued in denominations of \$5,000 or integral multiples thereof; and will bear interest from their date until paid or duly called for redemption at the annual rate or rates specified by the successful bidder, subject to the limitations specified below, payable as shown on the Bidding Parameters Table. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board (“MSRB”). The Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

The Bonds will mature on the month and day and in the years and principal amounts shown on the Bidding Parameters and Principal Maturities Table as serial bonds or term bonds, subject to the terms and adjustments described in the Bidding Parameters Table and herein.

OPTIONAL REDEMPTION

To the extent provided in the Bidding Parameters Table, the Bonds may be redeemed prior to their respective maturity dates at the option of the City on or after the date specified in the Bidding Parameters Table, in whole or in part at any time at the redemption prices set forth in the Bidding Parameters Table, together with accrued interest thereon to the redemption date. The Bonds will not be subject to optional redemption prior to the date specified in the Bidding Parameters Table.

Written notice of redemption shall be mailed to registered owners of the Bonds at least twenty days before the redemption date. 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 to 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.

SECURITY

The Bonds will be direct general obligations of the City. The full faith, credit and ad valorem taxing power of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds.

ADJUSTMENT OF AMOUNT AND MATURITIES

The aggregate principal amount of each maturity of the Bonds is subject to adjustment by the City after the receipt and opening of the bids for their purchase as specified in the Bidding Parameters Table. Changes to be made after the opening of the bids will be communicated to the successful bidder directly by 10:00 a.m., Eastern Time, on the date following the Sale Date.

Prior to the Sale Date, the City may cancel the sale of the Bonds or adjust the aggregate principal amount and the principal amount of any maturity of the Bonds. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 1:00 p.m., Eastern Time, the business day preceding the bid opening.

After the receipt and opening of the bids for their purchase, the City may cancel the sale of the Bonds or adjust the aggregate principal amount and the principal amount of each maturity of the Bonds; provided that such adjustments are within the limitations set forth in the Bidding Parameters Table, calculated based on the applicable bid amount. The City will consult with the successful bidder before adjusting the amount of any maturity of the Bonds or canceling the sale of the Bonds; however, the City reserves the sole right to make adjustments, within the limits described above, or cancel the sale of the

Bonds. Any adjustments made after the opening of the bids will be communicated to the successful bidder directly by 9:00 a.m., Eastern Time, on the date following the Sale Date. Adjustments within the limits described above will not relieve the successful bidder from its obligation to purchase all of the Bonds offered by the City, assuming the City has satisfied all other conditions of this Official Notice of Sale.

In the event that the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price (as a percentage of principal) for each maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

FORM AND PAYMENT

The Bonds will be issued in fully registered, book-entry only form and a bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds, with transfers of ownership affected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Registration Agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the City nor the Registration Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. The successful bidder will be required to furnish to DTC within seven (7) days after the sale the customary underwriter's questionnaire and information as to each DTC participant and the Bonds to be held for it.

Payment of principal of the Bonds will be made by the City by wire transfer through The Bank of New York Mellon Trust Company, N.A., the registrar/paying agent (the "Registration Agent"), to DTC or its nominee, Cede & Co., as registered owner of the Bonds on the month and day, in the years and amounts established in accordance with the award of the Bonds. Interest on the Bonds is payable on the dates shown in the Bidding Parameters Table. Interest payments on the Bonds will be mailed by the Registration Agent on each interest payment date to the owners of the Bonds at the addresses listed on the registration books maintained by the Registration Agent for such purpose. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds will be made to DTC or its nominee.

PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT

The City has authorized the preparation and distribution of a Preliminary Official Statement dated October 2, 2019 (the "Preliminary Official Statement" or "POS") containing information relating to the Bonds. The Preliminary Official Statement is deemed "final" by the City as required by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for pricing and other information allowed to be omitted pursuant to the Rule. The City will furnish the successful bidder on the date of closing, with its certificate, in its usual form, as to the completeness and accuracy of the Official Statement.

The Preliminary Official Statement, this Official Notice of Sale and any other information concerning the proposed financing will be available electronically at i-Deal's website, www.i-dealprospectus.com. Assistance in obtaining the documents will be provided by i-Deal's customer service at (212) 849-5024 or from PFM Financial Advisors LLC, 530 Oak Court Drive, Suite 160, Memphis,

The Preliminary Official Statement, when amended to reflect the actual amount of the Bonds sold, the interest rates specified by the successful bidder and the price or yield at which the successful bidder will reoffer the Bonds to the public, together with any other information required by law, will constitute a "Final Official Statement" with respect to the Bonds as that term is defined in the Rule. No more than seven (7) business days after the date of the sale, the City will provide without cost to the respective successful bidder up to 25 copies of the Final Official Statement. If the Bonds are awarded to a syndicate, the City will designate the senior managing underwriter of the syndicate as its representative for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter submitting a bid with respect to the Bonds agrees thereby that if its bid is accepted, it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purpose of assuring the receipt and distribution by each participating underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

As set forth in the Preliminary Official Statement, the City will contract with the successful bidder as to continuing disclosure as required by the Rule pursuant to the City's standard continuing disclosure certificate, a form of which certificate is attached as an exhibit to the Preliminary Official Statement.

LEGAL OPINION

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the City will furnish upon the delivery of the Bonds the opinion as to the validity of the Bonds of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel to the City. The opinion of Bond Counsel will state, among other things, that the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion of Bond Counsel is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with such requirements may cause the interest on the Bonds to be included in gross income retroactively to their date of issuance. The City has covenanted to comply with such requirements of the Code. Under the existing laws of the State of Tennessee, the Bonds and the income therefrom are exempt from all State, county and municipal taxation in Tennessee, except for Tennessee franchise and excise taxes.

Bond Counsel will express no opinion regarding federal or state tax consequences arising with respect to the Bonds except as stated above. It should be noted, however, that interest on any Bond may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed on foreign corporations under the Code. In addition, ownership of Bonds may result in collateral federal income tax consequences to certain taxpayers such as corporations (including S Corporations and certain foreign corporations), financial institutions, property and casualty or life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals claiming the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry Bonds.

BIDDING PROCEDURE; OFFICIAL BID FORMS

Only electronic bids submitted via **BiDCOMP/PARITY®** during the bidding time period will be accepted. No other form of bid or provider of electronic bidding services will be accepted. **No bid delivered by facsimile directly to the City will be accepted.** Bidders are permitted to submit bids for the Bonds during the bidding time period, provided they are eligible to bid as described under "ELIGIBILITY TO BID" below.

Each bid must be unconditional and received by PARITY® before the Sale Time set forth in the Bidding Parameters Table. No proposal to purchase the Bonds may be withdrawn after the deadline set for receiving bids. Prior to the deadline set for receiving bids, an eligible prospective bidder may, subject to limitation which may be imposed by PARITY®, modify the proposed terms of its bid in which event the proposed terms last modified will constitute its bid for the Bonds. At the deadline stated above for receiving bids, the bidding process will close and each bid shall then constitute an irrevocable offer to purchase the Bonds on the terms provided in the bid and this Official Notice of Sale.

ELECTRONIC BIDDING

Electronic bids may be submitted via PARITY® only. No other provider of electronic bidding services will be accepted. The use of PARITY® electronic bidding shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto. The City is using electronic bidding as a communications medium and PARITY® is not acting as the City's agent.

Each electronic bid submitted via PARITY® shall be deemed an offer, in response to this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. Once the bids are released electronically via BiDCOMP/Parity to the City, each bid will constitute an **IRREVOCABLE** offer to purchase the Bonds on the terms therein provided. The successful bidder must confirm such bid by a signed PARITY® Bid Form and a signed statement of reoffering prices, both delivered by fax to the City (at the number specified in "Contacts" at the front of this Official Notice of Sale) no later than one hour after being notified by the City of being the winning bidder, the original of each of which must be received by the City on the following business day at the address shown above. Failure to deliver this written confirmation does not relieve the bidder of the obligation to purchase the Bonds.

REVOCABLE BIDS ARE NOT PERMITTED

By submitting a bid for the Bonds, each underwriter certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The City will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

If any provisions of this Official Notice of Sale conflict with information provided by PARITY®, this Official Notice of Sale shall control. The City is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Official Notice of Sale. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted.

ELIGIBILITY TO BID

The City does not have a registration requirement for prospective bidders. However, bidders must be contracted customers of the BiDCOMP Competitive Bidding System and should promptly contact PARITY® directly at (212) 404-8102 for information about PARITY®, including its rules and fees, and becoming a contracted customer.

FORM OF BID, INTEREST RATES AND BID PRICES

All bids must conform to the requirements of this Official Notice of Sale. Bidders must bid to purchase all maturities of the Bonds. No bid will be considered which does not offer to purchase all of the Bonds. Each bid must specify (1) an annual rate of interest for each maturity and (2) a dollar purchase price for the entire issue of the Bonds. The winning bidder must specify reoffering prices or yield for each maturity.

A bidder must specify the rate or rates of interest per annum (with no more than one rate of interest per maturity), which the Bonds are to bear, to be expressed in the coupon rate multiples set forth in the Bidding Parameters Table. Any number of interest rates may be named, but the Bonds of each maturity must bear interest at the same single rate for all bonds of that maturity.

Each bid for the Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

Each bidder must specify, as part of its bid, the prices or yields at which all of the Bonds of each maturity will be offered and sold to the public. Reoffering prices presented as a part of the bids will not be used in computing the bidders' true interest cost. As promptly as reasonably possible after bids are received, the City will notify the successful bidder that it is the apparent winner.

MUNICIPAL BOND INSURANCE

Each bidder for the Bonds must specify, as part of its bid, whether a commitment for bond insurance has been obtained by such bidder. The amount of any such premium must be included in the purchase price for the Bonds. The failure of a bidder to specify insurance in its bid will constitute a representation that the bidder has not obtained such an insurance commitment or that such insurance does not result in arbitrage true interest cost savings to the City. If an insurance commitment has been obtained and the insurance will produce arbitrage true interest cost savings to the City, such matters must be confirmed at the time the bidder is notified that it is the apparent winner, as described in "FORM OF BID, INTEREST RATES AND BID PRICES" above, and also with a certificate, and the successful bidder must furnish other related certificates from the insurer, satisfactory to the City in form and substance, delivered simultaneously with delivery of the Bonds. Qualification of insurance for the Bonds is borne by the bidder.

AWARD OF BID

The City expects to award the Bonds to the winning bidder no later than 6:00 p.m. Eastern Time on the Sale Date. Bids may not be withdrawn prior to the award. Unless all bids are rejected, the Bonds will be awarded by the City on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost to the City. The lowest true interest cost will be determined in accordance with the True Interest Cost ("TIC") method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the Dated Date of the Bonds and to the aggregate purchase price of the Bonds. If two or more bidders offer to purchase the Bonds at the same lowest TIC, the Bonds may be apportioned between such bidders if it is agreeable to each of the bidders who have offered the price producing the same lowest TIC; provided, that if apportionment is not acceptable to such bidders, the City will have the right to award the Bonds to one of such bidders. There will be no auction.

RIGHT OF REJECTION

The City expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults.

DELIVERY AND PAYMENT

Delivery of the Bonds will be made by the City to DTC in book-entry only form in New York, New York on or about the Delivery Date shown in the Bidding Parameters Table, or such other date agreed upon by the City and the successful bidder. Payment for the Bonds must be made in federal funds or other funds immediately available to the City at the time of delivery of the Bonds. Any expenses incurred in providing immediate funds, whether by transfer of federal funds or otherwise, will be borne by the purchaser. The cost of printing the Bonds, if any, will be borne by the City.

RIGHT OF CANCELLATION

The successful bidder will have the right, at its option, to cancel its obligation to purchase if the Registration Agent fails to execute the Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder will be entitled to the return of the Good Faith Deposit accompanying its bid.

GOOD FAITH DEPOSIT

A Good Faith Deposit in the amount of \$450,000 is required of the winning bidder only for the Bonds. The winning bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds as instructed by the City's Financial Advisor, PFM Financial Advisors LLC. The winning bidder shall submit the Good Faith Deposit not more than two hours after verbal award is made. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the Good Faith Deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

NO LITIGATION

There is no litigation pending concerning the validity of the Bonds, the existence of the City, or the entitlement of the officers thereof to their respective offices, and the successful bidder will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Bonds.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. PFM Financial Advisors LLC will request the assignment of CUSIP numbers no later than one business day after dissemination of this Official Notice of Sale in accordance with MSRB Rule G-34. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

BLUE SKY

The City has not taken any action relating to the requirements of the securities or “blue sky” laws of any jurisdiction with respect to the offer and sale of the Bonds. In addition, the City is aware that certain jurisdictions have filing requirements, which must be satisfied prior to any offer and sale of the Bonds to the public.

INITIAL REOFFERING TERMS

The apparent successful bidder will provide the initial public offering prices to the public (the “Initial Public Offering Prices”) and yields of each maturity of the Bonds (collectively the “Initial Reoffering Terms”) within 30 minutes of receipt of notice that it is the apparent winning bidder.

ESTABLISHMENT OF ISSUE PRICE

The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected Initial Public Offering Price, or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the City or Bond Counsel.

Anticipated Compliance with Competitive Sale Requirements. The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Application of the Hold-the-Offering-Price Rule if Competitive Sale Requirements Are Not Satisfied. In the event that the competitive sale requirements are not satisfied, the City shall treat the Initial Public Offering Price as of the Sale Date (as hereinafter defined) of each maturity of the Bonds as

the issue price of that maturity (the “hold-the-offering-price rule”) and the successful bidder shall execute and deliver to the City a certificate acceptable to Bond Counsel, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the City or Bond Counsel.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the City to the successful bidder (“Sale Date”) at the Initial Public Offering Price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the Initial Public Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

UNDERTAKINGS OF THE SUCCESSFUL BIDDER

The winning bidder will be required to provide the City, at closing, with an issue price certificate consistent with the foregoing, together with any supporting documentation such as pricing wires or equivalent communications. A form of the issue price certificate is attached to this Notice of Sale as an exhibit. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the public (as defined herein) by the delivery date of the Bonds, the issue price certificate may be modified in a manner approved by the City.

The successful bidders must furnish the following information to the City to complete the Official Statement in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);

2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the City.

CERTIFICATE

In connection with delivery of the Bonds, the City will deliver a certificate of an official of the City, dated the date of delivery of said Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said official, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

Additional information may be obtained from Daisy Madison, City Finance Officer, (dmadison@chattanooga.gov), (423) 643,7360, or Lauren Lowe (lowel@pfm.com) of PFM Financial Advisors LLC, (901) 682-8356.

CITY OF CHATTANOOGA, TENNESSEE

/s/ Andy Berke
Mayor

Dated: October 2, 2019

CITY OF CHATTANOOGA, TENNESSEE

**[\$[PRINCIPAL AMOUNT] GENERAL OBLIGATION BONDS, SERIES 2019A
\$[PRINCIPAL AMOUNT] GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B**

ISSUE PRICE CERTIFICATE

(for Competitive Sales to be modified if Hold the Offering Price Rule applies)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of City of Chattanooga, Tennessee (the “Issuer”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury

Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Katten Muchin Rosenman LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By:

Name:

Title:

Dated: _____

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

CITY OF CHATTANOOGA, TENNESSEE

**[\$[PRINCIPAL AMOUNT] GENERAL OBLIGATION BONDS, SERIES 2019A
\$[PRINCIPAL AMOUNT] GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B**

**ISSUE PRICE CERTIFICATE
(if Hold the Offering Price Rule applies)**

The undersigned, on behalf of {NAME OF UNDERWRITER} (“{SHORT NAME OF UNDERWRITER}”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of City of Chattanooga, Tennessee (the “Issuer”).

1. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the [Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriting Group] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is {date of award}.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents {SHORT NAME OF UNDERWRITER}'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Katten Muchin Rosenman LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

{NAME OF UNDERWRITER}

By:

Name:

Title:

Dated:

SCHEDULE A
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)