

RESOLUTION NO. RS2012-318

Initial resolution determining to issue district energy system revenue and tax refunding obligation bonds of The Metropolitan Government of Nashville and Davidson County in an aggregate principal amount of not to exceed Fifty-Five Million Dollars.

WHEREAS, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") issued its District Energy System Bonds, 2002 Series A, dated October 24, 2002 (the "Outstanding Bonds") for the purpose of constructing and improving a steam and chilled water energy distribution and generating facility (the "System") pursuant to Resolution No. RS2002-1124 adopted on August 20, 2002 (the "General Resolution"), as supplemented by Resolution No. RS2002-1144; and

WHEREAS, the Outstanding Bonds were secured by and payable from the rates, fees or other charges or income received by or on behalf of the Metropolitan Government from customers in connection with the sale of steam or chilled water or other forms of energy for heating, cooling, and other uses generated by the System, net of operating expenses (as more specifically defined in the General Resolution, the "Net Revenues"); and

WHEREAS, as a customer of the System, the Metropolitan Government agreed to pay principal and interest on the Outstanding Bonds, subject to appropriation, to the extent of any deficiency in the Net Revenues of the System; and

WHEREAS, the Outstanding Bonds can be refinanced and refunded for debt service savings as revenue and tax refunding bonds pursuant to the General Resolution, as supplemented and Sections 9-21-901 et seq., Tennessee Code Annotated, as amended; and

WHEREAS, pursuant to Section 9-21-905, Tennessee Code Annotated, prior to the issuance of any refunding bonds additionally secured by the general obligation to refund bonds secured solely by revenues of a public works project, the governing body of the local government proposing to issue said bonds shall adopt an initial resolution determining to issue said general obligation refunding bonds; and

WHEREAS, for the purpose of complying with the requirements of said statute, the Metropolitan County Council of the Metropolitan Government adopts this Resolution.

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

Section 1. Purpose. The Metropolitan County Council hereby determines to issue its revenue and tax general obligation refunding bonds (the "Bonds") in an aggregate principal amount of not to exceed \$55,000,000 for the purpose of refunding the Outstanding Bonds and paying costs of issuance in connection with the issuance of such Bonds. The Outstanding Bonds were issued to finance construction of and improvements to the System and were payable from the Net Revenues of the System.

Section 2. Authorization. The Bonds described herein shall be issued pursuant to the Charter of the Metropolitan Government and/or the Local Government Public Obligations Act of 1986, as amended, codified as Title 9, Chapter 21, Tennessee Code Annotated, and no referendum or election shall

be required for the issuance of the Bonds unless a petition for an election relating to their issuance is filed within the time and in the manner provided for in said statute.

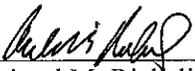
Section 3. Interest. The maximum rate of interest of the Bonds shall not exceed six percent (6.00%) per annum.

Section 4. Source of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable from and secured by the Net Revenues of the System, as described in the General Resolution, as supplemented. To the extent of a deficiency in such Net Revenues, the Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes on all taxable property within the Metropolitan Government to the full extent necessary to pay all debt service on the Bonds, and the full faith and credit of Metropolitan Government shall be irrevocably pledged to the payment thereof. Without limiting the foregoing, the Metropolitan Government shall first levy a tax on all property within the Urban Service District to pay that portion of the debt service on the Bonds not otherwise provided for by the Net Revenues pledged to the payment of the Bonds under the General Resolution.

Section 5. Publication of Resolution. The Metropolitan Clerk is hereby directed to cause this Resolution, upon its adoption, together with the statutory notice required by Sections 9-21-206 and 9-21-905, Tennessee Code Annotated, to be published in full once in a newspaper published and having general circulation in the Metropolitan Government.

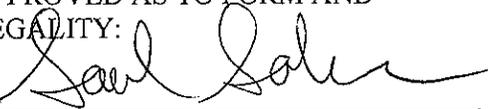
Section 6. Effective Date. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

APPROVED AS TO AVAILABILITY OF FUNDS BY:



Richard M. Riebeling
Director of Finance

APPROVED AS TO FORM AND LEGALITY:



Saul Solomon
Director of Law

INTRODUCED BY:

MEMBERS OF COUNCIL