

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**RECEIVED**

SEP 17 2012

**STATE AND LOCAL FINANCE**

**1. Public Entity:**

Name The Metropolitan Government of Nashville and Davidson County  
 Address 1 Public Square, Suite 106  
Nashville, Tennessee 37201  
District Energy System Rev and Tax Refunding Bonds, S2012A

**2. Debt Obligation:**

- a. Bond
- b. CON
- c. BAN
- d. GAN
- e. TRAN
- f. CRAN
- g. Capital Lease
- h. Loan Agreement

Note: Enclose a copy of the executed NOTE FORM if applicable.

**5. Face Amount of Debt Obligation:** \$47,450,000.00

**Premium/Discount:** \$6,972,490.90

**6. Type of Sale:**

- a. Competitive Public Sale
- b. Informal Bid
- c. Negotiated Sale
- d. Loan Program

**3. Security For Debt Obligation:**

- a. General Obligation
- b. General Obligation+Revenue+Tax
- c. Revenue
- d. TIF
- e. Annual Appropriations

**7. Tax Status:**

- a. Tax Exempt
- b. Tax Exempt - Bank Qualified
- c. Taxable

**8. Dated Date:** 08/15/2012

**9. Issue Date (Closing Date):** 08/15/2012

**4. Purpose of Issue:**

- |                                     |                             |          |
|-------------------------------------|-----------------------------|----------|
| <input type="checkbox"/>            | a. General Government       | _____ %  |
| <input type="checkbox"/>            | b. Education                | _____ %  |
| <input type="checkbox"/>            | c. Highways and Streets     | _____ %  |
| <input type="checkbox"/>            | d. Public Safety            | _____ %  |
| <input type="checkbox"/>            | e. Solid Waste Disposal     | _____ %  |
| <input type="checkbox"/>            | f. Industrial Park          | _____ %  |
| <input type="checkbox"/>            | g. Manufacturing Facilities | _____ %  |
| <input type="checkbox"/>            | h. Health Facilities        | _____ %  |
| <input type="checkbox"/>            | i. Airports                 | _____ %  |
| <input type="checkbox"/>            | j. Utilities                | _____ %  |
| <input type="checkbox"/>            | i. Water                    | _____ %  |
| <input type="checkbox"/>            | ii. Sewer                   | _____ %  |
| <input type="checkbox"/>            | iii. Electric               | _____ %  |
| <input type="checkbox"/>            | iv. Gas                     | _____ %  |
| <input checked="" type="checkbox"/> | k. Refunding or Renewal     | 100.00 % |
| <input type="checkbox"/>            | l. Other _____              | _____ %  |

specify

**10. Ratings:**

- a. Moody's Aa1
- b. Standard & Poor's AA
- c. Fitch \_\_\_\_\_
- d. Unrated \_\_\_\_\_

**11. Interest Cost:**

2.960349 %  a. TIC  
 b. NIC  
 c. Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ bps  
 d. Other \_\_\_\_\_

**12. Recurring Costs:**

- a. Remarketing Agent (bps) \_\_\_\_\_
- b. Liquidity (bps) \_\_\_\_\_
- c. Credit Enhancements (bps) \_\_\_\_\_

**13. Maturity Dates, Amounts and Interest Rates**

Year	Amount	Interest Rate		Year	Amount	Interest Rate
2013	\$1,490,000	2.00 %		2023	\$1,745,000	5.00 %
2014	\$705,000	2.00 %		2024	\$2,245,000	5.00 %
2014	\$820,000	3.00 %		2025	\$2,355,000	5.00 %
2015	\$1,565,000	3.00 %		2026	\$3,315,000	4.00 %
2016	\$1,615,000	3.00 %		2027	\$2,595,000	4.00 %
2017	\$1,665,000	4.00 %		2028	\$2,690,000	4.00 %
2018	\$1,735,000	4.00 %		2029	\$2,800,000	4.00 %
2019	\$1,795,000	4.00 %		2030	\$2,910,000	4.00 %
2020	\$1,880,000	5.00 %		2031	\$3,025,000	4.00 %
2021	\$1,970,000	5.00 %		2032	\$3,155,000	5.00 %
2022	\$2,060,000	4.00 %		2033	\$3,315,000	5.00 %

If additional space is needed, attach additional sheet.

**14. Repayment Schedule**

This Issue			Total Debt Outstanding		
Year	Cum. Principal Redeemed	% Total	Year	Cum. Principal Redeemed	% Total
1	\$1,490,000	3.14	1	\$1,490,000	3.14
5	\$6,195,000	13.06	5	\$6,195,000	13.06
10	\$15,240,000	32.12	10	\$15,240,000	32.12
15	\$26,960,000	56.82	15	\$26,960,000	56.82
20	\$40,980,000	86.36	20	\$40,980,000	86.36
25	\$47,450,000	100.00	25	\$47,450,000	100.00
30			30		

**15. Itemized Description of the Cost of Issuance**

(Round to Nearest Dollar)

		Name of Firm
a. Financial Advisor Fees*	\$44,828.00	First Southwest Company
b. Legal Fees:		
i. Bond Counsel	\$36,644.00	Bass, Berry & Sims PLC
ii. Issuer's Counsel		
iii. Trustee's Counsel		
<u>Underwriter's Counsel</u>	<u>\$25,651.00</u>	Charles E. Carpenter, P.C.
c. Paying Agent Fees and Registration Fees	\$6,750.00	U.S. Bank National Association
d. Trustee Fees		
e. Remarking Agent Fees		
f. Liquidity Fees		
g. Rating Agency Fees	\$28,545.00	Moody's, S&P
h. Credit Enhancement Fees		
i. Underwriter's Discount <u>0.47</u> %	\$224,946.00	Piper Jaffray
i. Take Down		
ii. Management Fee		
iii. Risk Premium		
iv. Underwriter's Counsel		
v. Other Expenses		
j. Printing and Advertising Fees	\$2,500.00	MuniOS
k. Issuer Fees		
l. Real Estate Fees		
m. Bank Closing Costs		
n. Other Costs	\$5,082.00	Miscellaneous
<b>Total Costs</b>	<b><u>\$374,946.00</u></b>	

\*If other costs are included, please itemize

Note: Enclose a copy of the DISCLOSURE DOCUMENT/ OFFICIAL STATEMENT if applicable.

**16. Description of Continuing Disclosure Obligations**

(Use additional pages if necessary)

Individual Responsible for Completion:

Lannie Holland

Date Annual Disclosure is due:

Not later than one year after the end

of the Fiscal Year, commencing with Fiscal Year ending June 30, 2012.

The Metropolitan Government has executed a Continuing Disclosure Certificate to assist the underwriters in complying with the requirements of Rule 15c2-12. A copy of such Continuing Disclosure Certificate is attached as an appendix to the Official Statement for the Bonds. A hard copy of the Official Statement is attached to this CT form, and the Official Statement can also be accessed online at [http://www.nashville.gov/finance/investor-relations/investor\\_relations.asp](http://www.nashville.gov/finance/investor-relations/investor_relations.asp).

**17. Description of Compliance with Written Debt Management Policy:**

(Use additional pages if necessary)

Purpose of Debt: The bonds were issued to achieve debt service savings, which is expressly approved by the Metropolitan Council and consistent with the "Refinancing Outstanding Debt" section of our debt management policy. Our debt management policy contemplates a target of 3.5% PV debt service savings, and this bond issue achieves a PV savings of 19.2% of the refunded bonds (\$11,119,050.10). The bonds were sold at fixed rates, as preferred by the "Interest" section of our policy. The bonds are payable from district energy system revenues and are also backed by the general obligation pledge of the Metropolitan Government to improve the economics of the bond issue, as permitted by the "Structure" section of the policy. The bonds are subject to a 10-year call, as preferred pursuant to the "Bond Structure - Call Provisions" section. We engaged an independent financial advisor and bond counsel, both pursuant to written engagement letters, as contemplated by the "Professionals/Consultants" section of our policy. Our financial advisor and bond counsel did not represent any other party to the transaction. The bond resolution was approved in an open, public meeting of the Metropolitan Council, at which the anticipated debt service and issuance costs and State Report on Plan of Refunding were made available to Councilmembers. A copy of the debt management policy is on file with the Office of State and Local Finance and can also be accessed online at [http://nashville.gov/finance/docs/treasurer/debt\\_policies/DebtManagementPolicy.pdf](http://nashville.gov/finance/docs/treasurer/debt_policies/DebtManagementPolicy.pdf).

**18. (If any) Description of Derivative and Compliance with Written Derivative Management Policy:**

(Use additional pages if necessary)

N/A

19.



Authorized Representative  
Mayor  
Title  
08/15/2012  
Date  
mayor@nashville.gov  
Email

Jeffrey A. Oldham  
Preparer  
Member  
Title  
Bass, Berry & Sims PLC  
Firm  
08/15/2012  
Date  
joldham@bassberry.com  
Email

20.

Submitted to Governing Body on 8/21/12 and presented at its public meeting held on 8/21/12

COPY TO: Director - Office of State and Local Finance, 505 Deaderick Street, Suite 1600, James K. Polk State Office Building, Nashville TN 37243-1402

Attachment to State Form No. CT-0253  
Of The Metropolitan Government of Nashville and Davidson County

District Energy System Revenue and Tax Refunding Bonds, Series 2012A

Box 13: The weighted average maturity for the Bonds is 12.6859 years.

Box 15: Below is an itemization of the Underwriter's Discount:

<b>Underwriter's Discount</b>	<b>\$/1000</b>	<b>Amount</b>
<b>Average Takedown</b>	<b>4.10076</b>	<b>194,581.25</b>
<b>Management Fee</b>	<b>0.50000</b>	<b>23,725.00</b>
<b>IPREO</b>	<b>0.06000</b>	<b>2,847.00</b>
<b>IPREO Fee</b>	<b>0.01054</b>	<b>500.00</b>
<b>IPREO EOE</b>	<b>0.01500</b>	<b>711.75</b>
<b>CUSIP</b>	<b>0.01199</b>	<b>569.00</b>
<b>DTC</b>	<b>0.01054</b>	<b>500.00</b>
<b>Day Loan</b>	<b>0.03186</b>	<b>1,511.74</b>