

RESOLUTION NO. _____

A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF CHATTANOOGA TO ISSUE ELECTRIC SYSTEM REVENUE BONDS IN THE AGGREGATE AMOUNT NOT TO EXCEED THIRTY MILLION DOLLARS (\$30,000,000.00) OF THE CITY OF CHATTANOOGA, TENNESSEE, ELECTRIC POWER BOARD OF CHATTANOOGA FOR THE PURPOSE OF: (1) FINANCING IMPROVEMENTS AND ENHANCEMENTS TO THE FIBER OPTIC BROADBAND NETWORK INCLUDING SMART GRID INFRASTRUCTURE FOR THE BENEFIT OF THE ELECTRIC SYSTEM, (2) FINANCING VARIOUS CAPITAL IMPROVEMENTS TO THE DISTRIBUTION SYSTEM OF THE ELECTRIC SYSTEM INCLUDING, BUT NOT LIMITED TO, ACQUISITION OF NEW TRANSFORMERS AND THE CONSTRUCTION OF FACILITIES TO SERVE NEW CUSTOMERS, AND (3) PAYING THE COSTS OF ISSUING THE BONDS.

WHEREAS, Sections 9-21-101 to 9-21-1017, both inclusive, Tennessee Code Annotated, authorize municipalities in the State of Tennessee to issue bonds for public works projects; and

WHEREAS, Section 9-21-304 of said Code provides that before bonds may be issued the governing body of the municipality shall adopt a resolution known as the "INITIAL RESOLUTION" determining to issue such bonds:

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That pursuant to the provisions of Tennessee Code Annotated, referred to in the preamble hereof, there be issued and sold electric system revenue bonds in the aggregate amount not to exceed Thirty Million Dollars (\$30,000,000.00) of the City of Chattanooga, Tennessee Electric Power Board for the purpose of: (1) financing improvements and enhancements to the

fiber optic broadband network including smart grid infrastructure for the benefit of the Electric System, (2) financing various capital improvements to the distribution system of the Electric System including, but not limited to, acquisition of new transformers and the construction of facilities to serve new customers, and (3) paying the costs of issuing the bonds; said bonds shall bear interest at such rate or rates not to exceed the rate or rates prescribed by law payable semiannually and shall be payable exclusively from revenues derived from the operation of the Electric System of the City and shall be issued at the time or times and bear date or dates and mature at such times as may hereafter be determined by resolution.

BE IT FURTHER RESOLVED, That this resolution also contemplates and authorizes the use of proceeds of any of said bonds hereafter issued by the City for the purpose described herein to be used to reimburse the City for any costs incurred on or after a date sixty (60) days prior to adoption of this resolution, within the meaning of Treasury Regulation Section 1.150-2, all of which costs are incurred or to be incurred with respect to projects referred to in this resolution.

ADOPTED: _____, 2015