AN INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED TWENTY MILLION DOLLARS ($20,000,000) SANITARY SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF MEMPHIS, TENNESSEE, PURSUANT TO THE LOCAL GOVERNMENT PUBLIC OBLIGATIONS ACT OF 1986, BEING TITLE 9, CHAPTER 21, TENNESSEE CODE ANNOTATED, FOR THE PURPOSE OF FINANCING THE COST OF IMPROVEMENTS, ADDITIONS AND EXTENSIONS TO THE SANITARY SEWERAGE SYSTEM OF THE CITY OF MEMPHIS.

BE IT RESOLVED by the Council of the City of Memphis as follows:

1. It is hereby determined that there shall be issued and there are hereby authorized to be issued revenue bonds of the City of Memphis, Tennessee (the "City"), in the maximum principal amount of not to exceed Twenty Million Dollars ($20,000,000) (the "Bonds"), pursuant to the Local Government Public Obligations Act of 1986, being Title 9, Chapter 21, Tennessee Code Annotated, for the purpose of financing the cost of improvements, additions and extensions to the Sanitary Sewerage System of the City.

2. The Bonds shall bear interest at such rate or rates not to exceed the maximum rate permitted by law at the time of sale thereof, and shall be payable in such a manner and at such times, as shall hereafter be determined by a subsequent resolution of the Council of the City.

3. The Bonds shall be payable exclusively from revenues of the Sanitary Sewerage System of the City.

4. In the event that it is determined that it is in the City's best financial interest (i) to expend moneys from other sources of the City prior to issuance of the Bonds and (ii) to reimburse such expenditures from such other sources from the proceeds of the Bonds when sold, the Director of Finance and Administration is hereby authorized to declare from time to time the official intent on behalf of the City as to such reimbursement.

5. This resolution shall be published in full once in a newspaper of general circulation in the City.

This resolution shall take effect immediately upon its adoption.