Electric Power Board Meeting

Oct 28, 2026 8:30 AM - 10:00 AM CDT

NES Conference Room 311

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1. Call to Order
2. NES Operations Internship Recognition - Dr. Trish Holliday and Emily Williams
3. Public Comment Period - Dr. Trish Holliday
4. Committee Reports
   4.1. Legal Committee
5. Consent Agenda
   5.1. Recommendation for approval of minutes from the regular meeting held September 23, 2026
6. Discussion Items
   6.1. CEO Report - Teresa Broyles-Aplin
   6.2. Recommendation for approval of Insurance Coverage beginning November 1, 2026 - Matt Kiser
      6.2.1. Premium Summary
   6.3. Recommendation for approval regarding Commercial Paper Program - Tabitha Beach
   6.4. Recommendation for approval regarding 2027 Bond Issuance - Tabitha Beach
   6.5. Recommendation for approval of Utility Bill Assistance Funds Contribution - Barry Daniel
   6.6. Recommendation for approval of Revisions to the Disconnect Policy - Laine Arnold
      6.6.1. Disconnect Policy Presentation
   6.7. Recommendation for approval of Purchases - Amanda Cochran
   6.8. Recommendation for approval of the Appointment of a Secretary and Treasurer of the Electric Power Board - Laura Smith
7. Quarterly Community Involvement and Economic Development Report - Laura Smith
8. Financial Report - Tabitha Beach
9. Customer Service Survey and Solutions - Laine Arnold
10. NES Engagement Report - Teresa Broyles-Aplin
11. Management Succession Plan Update - Dr. Trish Holliday
12. NES Emergency Succession Policy Update - Teresa Broyles-Aplin

13. Miscellaneous
14. Recess to Civil Service Board Meeting
15. Reconvene and ratify actions taken by Civil Service Board
16. Adjournment of Electric Power Board Meeting

Call to Order

NES Operations Internship Recognition

Public Comment Period

Committee Reports

Consent Agenda

MINUTES OF THE
ONE THOUSAND THREE HUNDRED EIGHTY-SECOND MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SEPTEMBER 23, 2026

The meeting of the Electric Power Board was held on Wednesday, September 23, 2026.

Members present: Vice Chair Clifton Harris, Ian Prunty, Jaz Boon; and, Rob McCabe attended virtually.
Officers present: Teresa Broyles-Aplin, Tabitha Beach, Brad Heck, Laura Smith, and Dr. Trish Holliday.

Vice Chair Clifton Harris called the meeting to order at 8:39 a.m.

PUBLIC COMMENT PERIOD

Dr. Holliday reported that there were no public comment speaker requests for the month of September.

COMMITTEE REPORTS

Audit and Ethics Committee
Committee Chair Rob McCabe reported that the Committee met this morning and approved the minutes from the August 26, 2026, Audit and Ethics Committee meeting and approved the Annual Auditor's Report and Financial Statements.

Baker Tilly reviewed the following reports, and the FY27 Audit Plan revisions were approved.

a. Audit and Ethics Committee Calendar
b. Internal Audit Status Report
c. FY27 Audit Plan Revisions
d. Storm Expenditures Internal Audit Report
e. Meter to Cash Internal Audit Report and Recommendations
f. Network and Cybersecurity Internal Audit Report and Recommendations
g. Purchased Power Internal Audit Report
h. Q4 FY26 Follow-Up and Remediation

RECOMMENDATION FOR APPROVAL OF MINUTES FROM THE REGULAR MEETING HELD AUGUST 26, 2026

Upon motion by Member Boon and seconded by Member McCabe, the Board approved the minutes from the Electric Power Board meeting held August 26, 2026, with four ayes and zero nays.

CEO REPORT

Teresa Broyles-Aplin reported that September is National Preparedness Month. She explained the Critical Referral Program which assists customers who depend on electrically powered medical

equipment in their homes. Ms. Broyles-Aplin noted that NES is encouraging eligible customers to enroll to help ensure these customers receive priority consideration during power outages.

She reported that NES conducted emergency restoration tabletop exercises on August 28 and September 18, with employees serving in their designated command roles and the National Weather Service providing weather briefings. The exercises tested Incident Command System roles, Emergency Operations Center activation, and the damage assessment and restoration process.

Ms. Broyles-Aplin briefed the Board on NES's August Performance Scorecard and stated that overall operations reported on or close to the target goal for the month and leadership's attention will focus on safety, vegetation pace, and days in receivables to improve scores.

RECOMMENDATION FOR APPROVAL OF A RESOLUTION REGARDING CUSTOMER SERVICE WEEK, OCTOBER 5-9, 2026

Laura Smith recommended a resolution for approval recognizing 2026 Customer Service Week. The 2026 National Customer Service Week theme is "The Extra Mile". Ms. Smith stated that NES employees consistently go above and beyond to serve with the utmost dedication and professionalism, which enhances the customer experience and reflects positively on NES as an organization.

> Upon motion by Member McCabe and seconded by Member Prunty, the Board approved the Customer Service Week Resolution with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF A RESOLUTION REGARDING PUBLIC POWER WEEK, OCTOBER 4-10, 2026

Ms. Smith recommended that the resolution recognizing October 4–10, 2026, as Public Power Week be approved. The annual observance recognizes the benefits and contributions of public power providers.

> Upon motion by Member Prunty and seconded by Member Boon, the Board approved the Resolution recognizing Public Power Week with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF INITIAL TERMS OF OFFICE AND OATH OF OFFICE FOR BOARD MEMBERS APPOINTED BY COUNTIES OUTSIDE DAVIDSON COUNTY

Ms. Smith explained that Public Chapter 1116 requires NES's Electric Power Board to add one voting member from each county outside Davidson County where NES serves at least 3,500 customers, if the county chooses to make an appointment. She stated that as of June 30, 2026, Sumner, Rutherford, Williamson, and Wilson Counties met the statutory threshold.

Management recommended that county-appointed members serve terms consistent with those of Metropolitan Government appointees which is five years, with terms expiring July 1. To establish staggered initial terms, Management proposed expiration dates of July 1, 2031, for Sumner

County; July 1, 2030, for Rutherford County; July 1, 2029, for Williamson County; and July 1, 2028, for Wilson County.

Management further recommended applying the same qualification requirements and oath of office to county-appointed members that apply to Metropolitan Government appointees. A Resolution establishing the initial terms and approving the required oath was recommended for approval.

Member McCabe inquired whether the recommendation was subject to debate by Tennessee State Legislature. Ms. Smith responded that there is nothing contentious in the recommendation and stated that legislation anticipated that this Board would need to make decisions to align some provisions around the county board members.

> Upon motion by Member McCabe and seconded by Member Boon, the Board approved the Resolution establishing the initial Terms of Office and the Oath of Office for Board Members appointed by counties outside of Davidson County with four ayes and zero nays.

RECOMMENDATION FOR DELEGATION OF AUTHORITY TO EXECUTE VEGETATION MANAGEMENT CONTRACTS

Ms. Smith reported that Vegetation Management is a critical component of electric system reliability and storm preparedness. She said that NES is accelerating its vegetation management efforts to ensure trimming stays on cycle to reduce outage risk before the upcoming winter storm season.

NES has issued a Request for Bid for lump sum vegetation management services and has invited quotes from qualified contractors. Delaying approval of the contract awards until the October Electric Power Board meeting would postpone contract execution and the mobilization of field crews by approximately two weeks.

Management requested approval for the President & Chief Executive Officer to enter into one or more lump-sum vegetation management contracts, in an amount not to exceed $15 million. This delegation authority would allow NES to complete additional vegetation management work before winter weather conditions develop. Ms. Smith stated that the President and Chief Executive Officer would report the contract awards to the Electric Power Board at its October meeting and will request ratification of contracts executed pursuant to this delegation.

> Upon motion by Member Prunty and seconded by Member Boon, the Board approved the delegation of authority to execute Vegetation Management contracts with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF DATA CENTER RETAIL RATE SCHEDULES AND REVISIONS TO THE TDMSA AND MSB RETAIL RATE SCHEDULES

Barry Daniel reported that the Tennessee Valley Authority Board approved changes to wholesale and resale rates in August 2026. The approved changes include modifications to the Manufacturing Service Rate Schedules TDMSA and MSB and the creation of separate Large Data Service Rate

Schedules for qualifying data center customers. TVA's approved changes are scheduled to apply beginning with the October 2026 revenue month.

Mr. Daniel explained that because the wholesale rate changes affect the costs NES incurs to serve customers under these schedules, corresponding changes are required to the NES retail rate schedules and reviewed the proposed retail components that would be incorporated into the final retail schedules.

TVA also established separate wholesale rates for data center customers. He stated that these rates are intended to closely align the costs and risks associated with large data center loads with the customers creating those costs, while protecting residential and other existing customers from cost increases associated with data center development.

Management recommended that the Board approve the following, to be effective October 1, 2026:

1. The revised TDMSA and MSB retail rate schedules, including the revised on-peak and off-peak energy components.
2. The adoption of the new Data Service retail rate schedules for qualifying data center customers.
3. The related changes to the availability and applicability provisions of affected NES retail rate schedules necessary to implement the new Large Data Service classification.

> Upon motion by Member Boon and seconded by Member Prunty, the Board approved the Data Center Retail Rate Schedules and Revisions to the TDMSA and MSB Retail Rate Schedules with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF PURCHASES

Bryan Lillard presented management's recommendation for approval of $14,633,494.54 in purchases and contracts exceeding $50,000. This amount included $1,443,855.04 in monthly purchases and contract additions between the $50,000 and $250,000 threshold that received prior management approval.

Mr. Lillard brought the Board's attention to two sole-source and two sole-brand items and recommended approval of the August 2026 purchases and contracts. Member Boon requested additional information regarding the two sole source items. Mr. Lillard explained the need for each item and the anticipated benefits to NES.

> Upon motion by Member Boon and seconded by Member Prunty, the Board approved the list of purchases and contracts by a vote of four ayes and zero nays. This list consists of four pages and has been attested to on each page by the signature of the Secretary and is attached hereto as "Appendix A"[1] to these minutes. Total cost of purchases and contracts, as approved, amounts to $14,633,494.54.

FINANCIAL REPORT

Tabitha Beach reported that year to date through August 31st operating revenues were $330.8 million or 6.4% above budget. Purchased power costs were $273.3 million or 3.9% above budget.

[1] Appendix A Electronically Filed

Ms. Beach stated that because of higher sales volume due to extreme weather patterns, the year-to-date sales margin was $10.8 million or 13.1% above budget.

She noted that operating expenses were $13.6 million below budget primarily due to lower pension expense from stronger investment returns and favorable actuarial results, along with reduced OPEB, labor, IT shared services, offset by over budget in uncollectible accounts. The overall change in net position was $25 million.

Ms. Beach reported that NES remains above its key financial targets with Debt Service Coverage at 3.7 compared to the target of 2.0 and the Days Cash on Hand at 115 days compared to the target of 90 days. As of August, a total of $24 million has been invested in the Capital Budget, representing 12% of the annual budget of $195 million.

NES ENGAGEMENT REPORT

Teresa Broyles-Aplin presented the NES Engagement Report highlighting recent employee accomplishments and community involvement initiatives.

MISCELLANEOUS

There were no miscellaneous items to report.

RECESS AND RECONVENE

At this point, the Board recessed and reconvened to ratify the actions taken by the Civil Service Board.

> Upon motion by Member Prunty and seconded by Member Boon, the Board ratified the actions taken during the Civil Service Board meeting with four ayes and zero nays.

ADJOURNMENT

The meeting adjourned at 9:21 a.m.

Approved,

Attest:

Board Chair

Secretary

Docusign Envelope ID: B4B776A4-82D9-8701-82B9-42AC7AF3BD78

September 23, 2026

Appendix "A"

Approval of Purchases and Contracts
at the Meeting on Wednesday September 23, 2026

Management recommends Board approval
of the following purchases and contracts:

Total Materials and Supplies Purchases	**$782,160.00**
Total Contracts and Services	**$4,257,479.50**
Total Additions, Extensions, and Changes	**$8,150,000.00**
Total Ratified Purchases and Contracts	**$1,443,855.04**
TOTAL	**$14,633,494.54**
Total Sales	**$836,016.34**
Total Line Items	**$75,000,000.00**

Attested by: DocuSigned by: 0E6841D6C2ED43D...
Trish Holliday, Secretary

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Docusign Envelope ID: B4B776A4-82D9-8701-82B9-42AC7AF3BD78

September 23, 2026

MATERIALS AND SUPPLIES PURCHASES

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Current Limiting Fuse, 25 amp (6,240)	Gresco	$424,320.00	Competitive (1 Year) Blanket	3/8
Pole, Steel, Galvanized, H7, 90 ft (21)	Stuart C. Irby	357,840.00	Competitive	3/6
TOTAL		**$782,160.00**		

CONTRACTS AND SERVICES

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Boardroom Renovation	615 Elite Construction	*$162,079.50	Competitive	2/9
Forest Hills Auto Transformer Repair	Siemens Industry, Inc.	*2,545,400.00	Competitive	2/6
Perform Electrical Tests on Utility Substation Equipment	Shermco Industries	800,000.00	Competitive (5 Years)	5/31
UVM Administrative Services	Edko, LLC	750,000.00	Competitive (9 Months)	6/23
TOTAL		**$4,257,479.50**		

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*Price includes a 10% contingency.

ADDITIONS, EXTENSIONS, AND CHANGES

Item Description	Contractor	Additional Amount	Change Requested
Fire Resistant Clothing	Tyndale Co.	$300,000.00	Addition (New NTE $2,800,000.00)
Legal Services	Adams and Reese LLP	N/A	Extension (2 Years)
Professional Recruitment Services	Korn Ferry (US)	600,000.00	Addition (New NTE $840,000.00)
Storm Recovery Support of the Four Pillars	E Source Companies, LLC	250,000.00	Addition (New NTE $422,500.00)

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Trish Holliday, Secretary

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Underground Utility Locating Service	Utiliquest, LLC	N/A	Extension (2 Years)
Utility Vegetation Management Services-Planned and Emerging Work	ABC Professional Tree Services, Inc.	7,000,000.00	Addition (New NTE $62,000,000.00)
TOTAL		**$8,150,000.00**	

RATIFIED PURCHASES AND CONTRACTS

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Cascade V4 Upgrade and Software Support	**DNV USA, Inc.**	$58,324.06	**Sole Source** (1 Year)	N/A
Cost of Service, Line Extension, and Retail Rate Design Services	Utility Financial Solutions	100,000.00	Addition (New NTE $150,000.00) Extension (2 Years)	N/A
Crossarm, Weathered Steel, 4”x4”x9’-4” (120)	Stuart C. Irby	117,000.00	Competitive	3/6
Crossarm, Weathered Steel, 4”x6”x9’-4” (120)	Border States Industries	129,150.00	Competitive	3/6
Executive Coaching for Employees	Donna Yurdin Consulting	3,000.00	Addition (New NTE $62,000.00) Extension (1 Year)	N/A
Ground Connector (3,600)	Gresco	126,000.00	Competitive (1 Year) **Blanket**	3/8
Insulator, Polymer, Vertical Line Post (3,600)	Stuart C. Irby	217,800.00	Competitive (1 Year) **Blanket**	4/8
Lease Tracking Software	**FinQuery**	97,524.00	**Sole Source** (3 Years)	N/A
Omicron ARCO 400 Recloser Test Unit and All Associated Cables	**Omicron Electronics Corp**	50,575.78	Competitive **Sole Brand**	3/31
Overhead Service Tap Connector (14,040)	Border States Industries	152,755.20	Competitive (1 Year) **Blanket**	3/8

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Performance and Professional Development Training	ReGenerations, LLC	15,000.00	Addition (New NTE $70,000.00) Extension (1 Year)	N/A
Pole, Steel, Galvanized, H3, 60 ft. (9)	Stuart C. Irby	63,558.00	Competitive	5/6
Pole, Steel, galvanized, H3, 65 ft. (21)	Stuart C. Irby	120,288.00	Competitive	6/7
Regulated Waste Material-Shipment and Disposal	Waste Management NS	N/A	Extension (2 Years)	N/A
Strandvise Guy, 3/8" (6,000)	Stuart C. Irby	115,380.00	Competitive (1 Year) **Blanket**	5/18
Termination Kit for Aluminum or Copper Cable (500)	Stuart C. Irby	77,500.00	Competitive **Sole Brand**	7/26
TOTAL		**$1,443,855.04**		

SALES

Item Description	Vendor	Amount	Type Sale	Bids Received/Sent
Scrap Wire	Thornton Iron & Metal	$836,016.34	Competitive	1/8
TOTAL		**$836,016.34**		

LINE ITEMS

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Pharmacy Benefits Management	OptumRx, Inc.	$75,000,000.00	Competitive (3 Years)	2/11
TOTAL		**$75,000,000.00**		

Attested by: DocuSigned by: _____ 0E6841D6C2ED43D...
Trish Holliday, Secretary

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Discussion Items

CEO Report

RECOMMENDATION FOR APPROVAL OF INSURANCE COVERAGE BEGINNING NOVEMBER 1, 2026

Nashville Electric Service ("NES") is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. As an agency of the Metropolitan Government of Nashville and Davidson County, NES is covered under the Tennessee Governmental Tort Liability Act, TCA 29-20-101, et seq. and is self-insured under the Act.

NES is immune from any award of judgment for death, bodily injury, and/or property damage in excess of the limits of the Act. Therefore, NES has not secured insurance coverage in excess of those limits.

The attached document represents a summary of commercial insurance coverage and fees of the program starting November 1, 2026. Annual costs, including broker's compensation, are approximately $2,926,000 as compared to $2,753,000 as of November 1, 2025. Below is a summary of the significant changes by line of coverage:

Policy / Fee	Change ($)	Change (%)	Factors
Cyber	$90,000	54.5%	Increase in coverage limits.
Property	56,300	3.4%	Increase in insurable assets.
Excess Work Comp	13,400	6.1%	Increase in exposure.
All Other Coverage	13,300	1.9%	Various based on lines of coverage.
Total Premium Increase	**$173,000**	**6.3%**	

Occasionally, there are modifications to the policies and the associated premiums. To avoid bringing small changes to the Board each time, Management requests that an additional buffer of $200,000 be allowed for these adjustments. If changes exceeded that amount, a separate recommendation would be presented to the Board. The total request for the commercial insurance renewal including an allowance for modifications is $3,126,000.

Management recommends approval of the insurance coverage beginning November 1, 2026.

Gallagher
Insurance | Risk Management | Consulting

Branden Miller, Area Executive Vice President
Emily Embry, Account Executive

Description of Coverage	2025 -2026	2026 -2027
	Liberty	Liberty
Excess Workers' Compensation	Statutory Limit 1m EL $400,000 Retention **Premium** **$220,879**	Statutory Limit 1m EL $400,000 Retention **Premium** **$234,305**
	Travelers	Travelers
Self-Insurer Bond	$1,500,000 Bond Premium **Premium** **$12,000**	$1,500,000 Bond Premium **Premium** **$12,000**
	Liberty	Liberty
Automobile Liability & Physical Damage for Specified Vehicles	$3,000,000 Limit $1,000,000 Uninsured Motorist $2,500 Comp/Collision Deductible $250,000 Hired Car Physical Damage Limit $10,000 Comp/Collision Deductible GVW > 20,000 (33 units) Symbol 7 **Premium** **$82,064**	$3,000,000 Limit $1,000,000 Uninsured Motorist $2,500 Comp/Collision Deductible $250,000 Hired Car Physical Damage Limit $10,000 Comp/Collision Deductible GVW > 20,000 (34 units) Symbol 7 **Premium** **$82,272**
	General Star Indemnity Company	General Star Indemnity Company
Excess Automobile Liability	$3,000,000 Limit (excess of $3,000,000) **Premium** **$24,500**	$3,000,000 Limit (excess of $3,000,000) **Premium** **$26,000**
	Chubb	Chubb
Business Travel Accident	$400,000 Per Person/Accident **Premium** **$1,275**	$400,000 Per Person/Accident **Premium** **$1,275**
	Chubb	Chubb
Environmental Liability	$2,000,000 Limit $2,000,000 Aggregate $25,000 Deductible **Premium** **$18,771**	$2,000,000 Limit $2,000,000 Aggregate $25,000 Deductible **Premium** **$19,230**
	Starr Technical (60%)	Starr Technical (60%)
Property Quota share	$1,373,930,175 Total Insured Value $150,000,000 Any One Occurrence $90,000,000 Participation Limit $500,000 Property Deductible, 2% of Total Insured Values at location(s) involved in a loss with $1,000,000 minimum per occurrence W/H $1.50/KVA minimum $250,000 Transformer Deductible All property on replacement cost $500,000 / $500,000 High Hazard Flood Deductible **Premium** **$997,474** **Engineering Fee** **$ 7,720**	$1,425,640,000 Total Insured Value $150,000,000 Any One Occurrence $90,000,000 Participation Limit $500,000 Property Deductible, 2% of Total Insured Values at location(s) involved in a loss with $1,000,000 minimum per occurrence W/H $1.50/KVA minimum $250,000 Transformer Deductible All property on replacement cost $500,000 / $500,000 High Hazard Flood Deductible **Premium** **$1,034,900** **Engineering Fee** **$ 14,360**
	AEGIS (25%)	AEGIS (25%)
Property Quota share	$1,373,930,175 Total Insured Value $150,000,000 Any One Occurrence $37,500,000 Participation Limit $500,000 Property Deductible, 2% of Total Insured Values at location(s) involved in a loss with $1,000,000 minimum per occurrence W/H $1.50/KVA minimum $250,000 All property replacement cost $500,000 / $500,000 High Hazard Flood Deductible **Premium** **$418,018** **Property Member Credit** **-$ 16,561**	$1,425,640,000 Total Insured Value $150,000,000 Any One Occurrence $37,500,000 Participation Limit $500,000 Property Deductible, 2% of Total Insured Values at location(s) involved in a loss with $1,000,000 minimum per occurrence W/H $1.50/KVA minimum $250,000 All property replacement cost $500,000 / $500,000 High Hazard Flood Deductible **Premium** **$433,751** **Engineering Fee** **$4,100** **Property Member Credit** **-$ 20,637**
	Allianz (15%)	Allianz (15%)
Property Quota share	$1,373,930,175 Total Insured Value $150,000,000 Any One Occurrence $22,500,000 Participation Limit $500,000 Property Deductible, 2% of Total Insured Values at location(s) involved in a loss with $1,000,000 minimum per occurrence W/H $1.50/KVA minimum $250,000 Transformer Deductible All property on replacement cost $500,000 / $500,000 High Hazard Flood Deductible **Premium** **$247,309**	$1,425,640,000 Total Insured Value $150,000,000 Any One Occurrence $22,500,000 Participation Limit $500,000 Property Deductible, 2% of Total Insured Values at location(s) involved in a loss with $1,000,000 minimum per occurrence W/H $1.50/KVA minimum $250,000 Transformer Deductible All property on replacement cost $500,000 / $500,000 High Hazard Flood Deductible **Premium** **$243,786**

Description of Coverage	2025 -2026		2026 -2027	
	Lloyd's of London		Lloyd's of London	
Terrorism	$124,000,000 Limit - 1st Party Property Dama	**$1,653,960**	$124,000,000 Limit - 1st Party Property Dama	**$1,710,260**
	$10,000,000 Liability every occurrence and aggregate		$10,000,000 Liability every occurrence and aggregate	
	$25,000 Deductible		$25,000 Deductible	
	Premium	**$19,000**	**Premium**	**$19,600**
	Mount Vernon		Mount Vernon	
Inland Marine	$43,500 scheduled equip / $7500 unsch.		$43,500 scheduled equip / $7500 unsch.	
	Premium (Annual Term)	**$1,285**	**Premium (Annual Term)**	**$1,285**
	Philadelphia		Philadelphia	
Flood	$500,000 Building		$500,000 Building	
911 63rd Ave N	$500,000 Contents		$500,000 Contents	
West Building Maintenance	$50,000 Deductible		$50,000 Deductible	
	Premium	**$12,722**	**Premium**	**$12,722**
	Philadelphia		Philadelphia	
Flood	$500,000 Building		$500,000 Building	
911 63rd Ave N	$500,000 Contents		$500,000 Contents	
West Garage Maintenance	$50,000 Deductible		$50,000 Deductible	
	Premium	**$10,224**	**Premium**	**$10,224**
	Philadelphia		Philadelphia	
Flood	$75,000 Building		$83,000 Building	
410 Brick Church Pike	$500,000 Contents		$500,000 Contents	
	$10,000 Deductible		$10,000 Deductible	
	Premium	**$7,719**	**Premium**	**$7,818**
	Philadelphia		Philadelphia	
Flood	$75,000 Building		$83,000 Building	
781 Berry Rd	$500,000 Contents		$500,000 Contents	
	$50,000 Deductible		$50,000 Deductible	
	Premium	**$2,773**	**Premium**	**$3,246**
	Philadelphia		Philadelphia	
Flood	$75,000 Building		$83,000 Building	
737 Lebanon Pike	$62,000 Contents		$66,000 Contents	
	$1,000 Deductible		$1,000 Deductible	
	Premium	**$1,882**	**Premium**	**$1,938**
	Philadelphia		Philadelphia	
Flood	$75,000 Building		$83,000 Building	
911 63rd Ave N	$500,000 Contents		$500,000 Contents	
Tool Building	$10,000 Deductible		$10,000 Deductible	
	Premium	**$6,066**	**Premium**	**$6,145**
	AEGIS		AEGIS	
Directors and Officers Liability	$35,000,000 D&O / $10,000,000 EPLI		$35,000,000 D&O / $10,000,000 EPLI	
& Employment Practices Liability	Silent Anti Trust Sublimit		Silent Anti Trust Sublimit	
	$35,000,000 Aggregate		$35,000,000 Aggregate	
	Retention:		Retention:	
	$250,000 Directors & Officers		$250,000 Directors & Officers	
	$250,000 All Anti-Trust Claims (Silent)		$250,000 All Anti-Trust Claims (Silent)	
	$300,000 Employment Practices		$350,000 Employment Practices	
	Premium	**$310,000**	**Premium**	**$315,000**
	D&O Member Credit	**-$13,416**	**D&O Member Credit**	**-$17,706**
	Liberty		Liberty	
Excess Directors & Officers Liability	$10,000,000 Limit (excess of $35,000,000)		$10,000,000 Limit (excess of $35,000,000)	
	Premium	**$40,299**	**Premium**	**$40,950**
	AIG		AIG	
Excess Directors & Officers Liability	$5,000,000 Limit (excess of $45,000,000)		$5,000,000 Limit (excess of $45,000,000)	
	Premium	**$15,000**	**Premium**	**$15,000**
	AEGIS		AEGIS	
Fiduciary Liability	$25,000,000 Limit		$25,000,000 Limit	
	$200,000 Deductible / $350,000 exc. fee ret.		$200,000 Deductible / $350,000 exc. fee ret.	
	Premium	**$82,500**	**Premium**	**$85,000**
	Hiscox		Hiscox	
Kidnap & Ransom (Extortion)	$3,000,000 LimitPremium		$3,000,000 Limit Premium	
	Premium (3 year Prepaid, expires 11/1/26)	**$0**	**Premium (3 year Prepaid, expires 11/1/29)**	**$5,938**
	AIG		AIG	
Crime Coverage	$5,000,000 Limit		$5,000,000 Limit	
	$25,000 Deductible		$25,000 Deductible	
	Premium	**$15,964**	**Premium**	**$15,964**
	Beazley		Beazley	
Cyber & Privacy Liability	$5,000,000 Policy Aggregate		$5,000,000 Policy Aggregate	
	$5,000,000 Privacy Liability Limit		$5,000,000 Privacy Liability Limit	
	$5,000,000 Regulatory Defense		$5,000,000 Regulatory Defense	
	$5,000,000 Network Interruption		$5,000,000 Network Interruption	
	1,500,000 Maximum Individuals Notification		1,500,000 Maximum Individuals Notification	
	$500,000 Retention Liability		$500,000 Retention Liability	
	250 Individuals Minimum-Notification		250 Individuals Minimum-Notification	
	Premium	**$165,000**	**Premium**	**$150,000**

Description of Coverage	2025 -2026	2026 -2027	
		Axis	
Excess Cyber & Privacy Liability		$5,000,000 Policy Aggregate	**$105,000**
PREMIUM/TAX/FEE TOTAL	**$2,690,467**		**$2,863,466**
	Gallagher	Gallagher	
Broker Compensation	**$62,500**		**$62,500**
Grand Total	**$2,752,967**		**$2,925,966**

RECOMMENDATION FOR APPROVAL REGARDING
COMMERCIAL PAPER PROGRAM

NES plans to establish a Commercial Paper Program to provide an additional short-term financing tool to support capital funding needs, manage the timing of long-term debt issuances and enhance liquidity. The program will also provide interim financing to bridge the timing gap between payment of Winter Storm Fern costs and receipt of FEMA reimbursements, as well as other anticipated funding sources.

The Commercial Paper Program is expected to be structured as Electric System subordinate revenue notes with an initial authorization of approximately $100.0 million, subject to required approvals. Under the program, NES may issue short-term commercial paper notes as funding needs arise. Rather than issuing long-term debt before proceeds are needed, commercial paper allows NES to borrow incrementally and better align financing with actual expenditures.

As commercial paper notes mature, NES may issue replacement notes, repay the notes from available funds or refinance the outstanding balance with long-term debt. This flexibility is expected to improve liquidity management, support capital investment and reduce the cost of carrying borrowed funds before they are required.

The notes will be supported by a committed bank liquidity facility. The facility is expected to take the form of a direct-pay letter of credit sized to support $100.0 million of commercial paper notes plus interest. Draws on the facility would provide funds for the timely payment of principal and interest on maturing notes if replacement commercial paper cannot be issued on a particular day. The related reimbursement agreement will establish NES's obligations to repay amounts drawn under the facility.

At its August 26, 2026, meeting, the Board approved the service providers needed to establish the program. TD Bank, N.A. was selected as liquidity bank; J.P. Morgan Securities LLC and BofA Securities, Inc. were selected as co-dealers; and U.S. Bank was selected as issuing and paying agent. PFM Financial Advisors LLC is serving as municipal advisor, Bradley Arant Boult Cummings LLP is serving as bond counsel and Bass, Berry & Sims is serving as dealers' counsel.

The Board Resolution is being presented for consideration and requests approval to establish the Commercial Paper Program and proceed with the issuance of Electric System subordinate revenue commercial paper notes. The program documents are expected to include:

- Electric Power Board and Metropolitan Council authorizing resolutions
- Offering Memorandum
- Letter of Credit and Reimbursement Agreement
- Dealer Agreements
- Issuing and Paying Agency Agreement
- Related fee letters, certificates and closing documents

Approval is necessary for the documents to proceed through the Metropolitan Government and State Comptroller approval processes and for the financing team to complete the rating, disclosure and closing activities required to implement the program.

The current transaction schedule anticipates the following key milestones:

Milestone	Target Date
NES Board consideration	October 28, 2026
Submit Metro / note resolutions to Metro Legal	October 28, 2026
Metro Council Budget and Finance Committee consideration	November 16, 2026
Metro Council consideration	November 17, 2026
Request State Comptroller approval	November 18, 2026
Due diligence meeting, receipt of ratings and posting of Offering Memorandum	Week of November 30, 2026
Commercial Paper Program closing	December 8, 2026

The schedule remains subject to completion of the program documents, receipt of required approvals, assignment of short-term ratings and satisfaction of closing conditions.

Management recommends approval of the Commercial Paper Program, the related authorizing resolutions and financing documents, and authorization for the designated officers of the Board to finalize and execute the program documents and take the actions necessary to implement the program, subject to the parameters established in the authorizing resolutions and receipt of all required approvals.

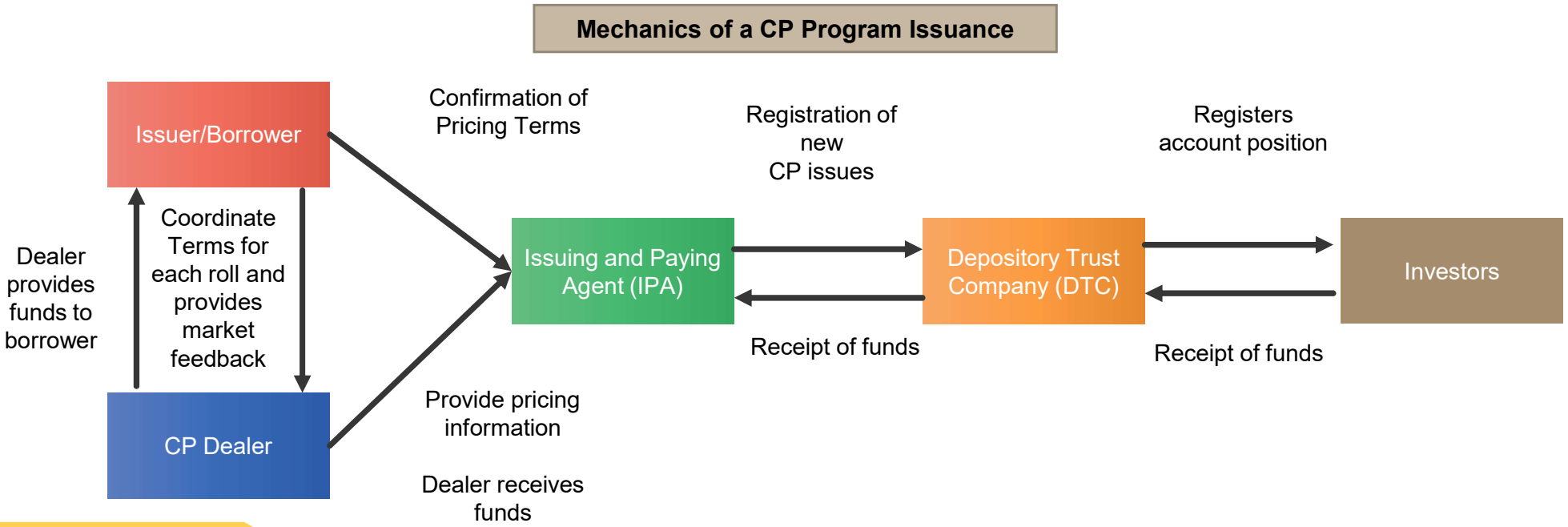
Commercial Paper Program Provides Interim Financing & Liquidity

- NES plans to establish a $100.0 million Commercial Paper ("CP") program, structured as Electric System subordinate revenue notes, to support capital funding needs, enhance liquidity, and manage the timing of long-term debt issuance
  - Also available to bridge the timing gap between payment of Winter Storm Fern costs and receipt of expected FEMA reimbursements
  - Maturities up to 270 days. At maturity, NES may (1) issue new notes ("rollover"), (2) refinance with long-term debt, or (3) repay from available funds
  - Tax-exempt CP rates for a 90-day note are currently ~2.60%–3.00%, before LOC, dealer, and agent fees
- Supported by a TD Bank direct-pay letter of credit sized at $100.0 million plus interest, which provides for timely payment of maturing notes if replacement notes cannot be issued on a given day
- J.P. Morgan Securities and BofA Securities, as dealers, sell the notes to investors; U.S. Bank serves as issuing and paying agent
- Board action requested:
  - Approve the Initial Resolution requesting Metro Council approval, authorizing the forms of the LOC and Reimbursement Agreement, Dealer Agreements, Issuing and Paying Agency Agreement, and Offering Memorandum, and authorizing officers to finalize and execute
  - Additionally, authorize Electric System Revenue Bonds of up to $100.0 million as the takeout source for the CP
    - Authorization is required to provide a takeout source for the CP; it does not commit NES to issue the bonds

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Commercial Paper Background - Mechanics

- A publicly traded security requiring an offering memorandum, ratings and CUSIP
- A "program" is established at a specific size (e.g., $100 million) and CP is issued on an as-needed basis
- Notes are issued with maturities ranging from 1-270 days
  - Interest generally paid at maturity
  - CP principal can be refunded with a new CP issuance ("rolled") at each maturity
  - CP dealer markets and places the notes with investors at each new issuance and roll
- Interest rate is set based on investor demand, market conditions, and credit quality of the issuer and bank liquidity provider
- Must be supported with bank liquidity or self-liquidity to protect against the inability to roll maturing notes



Commercial Paper Program Background - Fact Sheet

Size Limitations	• Authorized amount and liquidity provider capacity
Maturity Date	• 1 to 270 days
Issuance Flexibility	• CP can be issued in tax-exempt or taxable amounts as needed and paid down or rolled when the CP matures
Program Standup Expenses (typically upfront out of pocket)	• Legal and FA fees • Dealer counsel fees • Rating fees • Bank counsel fees • Issuing & Paying Agent fees
Drawn Expenses (ongoing)	• Dealer fees • Bank liquidity fee
Ongoing Expenses	• Bank commitment fee, IPAA fees, and rating surveillance fees

Investor Base	• Broad and diversified, including:
	  • Money Market Funds
	  • Corporations
	  • Municipalities
	  • Separately Managed Accounts (“SMAs”) and High Net Worth Individuals
	  • Bond Funds
	  • Bank Trust Departments

Strengths	• Typically lowest short-term interest cost, before LOC and dealer fees • Provides timing flexibility for take-out financing • Proceeds drawn as needed so NES does not pay interest in advance of spending • Undrawn amounts may count towards days liquidity on hand (“DLOH”) calculations
Considerations	• LOC expiration and renewal risk; Bank liquidity providers are limited to highly rated banks • Variable rate exposure • Rollover risk, which LOC mitigates but draw triggers reimbursement obligation

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A RESOLUTION REQUESTING THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE AND SALE OF ITS ELECTRIC SYSTEM REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $100,000,000 BY INITIAL RESOLUTION PURSUANT TO TENNESSEE CODE ANNOTATED SECTION 9-21-304.

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board") has control and jurisdiction over the electric light and power plant and distribution system (hereinafter sometimes referred to as the "System") of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"); and

WHEREAS, a severe ice storm occurred on January 25, 2026 (the "Storm"), causing extensive and significant damage to the System; and

WHEREAS, under the provisions of Title 9, Chapter 21, Tennessee Code Annotated, the Metropolitan Government is authorized to issue and sell from time to time its electric system revenue bonds for the purpose of financing the costs to construct the System, including the costs to reconstruct, replace, repair and improve the System; and

WHEREAS, pursuant to Section 9-21-304, Tennessee Code Annotated, prior to the issuance of any electric system revenue bonds under Title 9, Chapter 21, Tennessee Code Annotated, the governing body of the local government proposing to issue such bonds shall adopt an initial resolution determining to issue the same; and

WHEREAS, the Board, after due investigation and consideration, has found and determined that it is in the best interests of the System for the Metropolitan Government to issue the Metropolitan Government’s electric system revenue bonds in an aggregate principal amount not to exceed $100,000,000, the proceeds thereof to be used for the payment of all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm; and

WHEREAS, the Board, after due investigation and consideration, has found and determined that it is in the best interest of the System for the Metropolitan Government to authorize and provide for the issuance and sale of its electric system revenue bonds in an aggregate principal amount not to exceed $100,000,000 pursuant to an initial resolution under Tennessee Code Annotated Section 9-21-304, such initial resolution to be in substantially the form annexed hereto and made a part hereof, with such changes as shall be determined by the Metropolitan County Council of the Metropolitan Government (such resolution annexed hereto being hereinafter referred to as the "Proposed Resolution").

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

SECTION 1. That the Board hereby determines and finds that it is in the best interest of the System for the Metropolitan Government to adopt the Proposed Resolution and to thereby authorize and provide for the issuance and sale of the Metropolitan Government’s

electric system revenue bonds in an aggregate principal amount not to exceed $100,000,000 (the "Bonds") to finance, in whole or in part, all or a portion of the costs incurred in connection with (i) the construction of extensions and improvements to the System, including the reconstruction, replacement, repairing and improvement of the System as necessary or appropriate to repair and fix the damage to the System caused by the Storm, (ii) the acquisition of all property, real and personal, appurtenant thereto or connected therewith, (iii) the payment of all legal, fiscal, administrative, architectural and engineering costs incident thereto, (iv) reimbursement to the Board for funds previously expended for any of the foregoing; (v) payment or reimbursement of all other costs authorized to be financed pursuant to Section 9-21-109, Tennessee Code Annotated, including without limitation, costs incident to the issuance and sale of the Bonds, and (vi) the payment or reimbursement of the payment of principal of, and, if determined by the Metropolitan Government to be lawful and appropriate, interest on, any bonds, notes or other debt obligations issued in anticipation of the Bonds. The Board hereby requests that the Metropolitan County Council of the Metropolitan Government adopt the Proposed Resolution.

SECTION 2. That this Resolution shall take effect immediately upon its adoption, the public welfare requiring it.

[signatures on following page]

Adopted this 28th day of October, 2026.

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Attest:

By: _____
Chair

By: _____
Secretary

By: _____
President and Chief Executive Officer

Approved as to Form and Legality:

By: _____
General Counsel

A RESOLUTION REQUESTING THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE AND SALE OF ITS ELECTRIC SYSTEM REVENUE BOND ANTICIPATION NOTES IN THE FORM OF COMMERCIAL PAPER IN AN AGGREGATE PRINCIPAL AMOUNT OUTSTANDING AT ANY ONE TIME NOT TO EXCEED $100,000,000; TO AUTHORIZE AND PROVIDE FOR ONE OR MORE DEALER AGREEMENTS, ISSUING AND PAYING AGENCY AGREEMENTS AND CREDIT AND/OR LIQUIDITY FACILITIES AND RELATED AGREEMENTS; AND TO AUTHORIZE AND PROVIDE FOR CERTAIN OTHER MATTERS RELATED THERETO.

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board") has control and jurisdiction over the electric light and power plant and distribution system (hereinafter sometimes referred to as the "System") of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"); and

WHEREAS, a severe ice storm occurred on January 25, 2026 (the "Storm"), causing extensive and significant damage to the System; and

WHEREAS, under the provisions of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), the Metropolitan Government is authorized to issue and sell from time to time its electric system revenue bonds for the purpose of financing the costs to construct the System, including the costs to reconstruct, replace, repair and improve the System; and

WHEREAS, pursuant to Section 9-21-304, Tennessee Code Annotated, prior to the issuance of any electric system revenue bonds under the Act, the governing body of the local government proposing to issue such bonds shall adopt an initial resolution determining to issue the same; and

WHEREAS, by resolution considered and adopted contemporaneously with its consideration of this Resolution, the Board has requested that the Metropolitan County Council adopt the initial resolution required under Section 9-21-304, Tennessee Code Annotated (the "Original Initial Resolution"), preliminarily authorizing the issuance of up to $100,000,000 of electric system revenue bonds (the "Bonds") under the Act to finance all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm and related costs, such Original Initial Resolution, upon adoption by the Metropolitan County Council, to be published in a newspaper of general circulation in the Metropolitan Government as prescribed by the Act; and

WHEREAS, the Board, after due investigation and consideration, has found and determined that it is in the best interests of the System that the Metropolitan Government, in order to provide financing for all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm and related costs for which electric system revenue bonds will have been preliminarily authorized upon adoption by the Metropolitan County Council of the Original Initial Resolution, provide at this time for the issuance and sale from time to time of electric system revenue bond anticipation notes of the Metropolitan Government, in the form of commercial paper; and

WHEREAS, the Board, after due investigation and consideration, has found and determined that it is in the best interest of the System for the Metropolitan Government to authorize and provide for the issuance and sale from time to time of its electric system revenue bond anticipation notes in the form of commercial paper in an aggregate principal amount outstanding at any one time not to exceed $100,000,000 (the "Commercial Paper Notes") pursuant to a resolution to be in substantially the form annexed hereto and made a part hereof (such resolution annexed hereto being hereinafter referred to as the "Proposed Resolution"), with such changes as shall be determined by the Metropolitan County Council of the Metropolitan Government (such resolution authorizing the issuance of the Commercial Paper Notes as adopted by the Metropolitan County Council of the Metropolitan Government being hereinafter referred to as the "Commercial Paper Resolution" and the program of issuing Commercial Paper Notes pursuant to the Commercial Paper Resolution being hereinafter referred to as the "Commercial Paper Program"); and

WHEREAS, this Board has determined and found that the Commercial Paper Notes shall be issued under the terms and conditions, at the time or times, and maturing in the manner provided in the Proposed Resolution; and

WHEREAS, in connection with the issuance and sale of the initial Commercial Paper Notes, there have been prepared and submitted to this meeting the following:

(a) form of Offering Memorandum (the "Offering Memorandum") to be used in connection with the sale of the initial Commercial Paper Notes (attached as Exhibit B to the Proposed Resolution); and

(b) form of the Dealer Agreement (the "Dealer Agreement"), to be executed by the Metropolitan Government, this Board and each dealer of the Commercial Paper Notes (attached as Exhibit C to the Proposed Resolution); and

(c) form of the Issuing and Paying Agency Agreement (the "Issuing and Paying Agency Agreement"), to be executed by the Metropolitan Government, this Board and each issuing and paying agent for the Commercial Paper Notes (attached as Exhibit D to the Proposed Resolution); and

(d) form of the Reimbursement Agreement (the "Reimbursement Agreement") and the Fee Letter (the "Fee Letter"), both to be executed by the Metropolitan Government, this Board and each provider of a credit and/or liquidity facility (a "Facility") for the Commercial Paper Notes (attached as Exhibit E-1 and Exhibit E-2 to the Proposed Resolution), including the Irrevocable Transferable Direct-Pay Letter of Credit attached as Exhibit A to the Reimbursement Agreement the "Letter of Credit") and the Bank Note attached as Exhibit B to the Reimbursement Agreement (the "Bank Note").

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

SECTION 1. That unless the context otherwise requires, all capitalized terms used herein and not defined herein shall have the meanings assigned to those terms in the Proposed Resolution.

SECTION 2. That the Board hereby determines and finds that it is in the best interest of the System for the Metropolitan Government to adopt the Proposed Resolution and to thereby authorize and provide for the issuance and sale from time to time of the Commercial Paper Notes in an aggregate principal amount outstanding at any one time not to exceed $100,000,000 to (i) provide financing for those purposes identified in the Initial Resolutions, including, with respect to the Original Initial Resolution, to finance, in whole or in part, all or a portion of the costs incurred in connection with (A) the construction of extensions and improvements to the System, including the reconstruction, replacement, repairing and improvement of the System as necessary or appropriate to repair and fix the damage to the System caused by the Storm, (B) the acquisition of all property, real and personal, appurtenant thereto or connected therewith, (C) the payment of all legal, fiscal, administrative, architectural and engineering costs incident thereto, (D) reimbursement to the Board for funds previously expended for any of the foregoing, and (E) payment or reimbursement of all other costs authorized to be financed pursuant to Section 9-21-109, Tennessee Code Annotated; (ii) pay the principal of maturing Commercial Paper Notes; (iii) pay (A) the portion of the principal of each Bank Note corresponding to principal of Commercial Paper Notes paid with the proceeds of an advance made or a drawing honored, as applicable, by the provider of the applicable Facility, and (B) if determined by the Metropolitan Government to be lawful and appropriate, all or part of the portion of the principal of each Bank Note corresponding to interest on Commercial Paper Notes paid with the proceeds of an advance made, or a drawing honored, as applicable, by the provider of the applicable Facility; and (iv) pay costs incident to the issuance and sale of the Commercial Paper Notes. The Board hereby requests that the Metropolitan County Council of the Metropolitan Government adopt the Commercial Paper Resolution.

SECTION 3. That the payment of principal of, and interest on, the Commercial Paper Notes and each Bank Note shall constitute and be limited obligations of the Metropolitan Government, payable solely from the sources of funds for such purpose as provided in the Commercial Paper Resolution and Sections 4 and 5 below, and that the faith and credit and taxing power of the Metropolitan Government shall not be pledged for the payment of the principal of, or interest on, the Commercial Paper Notes or the Bank Notes.

SECTION 4. That the Commercial Paper Notes and each Bank Note shall be payable primarily from the proceeds of the Bonds in anticipation of which the Commercial Paper Notes are being issued and, until the Bonds are issued, may also be payable from proceeds of Rollover Commercial Paper Notes as provided in the Commercial Paper Resolution, from other funds provided for such purpose by the Board or the Metropolitan Government, and, as to the Commercial Paper Notes only, from amounts provided for such purpose under a Facility.

SECTION 5. That the payment of the principal of, and interest on, the Commercial Paper Notes and each Bank Note (and the reimbursement obligations evidenced thereby) and all other amounts payable to a Bank under a Facility shall be secured by a pledge of, a security interest in, and a lien and charge upon, the Net Revenues of the System, in each case subject to the application of the Net Revenues of the System pursuant to the terms of the

Electric System Bond Resolution and subject to the prior pledge of the Net Revenues of the System in favor of the Senior Lien Bonds.

SECTION 6. That this Board hereby determines and finds that the gross revenues to be derived from the operation of the System will be sufficient to pay all Operating Expenses (as defined in the Electric System Bond Resolution) of the System, all Debt Service (as defined in the Electric System Bond Resolution) on the Senior Lien Bonds, all principal of, and interest on, the Commercial Paper Notes and each Bank Note, all other amounts payable to a Bank under a Facility, and all other indebtedness and charges against the System, so that the System will always be self-supporting.

SECTION 7. That this Board hereby requests the Metropolitan Government to issue the Commercial Paper Notes on the terms and conditions contained in and subject to the provisions of the Commercial Paper Resolution.

SECTION 8. That, in consideration of the purchase of any of the Commercial Paper Notes, and as long as any of the Commercial Paper Notes or any interest thereon shall remain outstanding and unpaid, this Board hereby irrevocably covenants and agrees with all owners of any Commercial Paper Notes that it will punctually and fully, as far as the same is within its jurisdiction and powers, carry out and perform all of the covenants, provisions, duties and obligations required to be performed by the provisions of the Commercial Paper Resolution and/or the Charter of the Metropolitan Government, together with all acts amendatory thereof and supplemental thereto, and by the provisions of any other statutes relating to the System, or any other bonds, notes or other obligations issued to finance or refinance the construction, acquisition, betterment and improvement of the System.

SECTION 9. That this Resolution shall be and continue to be a valid and binding contract between this Board and all owners of any Commercial Paper Notes and Bank Notes, not subject to alteration except to the extent and in the manner provided in the Commercial Paper Resolution, as the same may hereafter be amended or supplemented in accordance with its terms.

SECTION 10. That the application of the proceeds of all Commercial Paper Notes shall be in the respective manners provided for in the Commercial Paper Resolution, as the same may hereafter be amended or supplemented in accordance with its terms.

SECTION 11. That the Offering Memorandum, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby in all respects approved, and the use of the Offering Memorandum in substantially such form, with such changes, corrections, deletions, insertions, variations, additions or omissions as may be approved by the Chair, the Vice Chair, the President and Chief Executive Officer or the Secretary of this Board, any one of whom may act alone, in connection with the initial offering and sale of the Commercial Paper Notes is hereby approved, such approval being conclusively evidenced by the execution and delivery of either (i) such Offering Memorandum, or (ii) instructions to so use the Offering Memorandum, or both, each of the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, being authorized to execute and deliver such Offering Memorandum and such instructions. Each future Offering Memorandum or other offering document, including any supplements and updates thereto, be and the same is hereby also in all

respects approved, and the use thereof in any subsequent offering and sale of the Commercial Paper Notes is hereby approved, if and to the extent such Offering Memorandum or other offering document, including any supplements and updates thereto, is approved by the Chair, the Vice Chair, the President and Chief Executive Officer or the Secretary of this Board, any one of whom may act alone, such approval being conclusively evidenced by the execution and delivery of either (i) such Offering Memorandum or other offering document, including any supplements and updates thereto, or (ii) instructions to so use such Offering Memorandum or other offering document, including any supplements and updates thereto, or both, in connection with any such subsequent offering and sale of the Commercial Paper Notes, each of the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, being authorized to execute and deliver such future Offering Memorandum or other offering document, including any supplements and updates thereto, and such instructions.

SECTION 12. That the Dealer Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved, and the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are hereby authorized and directed to execute and deliver one or more Dealer Agreements in the name of and on behalf of this Board, with such changes, insertions or omissions as the person executing the same shall approve, the execution and delivery thereof to be conclusive evidence of the approval of any such changes, insertions or omissions. Without further action of the Board, each of the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are also hereby authorized to execute and deliver from time to time one or more supplemental, additional or replacement Dealer Agreements for use in the offering and sale of the Commercial Paper Notes, and such supplemental, additional or replacement Dealer Agreements be and the same are hereby also in all respects approved, if and to the extent such supplemental, additional or replacement Dealer Agreements are approved by the Chair, the Vice Chair, the President and Chief Executive Officer or the Secretary of this Board, any one of whom may act alone, such approval being conclusively evidenced by the execution and delivery thereof.

SECTION 13. That the Issuing and Paying Agency Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved, and the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are hereby authorized and directed to execute and deliver one or more Issuing and Paying Agency Agreements in the name of and on behalf of this Board in connection with the offering and sale of the Commercial Paper Notes and the administration of the Commercial Paper Program, with such changes, insertions or omissions as the person executing the same shall approve, the execution and delivery thereof to be conclusive evidence of the approval of any such changes, insertions or omissions. Without further action of the Board, each of the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are also hereby authorized to execute and deliver from time to time one or more supplemental, additional or replacement Issuing and Paying Agency Agreements for use in the offering and sale of the Commercial Paper Notes and the administration of the Commercial Paper Program, and such supplemental, additional or replacement Issuing and Paying Agency Agreements be and the same are hereby also in all respects approved, if and to the extent such

supplemental, additional or replacement Issuing and Paying Agency Agreements are approved by the Chair, the Vice Chair, the President and Chief Executive Officer or the Secretary of this Board, any one of whom may act alone, such approval being conclusively evidenced by the execution and delivery thereof.

SECTION 14. That the Reimbursement Agreement (including the Letter of Credit and the Bank Note attached as exhibits thereto) and the Fee Letter, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same are hereby approved, and the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are hereby authorized and directed to execute and deliver the Reimbursement Agreement and the Fee Letter in the name of and on behalf of this Board, with such changes, insertions or omissions as the person executing the same shall approve, the execution and delivery thereof to be conclusive evidence of the approval of any such changes, insertions or omissions. Without further action of the Board, each of the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are also hereby authorized to execute and deliver from time to time one or more supplemental, additional or replacement Reimbursement Agreements and Fee Letters (or revolving credit, line of credit or similar agreements) to provide credit and/or liquidity support for the Commercial Paper Notes, and such supplemental, additional or replacement Reimbursement Agreements and Fee Letters (or revolving credit, line of credit or similar agreements) be and the same are hereby also in all respects approved, if and to the extent such supplemental, additional or replacement Reimbursement Agreements and Fee Letters (or revolving credit, line of credit or similar agreements) are approved by the Chair, the Vice Chair, the President and Chief Executive Officer or the Secretary of this Board, any one of whom may act alone, such approval being conclusively evidenced by the execution and delivery thereof. The Board hereby authorizes and approves the delivery and performance of the Reimbursement Agreement (including the Letter of Credit and the Bank Note attached as exhibits thereto) and the Fee Letter.

SECTION 15. That the Secretary of this Board shall immediately notify the Metropolitan County Council of the Metropolitan Government of the determination and election of this Board to request the issuance of the Commercial Paper Notes as limited obligations payable as to both principal and interest as provided in the Commercial Paper Resolution and Sections 4 and 5 above, and all the other matters provided for herein, by delivering a certified copy of this Resolution to the Metropolitan County Council.

SECTION 16. That the appropriate officers of this Board are hereby authorized, empowered and directed to do any and all such acts and things, and to execute, acknowledge, deliver, perform, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments and certifications, in addition to those acts, things, documents, instruments and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance and delivery by the Metropolitan Government of the Commercial Paper Notes, and that, without limiting the foregoing, the appropriate officers of this Board are hereby authorized, empowered and directed to engage such consultants, including, without limitation, bond counsel, financial advisors and other agents and advisors, as they shall deem necessary or appropriate in

connection with the authorization, issuance and delivery by the Metropolitan Government of the Commercial Paper Notes and to pay the fees and expenses thereof from the proceeds of the Commercial Paper Notes or other available funds, as determined by such officers.

SECTION 17. That this Resolution shall take effect immediately upon its adoption, the public welfare requiring it.

[signatures on following page]

Adopted this 28th day of October, 2026.

ELECTRIC POWER BOARD OF THE
METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

Attest:

By: _____
Chair

By: _____
Secretary

By: _____
President and Chief Executive Officer

Approved as to Form and Legality:

By: _____
General Counsel

RESOLUTION NO. 2026 -

Initial resolution authorizing and providing for the issuance and sale of electric system revenue bonds in an aggregate principal amount not to exceed $100,000,000 of The Metropolitan Government of Nashville and Davidson County, as requested by the Electric Power Board

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board") has control and jurisdiction over the electric light and power plant and distribution system (hereinafter sometimes referred to as the "System") of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"); and

WHEREAS, a severe ice storm occurred on January 25, 2026 (the "Storm"), causing extensive and significant damage to the System; and

WHEREAS, under the provisions of Title 9, Chapter 21, Tennessee Code Annotated, the Metropolitan Government is authorized to issue and sell from time to time its electric system revenue bonds for the purpose of financing the costs to construct the System, including the costs to reconstruct, replace, repair and improve the System; and

WHEREAS, pursuant to Section 9-21-304, Tennessee Code Annotated, prior to the issuance of any electric system revenue bonds under Title 9, Chapter 21, Tennessee Code Annotated, the governing body of the local government proposing to issue such bonds shall adopt an initial resolution determining to issue the same; and

WHEREAS, the Board, by resolution duly adopted at its meeting held on October 28, 2026, has determined (i) that it is in the best interest of the System that the Metropolitan Government issue the Metropolitan Government's electric system revenue bonds in an aggregate principal amount not to exceed $100,000,000, the proceeds thereof to be used for the payment of all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm (the "Bonds"), and (ii) to request that the Metropolitan Council adopt this Resolution; and

WHEREAS, for the purpose of complying with the requirements of Section 9-21-304, Tennessee Code Annotated, 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, as follows:

Section 1. Purpose. For the purposes of financing, in whole or in part, all or a portion of the costs incurred in connection with (i) the construction of extensions and improvements to the System, including the reconstruction, replacement, repairing and improvement of the System as necessary or appropriate to repair and fix the damage to the System caused by the Storm, (ii) the acquisition of all property, real and personal, appurtenant thereto or connected therewith, (iii) the payment of all legal, fiscal, administrative, architectural and engineering costs incident thereto, (iv) reimbursement to the Board for funds previously expended for any of the foregoing; (v)

payment or reimbursement of all other costs authorized to be financed pursuant to Section 9-21-109, Tennessee Code Annotated, including without limitation, costs incident to the issuance and sale of the Bonds, and (vi) the payment or reimbursement of the payment of principal of, and, if determined by the Metropolitan Government to be lawful and appropriate, interest on, any bonds, notes or other debt obligations issued in anticipation of the Bonds, the Metropolitan County Council of the Metropolitan Government hereby determines to issue the Bonds in an aggregate principal amount of not to exceed $100,000,000.

Section 2. Authorization. The Bonds described herein shall be issued pursuant to the Local Government Public Obligations Act of 1986, as amended, codified as Title 9, Chapter 21, Tennessee Code Annotated.

Section 3. Interest. The maximum rate of interest on the Bonds shall not exceed the maximum rate permitted by applicable law.

Section 4. Source of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable from and secured by a pledge of the revenues of the System.

Section 5. Publication of Resolution. The Metropolitan Clerk is hereby directed pursuant to Section 9-21-206, Tennessee Code Annotated, to cause this Resolution, upon its adoption, 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 of Nashville and Davidson County requiring it.

RECOMMENDED BY:

_____
Laura Smith, General Counsel
Electric Power Board

APPROVED AS TO AVAILABILITY
OF FUNDS:

_____
Jenneen Reed, Director of Finance

APPROVED AS TO FORM AND
LEGALITY:

_____
Assistant Metropolitan Attorney

INTRODUCED BY:

_____

_____

_____
Council Member(s)

RESOLUTION NO. RS2026-_____

The Metropolitan Government of
Nashville and Davidson County

Resolution authorizing and providing for the issuance and sale by The Metropolitan Government of Nashville and Davidson County of electric system revenue bond anticipation notes in the form of commercial paper in an aggregate principal amount outstanding at any one time not to exceed $100,000,000, such bond anticipation notes to constitute "Subordinated Debt" under Substitute Resolution No. R85-746; authorizing and providing for one or more dealer agreements, issuing and paying agency agreements, and credit and/or liquidity facilities and related agreements; and providing for certain other matters related thereto

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Adopted November 17, 2026

Resolution No. RS2026-____

Resolution authorizing and providing for the issuance and sale by The Metropolitan Government of Nashville and Davidson County of electric system revenue bond anticipation notes in the form of commercial paper in an aggregate principal amount outstanding at any one time not to exceed $100,000,000, such bond anticipation notes to constitute "Subordinated Debt" under Substitute Resolution No. R85-746; authorizing and providing for one or more dealer agreements, issuing and paying agency agreements, and credit and/or liquidity facility agreements; and providing for certain other matters related thereto

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board") has control and jurisdiction over the electric light and power plant and distribution system (hereinafter sometimes referred to as the "System") of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"); and

WHEREAS, a severe ice storm occurred on January 25, 2026 (the "Storm"), causing extensive and significant damage to the System; and

WHEREAS, under the provisions of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), the Metropolitan Government is authorized to issue and sell from time to time its electric system revenue bonds and its electric system revenue bond anticipation notes in the form of commercial paper for the purpose of financing the costs to construct the System, including the costs to reconstruct, replace, repair and improve the System; and

WHEREAS, pursuant to Section 9-21-304, Tennessee Code Annotated, prior to the issuance of any electric system revenue bonds under the Act, the governing body of the local government proposing to issue such bonds shall adopt an initial resolution determining to issue the same; and

WHEREAS, at the request of the Board, the Metropolitan County Council adopted as the initial resolution required under Section 9-21-304, Tennessee Code Annotated, Resolution No. RS2026-____ (the "Original Initial Resolution") preliminarily authorizing the issuance of up to $100,000,000 of electric system revenue bonds under the Act to finance all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm and related costs, such Original Initial Resolution to be published in a newspaper of general circulation in the Metropolitan Government as prescribed by the Act; and

WHEREAS, the Board (i) has determined by resolution duly adopted at its meeting held on October 28, 2026 (the "Board Resolution"), that it is in the best interest of the System that the Metropolitan Government, in order to provide financing for all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm and related costs for which electric system revenue bonds have been preliminarily authorized pursuant to the Original Initial Resolution, to provide at this time for the issuance and sale from time to time of electric system revenue bond anticipation notes of the Metropolitan Government, in the form of commercial paper, and (ii) has requested that the Metropolitan County Council authorize the issuance of such electric system revenue bond anticipation notes in the form of commercial paper by adoption of this Resolution; and

WHEREAS, the Metropolitan Government hereby desires to authorize the issuance of electric system revenue commercial paper notes under a commercial paper program pursuant to this Resolution (as further described herein, the "Commercial Paper Notes") for the purpose of financing all or a portion of the costs incurred to extend and improve the System, including costs to repair the damage to the System caused by the Storm and related costs; and

WHEREAS, the Metropolitan Government further hereby desires to authorize the execution, delivery and performance of agreements in connection with the Commercial Paper Notes authorized hereunder.

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan County Council of The Metropolitan Government of Nashville and Davidson County, as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Resolution, including the preambles hereto, have the following respective meanings:

"Act" means Title 9, Chapter 21, Tennessee Code Annotated, as amended from time to time.

"Authorized Board Representative" means the Chair, the Vice Chair, the President and Chief Executive Officer and the Secretary of the Board, any one of whom may act alone, and shall also include such other individual or individuals at the time designated to act on behalf of the Board by written certificate furnished to the Issuing and Paying Agent containing the specimen signature of such individual or individuals and signed on behalf of the Board by any one of the Chair, the Vice Chair, the President and Chief Executive Officer or the Secretary of the Board.

"Authorized Officer" means the Metropolitan Mayor, the Metropolitan Treasurer, the Director of Finance and the Metropolitan Clerk, any one of whom may act alone, and shall also include such other individual or individuals at the time designated to act on behalf of the Metropolitan Government by written certificate furnished to the Issuing and Paying Agent containing the specimen signature of such individual or individuals and signed on behalf of the Metropolitan Government by the Metropolitan Mayor, the Metropolitan Treasurer, the Director of Finance or the Metropolitan Clerk.

"Bank" means a provider of a Facility and any successor and assign.

"Bank Note" means a promissory note issued by the Metropolitan Government to the order of a Bank, evidencing and securing all loans or advances made and/or drawings honored by such Bank under its Facility to pay the principal amount of maturing Commercial Paper Notes and (if applicable) interest thereon, under and in accordance with such Facility.

"Board" has the meaning ascribed in the recitals.

"Bond Counsel" means Bradley Arant Boult Cummings LLP or any other firm of attorneys specializing in the field of municipal finance law, selected by the Metropolitan Government or the Board.

"Bonds" means those electric system revenue bonds of the Metropolitan Government authorized on a preliminary basis by the Initial Resolutions.

"Book-Entry Commercial Paper Notes" means Commercial Paper Notes issued in book-entry only form through the Depository pursuant to Section 2.03.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a State legal holiday, (iv) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the corporate trust office of the Issuing and Paying Agent is located, or the city in which the principal office of any Dealer is located or the city in which the office of any Bank at which requests for funds under a Facility are required to be presented or the office of the Bank from which such request will

be funded, are authorized or obligated by law or executive order to be closed, (v) a day on which the New York Stock Exchange is not open for trading, or (vi) with respect to the Book-Entry Commercial Paper Notes, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

"Code" means the Internal Revenue Code of 1986, including regulations, rulings and judicial decisions promulgated thereunder.

"Commercial Paper Fund" means each special purpose trust fund established pursuant to Section 2.06 and to be held by the Issuing and Paying Agent.

"Commercial Paper Notes" means electric system revenue bond anticipation notes of the Metropolitan Government issued in the form of commercial paper in anticipation of the issuance of Bonds in accordance with Section 2.01 hereof.

"Commercial Paper Program" means a program of the Metropolitan Government consisting of the issuance from time to time of Commercial Paper Notes pursuant to the terms of this Resolution.

"Dealer" means initially BofA Securities, Inc. and J.P. Morgan Securities LLC, and includes any other dealer for the Commercial Paper Program or any successor to any of them appointed pursuant to this Resolution; provided, however, that (i) when used with reference to a particular Series of Commercial Paper Notes, such term shall mean only the Dealers appointed hereunder with respect to that Series, and (ii) otherwise such term shall refer to all or only a portion of the Dealers appointed hereunder as the context may require.

"Dealer Agreement" means each Dealer Agreement authorized by Section 5.01, as the same may be amended or supplemented, and any other dealer agreement which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the Commercial Paper Program.

"Depository" means (i) DTC, (ii) any other Person appointed by the Metropolitan Government to serve as securities depository for the Master Note(s), and (iii) in each such case, its successors and assigns.

"Director of Finance" means the Director of Finance of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment or in the event the individual so appointed is unable or incapable of acting in such capacity, the individual appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Finance.

"Director of Law" means the Director of Law of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment or in the event the individual so appointed is unable or incapable of acting in such capacity, the individual appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Law.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Electric System Bond Resolution" shall mean Substitute Resolution No. R85-746 adopted by the Metropolitan County Council on November 5, 1985, as amended and as it may be further amended, restated or otherwise modified from time to time, and when used in the context of a particular series of bonds, notes or other debt obligations issued thereunder, shall include all supplements thereto adopted in connection with

the issuance of such series of bonds, notes or other debt obligations, and any amendments to such supplements.

"Electronic Means" means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"Facility" means a letter of credit (and, to the extent the context may require, the accompanying reimbursement agreement and, if applicable, fee letter), revolving credit agreement, line of credit or other credit or liquidity support or mechanism delivered, made, entered into or otherwise obtained for the purpose of supporting the payment of principal of and (if applicable) interest on the Commercial Paper Notes and includes the Initial Facility and the agreements and documents constituting or evidencing any other Facility authorized pursuant to Section 4.06 hereof, including any additional or substitute Facility provided pursuant to Section 4.06 hereof.

"Final Drawing" has the meaning ascribed in the Facility.

"Final Drawing Notice" has the meaning ascribed in the Facility.

"Fitch" means Fitch Ratings, Inc., or any successor then maintaining a rating on Commercial Paper Notes at the request of the Metropolitan Government.

"Holder" means any Person who is in possession of any Commercial Paper Notes issued or endorsed to such Person or to the order of such Person or to bearer or in blank and the owner of any Bank Note; provided, however, that "Holder", when used with reference to Book-Entry Commercial Paper Notes evidenced by a Master Note, and such Master Note, shall mean the registered owner of such Master Note as shown on the books of the Issuing and Paying Agent kept pursuant to Section 2.03(b).

"Initial Bank" means TD Bank, N.A. and its permitted successors and assigns.

"Initial Facility" means, collectively, the (i) Letter of Credit issued pursuant to the Reimbursement Agreement among the Metropolitan Government, the Board and the Initial Bank, as amended, supplemented, modified or restated from time to time, (ii) the Reimbursement Agreement among the Metropolitan Government, the Board and the Initial Bank, as amended, supplemented, modified or restated from time to time, and (iii) the Fee Letter among the Metropolitan Government, the Board and the Initial Bank, as amended, supplemented, modified or restated from time to time.

"Initial Resolutions" means, collectively, (i) the Original Initial Resolution; and (ii) future initial resolutions adopted by the Metropolitan County Council of the Metropolitan Government for the purpose of financing costs to construct the System, including costs to reconstruct, replace, repair and improve the System; provided that any future initial resolution must first be published as prescribed by the Act.

"Investment Securities" has the meaning ascribed in the Electris System Bond Resolution.

"Issuing and Paying Agency Agreement" means each Issuing and Paying Agency Agreement authorized by Section 5.02 and executed and delivered in connection with the Commercial Paper Program, as the same may be amended, restated or supplemented, and includes any other issuing and paying agency agreements which the Metropolitan Government determines to execute and deliver from time to time pursuant to Section 5.02 in replacement thereof or in addition thereto with respect to the Commercial Paper Program.

"Issuing and Paying Agent" means U.S. Bank Trust Company, National Association and any other Issuing and Paying Agent appointed by the Metropolitan Government pursuant to this Resolution to

serve as Issuing and Paying Agent in accordance with the applicable Issuing and Paying Agency Agreement, and any successor thereto appointed pursuant to this Resolution; provided, however, that (i) when used with reference to a particular Series of Commercial Paper Notes, such term shall mean only the Issuing and Paying Agent appointed hereunder with respect to that Series, and (ii) otherwise such term shall refer to all or only a portion of the Issuing and Paying Agent(s) appointed hereunder as the context may require.

"Loan Date" means a Business Day on which a Bank loans or advances funds or honors a drawing, as applicable, pursuant to a Facility to pay the principal amount of maturing Commercial Paper Notes (or Commercial Paper Notes to mature, if in connection with a Final Drawing under a Facility) and (if applicable) interest thereon.

"Master Note" has the meaning ascribed in Section 2.03.

"Maximum Rate" means, as of any time, with respect to any Commercial Paper Notes, the lesser of 12% or the maximum rate permitted by applicable State law and, with respect to any Bank Note, the maximum rate permitted by applicable State law.

"Metropolitan Clerk" means the Metropolitan Clerk of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment or in the event the individual so appointed is unable or incapable of acting in such capacity, the individual appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Metropolitan Clerk.

"Metropolitan Government" has the meaning ascribed in the recitals.

"Metropolitan Mayor" means the individual elected and serving in such capacity pursuant to the provisions of the Charter of the Metropolitan Government.

"Metropolitan Treasurer" means the Metropolitan Treasurer of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment or in the event the individual so appointed is unable or incapable of acting in such capacity, the individual appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Metropolitan Treasurer.

"Moody's" means Moody's Investors Service, Inc., or any successor then maintaining a rating on Commercial Paper Notes at the request of the Metropolitan Government.

"Net Revenues" shall have the meaning set forth in the Electric System Bond Resolution, and defined terms therein used, directly or indirectly, in defining "Net Revenues" shall likewise have the meaning set forth in the Electric System Bond Resolution.

"Office" means, when used with reference to the Issuing and Paying Agent, such address as the Issuing and Paying Agent may designate in the Issuing and Paying Agency Agreement or from time to time by notice in writing to the Metropolitan Government, the Board and the Dealers.

"Original Commercial Paper Notes" means, collectively, those Commercial Paper Notes issued to provide financing for those purposes described in clause (i) of Section 2.02, which may consist of both Tax-Exempt Commercial Paper Notes and Taxable Commercial Paper Notes.

"Original Initial Resolution" has the meaning ascribed in the recitals hereto.

"Outstanding" means, when used as of any particular time with reference to Commercial Paper

Notes, all Commercial Paper Notes and any Bank Note (to the extent evidencing loans or advances made under a Facility) theretofore or thereupon issued pursuant to this Resolution except (i) Commercial Paper Notes theretofore canceled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation; (ii) Commercial Paper Notes with respect to which, and only to the extent, all liability of the Metropolitan Government shall have been discharged in accordance with Section 8.01; and (iii) Commercial Paper Notes in lieu of, or in substitution for which, other Commercial Paper Notes have been or are then being issued by the Issuing and Paying Agent pursuant to the terms of this Resolution.

"Person" means an individual, corporation, firm, association, partnership, limited liability company, trust, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Program Documents" shall mean, collectively, this Resolution, the Dealer Agreements, the Issuing and Paying Agency Agreements and the documents constituting or evidencing each Facility.

"Rating Agency" means Moody's, Fitch and S&P, and/or such other securities rating agencies providing a rating on Commercial Paper Notes at the request of the Metropolitan Government, as applicable.

"Representation Letter" shall have the meaning set forth in Section 2.03(c).

"Request" shall have the meaning set forth in Section 3.01(c).

"Request for Loan" means a request by the Issuing and Paying Agent (on behalf of the Metropolitan Government) to a Bank, requesting that a loan or advance of funds or a drawing be honored pursuant to a Facility in order to pay the maturing principal amount of Outstanding Commercial Paper Notes and (if applicable) interest thereon, pursuant to Article IV of this Resolution.

"Resolution" means this Resolution, as the same may be amended or supplemented pursuant to Article VII.

"Rollover Commercial Paper Notes" means, collectively, those Commercial Paper Notes issued for those purposes described in clause (ii) of Section 2.02, which may consist of both Tax-Exempt Commercial Paper Notes and Taxable Commercial Paper Notes.

"Senior Lien Bonds" shall mean all currently outstanding bonds, notes or other debt obligations issued under the Electric System Bond Resolution, and shall also include any other outstanding bonds, notes or other debt obligations hereafter issued on parity therewith pursuant to the terms of the Electric System Bond Resolution.

"Series" means a series of Commercial Paper Notes issued under the authority of Section 2.01(c) hereof.

"S&P" means S&P Global Ratings, or any successor, then maintaining a rating on Commercial Paper Notes at the request of the Metropolitan Government.

"State" means the State of Tennessee.

"Stop Order" has the meaning ascribed in the Facility.

"Storm" has the meaning ascribed in the recitals hereto.

"System" has the meaning ascribed in the recitals and is intended to have the same meaning as the term "Electric System" in the Electric System Bond Resolution, which definition shall govern in the event

of any inconsistency or conflict.

"Taxable Commercial Paper Notes" shall mean any Commercial Paper Notes which are not Tax-Exempt Commercial Paper Notes.

"Tax-Exempt Commercial Paper Notes" shall mean any Commercial Paper Notes the interest on which is intended by the Metropolitan Government to be excluded from gross income of the owners thereof for federal income tax purposes.

"Termination Date" means the date on which a Facility in effect terminates or expires in accordance with its terms.

SECTION 1.02 Interpretation.

(a) Unless the context shall otherwise indicate, words importing the singular shall include the plural and vice versa.

(b) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(c) The terms "hereby," "hereof," "herein," "hereunder," and any similar terms used in this Resolution refer to this Resolution as a whole unless otherwise expressly stated.

(d) Any headings preceding the text of the several Articles and Sections of this Resolution are solely for convenience of reference and shall neither constitute a part of this Resolution nor affect its meaning, interpretation or effect.

(e) All references to time herein shall, unless otherwise stated, be to prevailing time in New York, New York.

SECTION 1.03 Authority for this Resolution. This Resolution is adopted pursuant to the Act and the Initial Resolutions.

ARTICLE II

COMMERCIAL PAPER NOTES

SECTION 2.01 Authorization and Issuance of Commercial Paper Notes.

(a) In anticipation of the issuance and sale of Bonds, Commercial Paper Notes are hereby authorized to be issued from time to time in an aggregate principal amount outstanding at any one time of not to exceed $100,000,000, consisting of (i) Original Commercial Paper Notes, and (ii) Rollover Commercial Paper Notes related thereto. The Metropolitan Government may, during the course of the Commercial Paper Program, issue more than $100,000,000 in principal amount of Commercial Paper Notes under this Resolution as long as not more than $100,000,000 in principal amount of Commercial Paper Notes shall be at any one time Outstanding under this Resolution. Notwithstanding anything herein to the contrary, any Bank Note is hereby authorized to be issued in a principal amount not exceeding $109,000,000 in order to evidence all loans or advances made and/or drawings honored by a Bank under a Facility to pay the principal amount of maturing Commercial Paper Notes and (if applicable) interest thereon, under and in accordance with the Facility. Nothing herein shall preclude the Metropolitan Government from, or limit its ability to, issue bond anticipation notes in the form of commercial paper in anticipation of the issuance of either Bonds or other bonds under such other or different resolution, or other authority, outside of this Resolution as determined by the Metropolitan Government. The Commercial Paper Notes authorized hereunder may be issued as Tax-Exempt Commercial Paper Notes, Taxable Commercial Paper Notes, Commercial Paper Notes that convert from Taxable Commercial Paper Notes

to Tax-Exempt Commercial Paper Notes or Commercial Paper Notes that convert from Tax-Exempt Commercial Paper Notes to Taxable Commercial Paper Notes.

(b) Commercial Paper Notes shall not be issued by the Metropolitan Government unless and until an Authorized Board Representative shall determine that:

(i) the aggregate of (1) the principal amount of Outstanding Commercial Paper Notes (but not including the principal amount of Commercial Paper Notes to be paid with proceeds of Rollover Commercial Paper Notes then being issued) and the principal amount of outstanding reimbursement obligations evidenced by the Bank Notes, plus (2) the principal amount of the Commercial Paper Notes then being issued, plus (3) the outstanding principal amount of all Bonds, notes and other obligations theretofore issued pursuant to the Initial Resolutions, does not exceed the maximum principal amount of Bonds authorized to be issued by the Initial Resolutions;

(ii) the aggregate of (1) the principal amount of Outstanding Commercial Paper Notes (but not including the principal amount of Commercial Paper Notes to be paid with proceeds of Rollover Commercial Paper Notes then being issued), plus (2) the principal amount of the Commercial Paper Notes then being issued, does not exceed $100,000,000;

(iii) the aggregate of (1) the principal amount of reimbursement obligations evidenced by the Bank Notes related to the series of Outstanding Commercial Paper Notes (but not including the principal amount of reimbursement obligations evidenced by the Bank Notes for Commercial Paper Notes to be paid with proceeds of Rollover Commercial Paper Notes then being issued), plus (2) the principal amount of reimbursement obligations evidenced by the Bank Notes related to the series of Outstanding Commercial Paper Notes then being issued, does not exceed $109,000,000;

(iv) if Commercial Paper Notes then being issued are to be supported by the same Facility as any Outstanding Commercial Paper Notes, the aggregate of (1) the principal amount of any such Outstanding Commercial Paper Notes and interest to accrue thereon (if supported by such Facility), plus (2) the principal amount of the Commercial Paper Notes then being issued and interest to accrue thereon (if supported by such Facility) that are to be supported by the same Facility, does not exceed the available commitment or stated amount, as applicable, under such Facility supporting the principal due at maturity and (if applicable) interest on all such Commercial Paper Notes; and

(v) such Commercial Paper Notes will mature not later than the earlier of (A) the Termination Date and (B) the times permitted by the Act for the retirement of bond anticipation notes, as may be approved by the State Director of the Division of Local Government Finance pursuant to the Act.

(c) The Commercial Paper Notes authorized hereunder may be issued in one or more Series. Taxable Commercial Paper Notes and Tax-Exempt Commercial Paper Notes shall not be issued as part of the same Series. In order to distinguish between Commercial Paper Notes with respect to which one Bank has provided its Facility, and Commercial Paper Notes with respect to which another Bank has provided its Facility, the principal amount of each Series of Commercial Paper Notes and (if applicable) interest thereon shall be supported by a single, separate Facility (and not any other Facility) and shall be given a Series-specific designation. Notwithstanding the foregoing, if the Metropolitan Government determines, with the consent of the provider of a particular Facility, that a single Facility shall cover separate Series of Commercial Paper Notes issued at the same time or as part of related transactions (such as, without limitation, Tax-Exempt Commercial Paper Notes and Taxable Commercial Paper Notes), those Commercial Paper Notes may be supported by the same Facility even though they are not a part of the same Series. Such determination and consent may be set forth in and evidenced by the documents establishing the Facility.

SECTION 2.02 Use of Proceeds. The proceeds of Commercial Paper Notes shall be used only

to (i) provide financing for those purposes identified in the Initial Resolutions, including, with respect to the Original Initial Resolution, to finance, in whole or in part, all or a portion of the costs incurred in connection with (A) the construction of extensions and improvements to the System, including the reconstruction, replacement, repairing and improvement of the System as necessary or appropriate to repair and fix the damage to the System caused by the Storm, (B) the acquisition of all property, real and personal, appurtenant thereto or connected therewith, (C) the payment of all legal, fiscal, administrative, architectural and engineering costs incident thereto, (D) reimbursement to the Board for funds previously expended for any of the foregoing, and (E) payment or reimbursement of all other costs authorized to be financed pursuant to Section 9-21-109, Tennessee Code Annotated; (ii) pay at maturity the principal of Outstanding Commercial Paper Notes; (iii) pay (A) the portion of the principal of Bank Notes corresponding to principal of Commercial Paper Notes paid with the proceeds of an advance made or drawing honored, as applicable, by the Bank(s), and (B) if determined by the Metropolitan Government to be lawful and appropriate, all or part of the portion of the principal of Bank Notes corresponding to interest on Commercial Paper Notes paid with the proceeds of an advance made or drawing honored, as applicable, by the Bank(s); and (iv) pay costs incident to the issuance and sale of the Commercial Paper Notes. The proceeds of the sale of Commercial Paper Notes shall be applied in the manner set forth in Section 3.02.

SECTION 2.03 Book-Entry Commercial Paper Notes.

(a) Subject to subsection (f) of this Section, the Commercial Paper Notes of a Series shall be issued (i) in the form of one or more fully registered master note or notes (each, a "Master Note") the ownership of which shall be registered in the name of the nominee of the Depository (initially, with respect to DTC, Cede & Co.) and which may be transferred or exchanged only as hereinafter provided in this Section 2.03, and, to the extent not inconsistent herewith, in accordance with the procedures of the Depository as then in effect, and (ii) otherwise in book-entry only form through the Depository.

(b) The ownership and transfer of Master Notes shall be registered on books of the Issuing and Paying Agent, which shall be kept for that purpose at the Office of the Issuing and Paying Agent. The Master Notes shall be transferable by the registered owner thereof in person or by the registered owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer, satisfactory to the Issuing and Paying Agent, duly executed by the registered owner or by the registered owner's duly authorized attorney. Upon the registration or transfer of a Master Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Master Note, evidencing the Metropolitan Government's obligations with respect to the same Book-Entry Commercial Paper Notes as the instrument surrendered.

(c) In order to qualify the Commercial Paper Notes for the Depository's book-entry system, any Authorized Officer is hereby authorized from time to time to execute and deliver on behalf of the Metropolitan Government to such Depository a letter or letters from the Metropolitan Government representing such matters as shall be necessary or advisable to so qualify the Commercial Paper Notes (each, a "Representation Letter"). The execution and delivery of a Representation Letter shall not in any way impose upon the Metropolitan Government any obligation whatsoever with respect to Persons having interests in the Commercial Paper Notes other than the Holders thereof and the Depository. In addition to the execution and delivery of a Representation Letter, any Authorized Officer is hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Commercial Paper Notes for the Depository's book-entry system.

(d) The Depository and its nominee shall be deemed to be and be treated by the Metropolitan Government and the Issuing and Paying Agent as the sole and exclusive Holder of the Master Notes and of all Book-Entry Commercial Paper Notes evidenced thereby, and the beneficial owners of Book-Entry Commercial Paper Notes shall not be deemed to be or treated as the Holders thereof for the purposes of payment of the principal of or interest on such Book-Entry Commercial Paper Notes, payments under the

Master Notes, giving any notice permitted or required to be given to Holders under this Resolution, registering the transfer of the Master Notes, obtaining any consent or other action to be taken by Holders, or for any and all other purposes whatsoever, and neither the Metropolitan Government nor the Issuing and Paying Agent shall be affected by any notice to the contrary. The Issuing and Paying Agent shall pay all principal of and interest on Book-Entry Commercial Paper Notes only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Metropolitan Government's obligations with respect to the principal of and interest on such Book-Entry Commercial Paper Notes to the extent of the sum or sums so paid.

(e) With respect to all Book-Entry Commercial Paper Notes, neither the Metropolitan Government nor the Issuing and Paying Agent shall have any responsibility or obligation to any Depository, direct or indirect participant or any Person claiming a beneficial ownership interest in Book-Entry Commercial Paper Notes under or through the Depository or any Depository participant, or any nominee of any thereof, or any other Person which is not shown on the books of the Issuing and Paying Agent as being the Holder of a Master Note, with respect to: (1) sending transaction statements; (2) maintaining, supervising or reviewing, or the accuracy of, any records maintained by the Depository, any Depository participant or any such nominees; (3) payment or the timeliness of payment by the Depository to any Depository participant, or by any Depository participant or other nominees of beneficial owners to any beneficial owners, of any amount in respect of the principal of or interest on Book-Entry Commercial Paper Notes; (4) delivery or timely delivery by the Depository to any Depository participant, or by any Depository participant or other nominees of beneficial owners to any beneficial owners, of any notice which is permitted or required to be given to Holders under this Resolution; or (5) any consent or other action taken by the Depository or its nominee as Holder of Book-Entry Commercial Paper Notes.

(f) The Depository may determine not to continue to act as securities depository for the Commercial Paper Notes, or the Metropolitan Government may determine to discontinue the book-entry only issuance of the Commercial Paper Notes through the Depository and in such case shall deliver a written notice to the Issuing and Paying Agent and each Dealer to that effect. In either case, if the Metropolitan Government determines to replace the Depository with another qualified securities depository, the Metropolitan Government shall prepare or direct the preparation of one or more new, separate, fully registered Master Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the Metropolitan Government, the Issuing and Paying Agent and the replacement Depository as are not inconsistent with the terms of this Resolution. If the Metropolitan Government fails to identify another securities depository to replace the Depository, the Metropolitan Government may amend this Resolution pursuant to paragraph (f) of Section 7.01 and shall deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions of this Resolution, as so amended, and of the Issuing and Paying Agency Agreements, Commercial Paper Notes instruments executed on behalf of the Metropolitan Government, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Commercial Paper Notes instrument shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions of this Resolution and of the Issuing and Paying Agency Agreements.

SECTION 2.04 Terms Applicable to Commercial Paper Notes.

(a) Subject to the conditions and limitations contained herein, the Commercial Paper Notes (i) shall be designated "Electric System Revenue Commercial Paper Notes," (ii) shall bear a Series designation as described in Section 2.01(c) (if applicable) and may bear such additional designations as may be determined by an Authorized Officer, (iii) shall be dated as of the date of their issuance, (iv) shall mature on a Business Day, (v) shall not be subject to redemption prior to maturity, (vi) shall bear interest from their issuance date, payable at maturity with principal, calculated on the basis of actual days elapsed, including the issue date and excluding the maturity date, in a year containing 365 or 366 days (as the case may be) for Tax-Exempt Commercial Paper Notes and in a year containing 360 days for Taxable

Commercial Paper Notes, (vii) shall be issued in denominations of $100,000 and in integral multiples of $1,000 in excess of such amount, (viii) unless otherwise directed by an Authorized Officer, shall be numbered in such manner as the Issuing and Paying Agent shall determine, (ix) when issued, Tax-Exempt Commercial Paper Notes shall be sold at a price not less than 100% of the principal amount thereof and Taxable Commercial Paper Notes may be sold at a price not less than 100% of the principal amount thereof or at a discount from the par amount to reflect an interest component to the maturity date, but in any event at a price not less than 99% of the par amount thereof, and (x) shall be issued on such dates and otherwise have such terms and conditions, all as shall be specified in a Request given to the Issuing and Paying Agent pursuant to Section 3.01(c).

(b) Both principal of and interest on Commercial Paper Notes shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts. Except in the case of Book-Entry Commercial Paper Notes, principal of and interest on Commercial Paper Notes shall be payable upon presentation and surrender thereof at the Office of the Issuing and Paying Agent.

SECTION 2.05 Security and Sources of Payment.

(a) The payment of principal of, and interest on, the Commercial Paper Notes and each Bank Note shall constitute and be limited obligations of the Metropolitan Government, payable solely from the sources of funds for such purpose as provided in this Resolution, and the faith and credit and taxing power of the Metropolitan Government shall not be pledged for the payment of the principal of, or interest on, the Commercial Paper Notes or the Bank Notes. The Commercial Paper Notes and each Bank Note are payable primarily from the proceeds of the Bonds in anticipation of which the Commercial Paper Notes are being issued and, until such Bonds are issued, and as contemplated in this Resolution, shall also be payable from proceeds of Rollover Commercial Paper Notes as provided herein, from other funds provided for such purpose by the Board or the Metropolitan Government, and, as to the Commercial Paper Notes only, from amounts provided for such purpose under a Facility. All funds from the foregoing sources of payment shall be deposited into the Commercial Paper Fund and disbursed as provided in Section 2.06, and the Metropolitan Government hereby grants a pledge of, a security interest in and to, and a lien and charge upon, all such funds to secure the payment of the principal of, and interest on, the Commercial Paper Notes and the Bank Notes to be paid from such funds as provided in this Resolution. Additionally, the Metropolitan Government hereby grants a pledge of and a security interest in, and places a lien and charge upon, the Net Revenues of the System to secure the payment of the principal of, and interest on, the Commercial Paper Notes and each Bank Note, subject to the application of the Net Revenues of the System pursuant to the terms of the Electric System Bond Resolution and subject to the prior pledge of the Net Revenues of the System in favor of the Senior Lien Bonds. The pledge of the Net Revenues of the System to the payment of each Series of the Commercial Paper Notes and the related Bank Note is on parity with the pledge thereof in favor of each other Series of Commercial Paper Notes and the related Bank Note. All amounts payable to the Bank under a Facility shall be payable solely from the Net Revenues of the System, subject to the provisions of the Electric System Bond Resolution, and the other sources described herein, and secured by a pledge of, a security interest in and to, and a lien and charge upon, the Net Revenues of the System on parity with the Commercial Paper Notes and the Bank Notes.

(b) The grant by the Metropolitan Government of a pledge of, a security interest in and to, and a lien and charge upon, the Net Revenues described in Section 2.05(a) are in addition to, and not in contravention of, or conflict with, Section 513 of the Electric System Bond Resolution, and such pledge, security interest, lien and charge shall include all Net Revenues in the Subordinated Debt Fund under the Electric System Bond Resolution which are from time to time available for the purpose of payment of the Commercial Paper Notes and the related Bank Notes. Each Series of the Commercial Paper Notes and the related Bank Note shall be "Subordinated Debt" pursuant to Section 513 of the Electric System Bond Resolution. As such, the following provisions shall be binding on all holders of the Commercial Paper Notes and the Bank Notes (the Commercial Paper Notes and the Bank Notes being referred to in the

following provisions (i) through (v) as the "Subordinated Debt"):

(i) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Metropolitan Government or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Metropolitan Government, whether or not involving insolvency or bankruptcy, the holders of all Senior Lien Bonds then outstanding shall be entitled to receive payment in full of all principal and interest on all such Senior Lien Bonds before the holders of the Subordinated Debt are entitled to receive any payment from the Pledged Funds (as defined in the Electric System Bond Resolution) on account of principal (and premium, if any) or interest upon the Subordinated Debt.

(ii) In the event that the Subordinated Debt is declared due and payable before its expressed maturity because of the occurrence of an event of default (under circumstances when the provisions of (i) above shall not be applicable), the holders of all Senior Lien Bonds outstanding at the time such Subordinated Debt so becomes due and payable because of such occurrence of such an event of default shall be entitled to receive payment in full of all principal and interest on all such Senior Lien Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Pledged Funds of principal (and premium, if any) or interest upon the Subordinated Debt.

(iii) If any Event of Default (as defined in the Electric System Bond Resolution) with respect to the Senior Lien Bonds shall have occurred and be continuing (under circumstances when the provisions of (i) above shall not be applicable), the holders of all Senior Lien Bonds then outstanding shall be entitled to receive payment in full of all principal and interest on all such Senior Lien Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Pledged Funds of principal (and premium, if any) or interest upon the Subordinated Debt.

(iv) No holder of Senior Lien Bonds shall be prejudiced in such holder’s right to enforce subordination of the Subordinated Debt by any act or failure to act on the part of the Metropolitan Government.

(v) The provisions of (i), (ii), (iii) and (iv) above are solely for the purpose of defining the relative rights of the holders of the Senior Lien Bonds on the one hand, and the holders of Subordinated Debt on the other hand, and nothing herein shall impair, as between the Metropolitan Government and the holders of the Subordinated Debt, the obligation of the Metropolitan Government, which is unconditional and absolute, to pay to the holders of the Subordinated Debt the principal thereof and premium, if any, and interest thereon in accordance with its terms, nor shall anything herein prevent the holders of the Subordinated Debt from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights under (i), (ii), (iii) and (iv) above of the holders of the Senior Lien Bonds to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Debt. Insofar as a trustee or paying agent for such Subordinated Debt is concerned, the foregoing provisions shall not prevent the application by such trustee or paying agent of any moneys deposited with such trustee or paying agent for the purpose of the payment of or on account of the principal (and premium, if any) and interest on such Subordinated Debt if such trustee or paying agent did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions.

(vi) Notwithstanding anything in Section 513 of the Electric System Bond Resolution to the contrary, while this Resolution is in effect and until all amounts are paid in full under the Commercial Paper Notes and Bank Notes, no issue of Subordinated Debt may have a senior rank or priority with respect to any other issue of Subordinated Debt.

SECTION 2.06 Commercial Paper Fund.

(a) A Commercial Paper Fund is hereby created and established with the Issuing and Paying Agent as a separate and special purpose trust fund for the benefit of the Holders of each Series of Commercial Paper Notes. Each such Commercial Paper Fund shall be designated as the "Metropolitan Government Electric System Commercial Paper Fund" together with a Series-specific designation. Subject to the provisions of subsection (b), the Issuing and Paying Agent shall have the sole right of withdrawal over the moneys in the Commercial Paper Fund. The terms of this Section 2.06 are in addition to, and not in contravention of, Sections 505 and 509 of the Electric System Bond Resolution, each of which shall apply to the payment as and when due of the Commercial Paper Notes and the related Bank Notes as "Subordinated Debt" under the Electric System Bond Resolution. The Metropolitan Government and the Board shall take any and all actions under the Electric System Bond Resolution that are required for timely payment of the Commercial Paper Notes and the related Bank Notes as and when due from Net Revenues in the Subordinated Debt Fund under the Electric System Bond Resolution which are then available for the purpose of payment of the Commercial Paper Notes and the related Bank Notes, including directing the Fiscal Agent thereunder to transfer funds from the Subordinated Debt Fund to the Issuing and Paying Agent for deposit into the Commercial Paper Fund.

(b) The Issuing and Paying Agent, as agent for the Holders from time to time of Commercial Paper Notes, shall:

(i) deposit into the applicable Commercial Paper Fund the proceeds of sale of all Commercial Paper Notes of a Series issued on any day, and (A) first, apply such proceeds (together with any amounts then on deposit therein and available for such purpose) to the payment of the principal of and interest on the applicable Bank Note corresponding to the Commercial Paper Notes becoming due and payable on such day, (B) second, apply such proceeds (together with any amounts then on deposit therein and available for such purpose) to the payment of the principal of the Outstanding Commercial Paper Notes of such Series becoming due and payable on such day; and (C) third, transfer any remaining proceeds to or on behalf of the Board as directed in writing by an Authorized Board Representative, to provide financing for those purposes identified in the Initial Resolutions;

(ii) deposit into the applicable Commercial Paper Fund the proceeds of any loan, advance or drawing made or honored pursuant to a Facility hereunder on any day and apply such proceeds exclusively to the payment of the principal of and (if applicable) interest on Outstanding Commercial Paper Notes becoming due and payable on such day; and immediately return to the applicable Bank the amount of such proceeds as shall not be necessary to pay such principal and (if applicable) interest thereon on such date (and correspondingly reduce the principal amount of outstanding loans, advances or drawings under the applicable Bank Note, as set forth in the applicable Facility upon the Bank's receipt thereof);

(iii) deposit into the applicable Commercial Paper Fund any payments made by the Board or the Metropolitan Government to the Issuing and Paying Agent pursuant to a demand submitted by the Issuing and Paying Agent pursuant to Section 5.04, and apply such deposits to the payment of principal of and interest on Outstanding Commercial Paper Notes (with payments allocated first to interest and then to principal); and

(iv) deposit into the applicable Commercial Paper Fund any payments made to the Issuing and Paying Agent by the Metropolitan Government from the proceeds of Bonds or other bonds, notes or other debt obligations issued pursuant to Section 6.01(b) for the purpose of paying a portion of the principal of and/or (if applicable) interest on the Bank Note of a Series and/or the principal of and (if applicable) interest on Outstanding Commercial Paper Notes, and apply such proceeds as directed in writing by an Authorized Board Representative to the payment of the principal of the Bank Note of such Series and/or the principal of and (if applicable) interest on Outstanding Commercial Paper Notes (such

written direction of an Authorized Board Representative to indicate whether such proceeds include interest on Outstanding Commercial Paper Notes); provided that the Bank Note shall be paid prior to the payment of the Outstanding Commercial Paper Notes, and payments of Outstanding Commercial Paper Notes shall be allocated first to interest (if applicable) and then to principal.

(c) Amounts on deposit in a Commercial Paper Fund as proceeds of Commercial Paper Notes or a Bank Note of a Series to be used to pay the principal of other Commercial Paper Notes of such Series and (in the case of a Bank Note and if applicable) interest thereon as required by subsection (b)(i) or (b)(ii) of this Section 2.06 shall not be invested prior to their application for such purposes. Except as otherwise provided in Section 4.04 hereof, other amounts on deposit in a Commercial Paper Fund may be invested prior to their application for authorized purposes, but only in Investment Securities at the written direction of an Authorized Board Representative, and only in securities held in the name of the Metropolitan Government or the Issuing and Paying Agent as depository for the Metropolitan Government (in either case, either as registered or beneficial owner), and otherwise shall not earn interest.

(d) Each Commercial Paper Fund, and all moneys and securities on deposit therein, shall be held by the Issuing and Paying Agent in a separate trust account and shall not be commingled with the assets of the Issuing and Paying Agent or any other Person. It is the intent of the Metropolitan Government that each Commercial Paper Fund, and all moneys and securities on deposit therein, shall constitute a special deposit held in a segregated account and not a general deposit of the Issuing and Paying Agent.

(e) All moneys on deposit in the Commercial Paper Fund that are invested must be invested in Investment Securities which shall mature, or be subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before the dates on which the amounts invested are reasonably expected to be needed for the purposes hereof. The Issuing and Paying Agent shall not be accountable for any depreciation in the value of Investment Securities or for any losses incurred upon any authorized disposition thereof. All investment losses shall be borne by the Commercial Paper Fund in which the lost moneys were deposited, and the Issuing and Paying Agent shall not be accountable for such losses. Investment income shall remain in the Commercial Paper Fund where earned. The Issuing and Paying Agent may make any and all such investments through its corporate trust department or through the corporate trust department of any financial institution which is an affiliate of the Issuing and Paying Agent and may trade with itself or any of its affiliates in doing so.

SECTION 2.07 Forms and Execution of Commercial Paper Notes.

(a) Each Master Note shall be executed on behalf of the Metropolitan Government with the manual or facsimile signatures of the Metropolitan Mayor, of the Metropolitan Treasurer and of the Metropolitan Clerk, each such officer being hereby authorized to execute (or to cause the facsimile execution) and deliver each Master Note, shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Metropolitan Government, and shall be approved as to form and legality by the Director of Law by the manual or facsimile signature of the Director of Law. In case any officer of the Metropolitan Government whose signature or whose facsimile signature shall appear on the Master Note shall cease to be such officer before the delivery of such Master Note, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

(b) The Master Notes and the endorsement for authentication to appear thereon shall be substantially in the form attached hereto as Exhibit A or such other form as shall be consistent with the terms of this Resolution, and each Commercial Paper Notes instrument, other than the Master Note, and the endorsement for authentication to appear thereon shall be in such form as the Metropolitan Government may prescribe at the time such Commercial Paper Notes instrument is to be issued, in each

case with such appropriate series designations, insertions, omissions, substitutions and other changes or variations as are permitted or required by this Resolution and with such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures, or CUSIP) and such legends and endorsements thereon as may, consistent herewith, be approved by an Authorized Officer, the execution, delivery and issuance thereof constituting conclusive evidence of such approval.

(c) No Master Note or other Commercial Paper Notes instrument shall be valid or obligatory for any purpose until manually countersigned for authentication by the Issuing and Paying Agent.

ARTICLE III

ISSUANCE AND SALE OF COMMERCIAL PAPER

SECTION 3.01 Issuance and Sale of Commercial Paper Notes.

(a) The Commercial Paper Notes shall be issued by the Issuing and Paying Agent in accordance with Requests to be given pursuant to subsection (c) of this Section 3.01.

(b) The issuance of the Commercial Paper Notes is subject to the following conditions and limitations:

(i) The principal amount of Commercial Paper Notes Outstanding hereunder at any one time shall not exceed $100,000,000; provided, however, that the principal amount of a Bank Note issued hereunder shall be in an amount not to exceed $109,000,000, in order to evidence all reimbursement obligations related to loans or advances made and/or drawings honored by a Bank under a Facility to pay the principal amount of maturing Commercial Paper Notes (or Commercial Paper Notes to mature in the case of a Final Drawing) and (if applicable) interest thereon from the applicable Loan Date, under and in accordance with the Facility.

(ii) Subject to the conditions and limitations set forth in Section 2.01(b), each Commercial Paper Note shall mature on a Business Day not later than two hundred and seventy (270) days from its date of issuance.

(iii) No Original Commercial Paper Notes, nor any Rollover Commercial Paper Notes associated therewith, shall mature later than two years from the initial date of issuance of the Original Commercial Paper Notes; *provided however*, that the Original Commercial Paper Notes may be extended or renewed for not more than two additional periods not exceeding two years each with the approval of the State Director of the Division of Local Government Finance, in each such instance in accordance with Section 9-21-505 of the Act. In each year in which the Original Commercial Paper Notes are extended or renewed and are Outstanding beyond two years from the date of initial issuance, the Metropolitan Government shall retire a portion thereof equal to not less than 1/20th of the principal amount of the Original Commercial Paper Notes as required by the Act unless otherwise waived by the State Director of the Division of Local Government Finance. Each such approval or waiver of the State Director of the Division of Local Government Finance shall be in writing and upon receipt by the Metropolitan Government shall be delivered to the Board, the Issuing and Paying Agent, each Bank and each Dealer. Commercial Paper Notes shall be sold at the price set forth in Section 2.04.

(iv) No Original Commercial Paper Notes nor any Rollover Commercial Paper Notes of a Series shall be issued subsequent to the Termination Date with respect to the applicable Facility unless the Metropolitan Government delivers or causes to be delivered a substitute Facility to the Issuing and Paying Agent on or prior to such Termination Date.

(v) No Original Commercial Paper Notes shall be issued unless and until the

Metropolitan Government delivers or causes to be delivered to the Dealers and the Issuing and Paying Agent an opinion of Bond Counsel regarding such Original Commercial Paper Notes in the form attached as an exhibit to the initial Offering Memorandum contemplated in Section 3.03.

(vi) No Commercial Paper Notes of a Series shall mature later than the Business Day preceding the Termination Date of the applicable Facility then in effect.

(vii) Subject to the automatic reinstatement provisions described in Section 4.04 hereof, no Commercial Paper Notes of a Series shall be issued by the Issuing and Paying Agent if the Issuing and Paying Agent has received a Stop Order or Final Drawing Notice or similar cease issuance notice (or similar notice having equivalent effect) from the Bank providing the applicable Facility. Prior to issuing such additional Commercial Paper Notes after receipt of such Stop Order or Final Drawing Notice or similar cease issuance notice, the Issuing and Paying Agent must receive written notice from the Bank providing such Facility that the cease issuance notice has been rescinded.

No Commercial Paper Notes shall be issued, authenticated or delivered if, as independently determined by the Issuing and Paying Agent in accordance with this Resolution and the Issuing and Paying Agency Agreements, upon the issuance of such Commercial Paper Notes any of the conditions or limitations contained in this subsection (b) or the conditions and limitations set forth in Section 2.01(b) shall not be complied with.

No Commercial Paper Notes shall be issued unless and until the State Director of the Division of Local Government Finance has approved the issuance thereof. Each such approval shall be in writing and upon receipt by the Metropolitan Government shall be delivered to the Board, the Issuing and Paying Agent, each Bank and each Dealer.

(c) Prior to the issuance by the Issuing and Paying Agent of any Commercial Paper Notes, an Authorized Officer shall instruct the Issuing and Paying Agent in writing to, in the case of Book-Entry Commercial Paper Notes, deliver appropriate issuance instructions to the Depository, or shall acknowledge or confirm the same (whether an instruction, acknowledgment or confirmation, herein referred to as a "Request"). Each Request shall contain information with respect to, and approve on behalf of the Metropolitan Government:

(i) the aggregate principal amount of Commercial Paper Notes of a Series then to be issued,

(ii) the rate or rates of interest, if any, on such Commercial Paper Notes and whether such Commercial Paper Notes are Tax-Exempt Commercial Paper Notes or Taxable Commercial Paper Notes,

(iii) the issue date or dates and maturity date or dates of such Commercial Paper Notes, and

(iv) in the case of Book-Entry Commercial Paper Notes, each Depository direct participant to which such Book-Entry Commercial Paper Notes is to be credited on the books of the Depository, and the principal amount (which shall be in an authorized denomination) of Commercial Paper Notes to be credited to each such participant.

Instructions and confirmations shall be given and/or confirmed by an Authorized Officer, as provided in the Issuing and Paying Agency Agreements.

(d) Each Request given by an Authorized Officer pursuant to subsection (c) of this Section 3.01 shall constitute a representation by the Metropolitan Government that (i) the Commercial Paper

Program is in compliance with the conditions and limitations contained in subsection (b) of this Section 3.01, (ii) the Metropolitan Government is in receipt of an opinion of Bond Counsel, upon which Holders of the Commercial Paper Notes may rely, as to the validity of the Commercial Paper Notes and the exclusion of interest on the Tax-Exempt Commercial Paper Notes from gross income for federal income tax purposes, and the exemption of interest on the Commercial Paper Notes from State taxes substantially in the form attached as an exhibit to the Offering Memorandum used in the sale of the Commercial Paper Notes then being issued, (iii) all action on the part of the Metropolitan Government necessary for the valid issuance of the Commercial Paper Notes then to be issued has been taken, (iv) all provisions of State and federal law necessary for the valid issuance of such Commercial Paper Notes have been complied with, (v) such Commercial Paper Notes in the hands of the Holders thereof will be valid obligations of the Metropolitan Government according to their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other laws theretofore or thereafter enacted affecting creditors' rights, and to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforceability is considered in a proceeding in equity or at law, (vi) the applicable Facility covering the Commercial Paper Notes is in full force and effect and no default exists under such Facility, and (vii) the Metropolitan Government is not in violation of the conditions and limitations contained in Section 2.01(b) and this Section 3.01, or the covenants and agreements of Sections 6.03 (if applicable) or 6.05(b).

The Metropolitan Government agrees that it shall immediately give notice by Electronic Means to the Issuing and Paying Agent and the Bank(s) if it is unable at any time to make any of the representations set forth in this Section 3.01(d). The Issuing and Paying Agent shall not honor any Request so long as the Metropolitan Government is unable to make any of the representations set forth in this Section 3.01(d).

Notwithstanding anything herein to the contrary, including without limitation Section 8.01 hereof, upon the (i) payment of the principal amount of any maturing Commercial Paper Notes by the Metropolitan Government pursuant to the terms of Section 5.04 hereof, and upon receipt of instructions from the Metropolitan Government (which shall conform to the requirements of Section 3.01(c) hereof), or (ii) payment of the principal amount of advances, loans or drawings outstanding under any Bank Note by the Metropolitan Government to the Bank pursuant to the applicable Facility, and upon receipt of instructions from the Metropolitan Government (which shall conform to the requirements of Section 3.01(c) hereof) and the Bank, the Issuing and Paying Agent shall cause to be issued to the Metropolitan Government Rollover Commercial Paper Notes in the principal amount of such payment. Such Rollover Commercial Paper Notes shall mature on such date and bear interest at such rate as may be specified by the Metropolitan Government in such instructions, provided that such maturity date and rate is consistent with the terms of Section 2.04 hereof. Such Rollover Commercial Paper Notes shall be considered Outstanding for all purposes of this Resolution, it being the intent of the Metropolitan Government that, as permitted by Sections 5-8-301 and 6-56-106, Tennessee Code Annotated, such Rollover Commercial Paper Notes shall remain an outstanding debt obligation of the Metropolitan Government until the subsequent payment of such Rollover Commercial Paper Notes pursuant to the terms of this Resolution.

SECTION 3.02 Proceeds of Sale of Commercial Paper Notes. The proceeds of the sale hereunder of Commercial Paper Notes shall be applied as follows:

(a) The proceeds of each sale of Commercial Paper Notes of a Series on any day in an amount not in excess of the amount of loans, advances or drawings outstanding under the Facility and/or the Bank Note, and interest thereon, for such Series and the principal amount of the Outstanding Commercial Paper Notes of such Series becoming due and payable on such day, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the applicable Commercial Paper Fund, shall be issued for the purpose of paying such amounts under the Facility and/or the Bank Note, and interest thereon, and such proceeds shall be deposited into the applicable Commercial Paper Fund and used to pay such principal, as provided in Section 2.06(b)(i)(A) and (B).

(b) The proceeds of each sale of Commercial Paper Notes of a Series on any day in an amount in excess of the principal amount of loans, advances or drawings outstanding under the Facility and/or the Bank Note for such Series and the principal amount of the Outstanding Commercial Paper Notes of such Series becoming due and payable on such day, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the applicable Commercial Paper Fund, shall be issued for the purpose of paying, and shall be allocated to, authorized purposes pursuant to Section 2.02(i) and shall be transferred to or on behalf of the Board as directed in writing by an Authorized Board Representative, as provided in Section 2.06(b)(i)(C).

SECTION 3.03 Offering Memoranda.

(a) Any Authorized Officer, acting alone, without further action of the Metropolitan County Council, is hereby authorized to cause to be prepared one or more Offering Memoranda or other offering statements containing such information concerning the Commercial Paper Notes, the Metropolitan Government, the Board and its financial condition, the Banks, the Facilities, and such other information as such Authorized Officer shall approve, and to revise, supplement and update the same from time to time. The Metropolitan Government hereby authorizes the use of each such Offering Memorandum and all such revisions, supplements and updates in connection with the sale of the Commercial Paper Notes.

(b) The Metropolitan Government hereby approves the initial Offering Memorandum substantially in the form of the draft attached hereto as Exhibit B, with such changes, insertions, deletions, amendments, and supplements as an Authorized Officer shall approve. The Metropolitan Government further hereby approves, without further action of the Metropolitan County Council, each future Offering Memorandum or other offering statement, including any supplements and updates thereto, if and to the extent such Offering Memorandum or other offering statement and any supplements or updates thereto are approved by an Authorized Officer. Approval by an Authorized Officer of any such Offering Memorandum or other offering statement, including any supplements and updates thereto, shall conclusively be evidenced by the execution and delivery by such Authorized Officer of either (i) such Offering Memorandum or other offering statement, or (ii) instructions to use such Offering Memorandum or other offering statement in connection with the offering and sale of the Commercial Paper Notes, or both, each Authorized Officer being hereby authorized to execute and deliver such Offering Memorandum or other offering statement and such instructions.

ARTICLE IV

BANK FACILITIES

SECTION 4.01 Facility Required for Each Series of Commercial Paper Notes. With respect to each Series of Commercial Paper Notes issued hereunder, the Metropolitan Government agrees, on the terms and conditions contained in this Resolution, to cause a Bank to execute and deliver a Facility to the Issuing and Paying Agent pursuant to which such Bank will agree to loan or advance funds or honor drawings under such Facility sufficient to provide for the payment of the principal amount of and (if applicable) interest on such maturing (or, in the case of a Final Drawing, to mature) Series of Outstanding Commercial Paper Notes. Subject to the conditions precedent set forth in the applicable Facility, the Bank shall be responsible for making loans or advances or honoring drawings under such Facility with respect to the maturing principal and (if applicable) interest on Outstanding Commercial Paper Notes of its Series only and shall have no obligation with respect to Commercial Paper Notes of another Series. Each Bank, upon receipt of a Request for Loan, will loan or advance funds or honor drawings from time to time on any Business Day in an aggregate principal amount equal to the amount set forth in each properly presented and conforming Request for Loan, in the manner and at the times provided in the applicable Facility and the applicable Issuing and Paying Agency Agreement.

SECTION 4.02 Bank Notes. All loans or advances made by a Bank and/or drawings honored by a Bank with respect to the Commercial Paper Notes, pursuant to a Facility shall be evidenced by a Bank

Note, which shall be issued in the form contemplated by the Facility. The principal amount of each Bank Note shall be the maximum amount of funds available to be loaned, advanced or drawn under the related Facility, up to the maximum principal amount of the applicable Series of Commercial Paper Notes together with (if applicable) interest thereon at the Maximum Rate for a period of two hundred and seventy (270) days on a basis of a three hundred sixty (360) day year, and shall be payable by the Metropolitan Government at such times and in such manner as described in the Facility. Each Bank Note shall mature on such Business Day as shall be provided by the applicable Facility. Each Bank Note shall bear interest at a rate of interest as shall be provided by the applicable Facility, not to exceed the Maximum Rate, beginning on the Loan Date, and shall otherwise contain the terms and provisions contemplated by the Facility. Each Bank Note issued hereunder shall be executed by the Metropolitan Government in the same manner as provided for Master Notes in Section 2.07(a), each such executing officer being hereby authorized to execute and deliver each Bank Note, and each such Bank Note shall constitute a "revenue bond" under Part 3 of the Act but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government; provided, however, that Bank Notes are not required to be countersigned for authentication by the Issuing and Paying Agent to be valid and obligatory.

SECTION 4.03 Condition to Loan Funds. The obligation of a Bank to loan or advance funds or honor drawing(s) pursuant to a Facility is subject to (i) the delivery to the Bank by the Issuing and Paying Agent of a properly presented and conforming Request for Loan as required by Section 4.01, and (ii) the terms and conditions of the related Facility.

SECTION 4.04 Method of Funding; Reinstatement. Upon the Bank's receipt of a properly presented and conforming Request for Loan under the Facility, the Bank will loan or advance funds or honor drawings in an amount set forth in such Request for Loan, which must be an amount sufficient to provide for the payment of the unfunded principal amount payable at maturity of Outstanding Commercial Paper Notes, together (if applicable) with interest thereon, on the terms and conditions set forth in the applicable Issuing and Paying Agency Agreement. All funds paid under a Facility will be held in the applicable Commercial Paper Fund at all times separate from other funds of the Metropolitan Government and the Board by the Issuing and Paying Agent for the benefit of the registered owners of the Commercial Paper Notes of the applicable Series to be applied solely in accordance with the purposes for which such amounts are paid as provided above. All funds derived from a Facility will be held uninvested. Provision for reinstatement of certain amounts repaid by the Metropolitan Government or the Board under a Facility shall be made in the Facility under terms and conditions set forth therein.

SECTION 4.05 Application of Proceeds; Other Funds.

(a) The Issuing and Paying Agent will take action to cause sufficient funds to be made available under each Facility (at such times required therein in order to have funds available on the respective maturity dates) to fund the payment of the maturing principal of the Outstanding Commercial Paper Notes of a Series covered by such Facility, together (if applicable) with interest thereon, due on such date to the extent not otherwise provided for. The proceeds of each loan or advance made or drawing honored pursuant to a Facility shall be applied solely to pay the principal of Outstanding Commercial Paper Notes of the related Series, together (if applicable) with interest thereon, on the maturity date thereof.

(b) If funds paid under a Facility are insufficient to meet all the purposes for which such funds are to be paid and applied on such date, such funds as are available shall be applied to the payment of principal of such Series of Commercial Paper Notes, together (if applicable) with interest thereon, due on such date and, if the amount available is not sufficient to pay in full all such principal, together (if applicable) with interest thereon, then to the payment thereof ratably, according to the amounts of principal and (if applicable) interest due on each of such Commercial Paper Notes, without any discrimination or preference.

SECTION 4.06 Initial Facility; Substitute Facility.

(a) The Metropolitan County Council hereby appoints the Initial Bank to provide the Initial Facility with respect to the initial issuance of Original Commercial Paper Notes in an available amount sufficient to provide for the payment of not to exceed $100,000,000 principal amount of Commercial Paper Notes and (if applicable) interest thereon (calculated at the maximum rate of twelve percent (12%) per annum for a period of two hundred and seventy (270) days and based upon a year of three hundred sixty (360) days). The Bank Notes issued in connection with the Initial Facility shall be in a principal amount not exceeding $109,000,000 in order to evidence all loans or advances made and/or drawings honored by the Initial Bank under the Initial Facility to pay the principal amount of Commercial Paper Notes maturing (or, in the case of a Final Drawing, to mature) and (if applicable) interest thereon, under and in accordance with the Initial Facility; provided, however, that the aggregate principal amount outstanding under the Bank Notes at any one time shall not exceed $109,000,000. All documents constituting or evidencing the Initial Facility, along with the Bank Note relating thereto, in substantially final form, are attached hereto as collective Exhibit E, consisting of the form of Reimbursement Agreement attached as Exhibit E-1, the form of Fee Letter attached as Exhibit E-2, the form of Letter of Credit attached as Exhibit A to the attached Reimbursement Agreement, and the form of Bank Note attached as Exhibit B to the attached Reimbursement Agreement. The Metropolitan Mayor and the Metropolitan Clerk are hereby authorized and directed to execute, deliver and issue, as applicable, the documents attached hereto as collective Exhibit E which require execution by the Metropolitan Government, such documents to be substantially in the forms attached hereto as collective Exhibit E, but with such changes and additions thereto and omissions therefrom as the officers executing the same shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval; provided, further, that the Bank Notes for the Initial Facility shall be executed as provided in the last sentence of Section 4.02. The Metropolitan Government hereby approves performance of the Initial Facility and the corresponding Bank Note.

The Metropolitan Mayor and the Metropolitan Clerk are hereby also authorized, without further action of the Metropolitan County Council, to execute, deliver and issue, as applicable, all documents constituting or evidencing any extension(s) and/or amendment(s) to the Initial Facility and any additional Facilities which require execution by the Metropolitan Government, including the Bank Note(s) relating thereto, provided that (i) such documents shall be approved by the officers executing the same, their execution and delivery of such documents to be conclusive evidence of such approval, and (ii) the Bank Note(s) shall be executed as provided in the last sentence of Section 4.02.

(b) Upon satisfaction of the requirements set forth in this Section 4.06, and subject to the terms of the existing Facility, the Metropolitan Government may replace a Facility then in effect with one or more substitute Facilities effective following the maturity date of all of the Outstanding Commercial Paper Notes of a Series covered by such Facility being replaced; provided, however, that the Facility being replaced shall in no event be terminated or released until notice has been given as provided below, the substitute Facility has been delivered to the Issuing and Paying Agent and is in effect, and all Outstanding Commercial Paper Notes secured by the Facility being replaced have matured prior thereto.

At least 30 days prior to any such date, the Metropolitan Government shall deliver to the Issuing and Paying Agent, the applicable Dealer and the applicable Bank written notice of such proposed replacement, including the effective date of the substitute Facility or Facilities, the identity of each issuer of a substitute Facility and the principal terms thereof. At least fifteen (15) days prior to any such date, the Issuing and Paying Agent shall give notice to each Holder of such Commercial Paper Notes at the address on the registration books maintained by the Issuing and Paying Agent. Any replacement of a Facility by a substitute Facility is specifically conditioned, among other things, upon the payment by the Metropolitan Government to the Bank of the principal of and interest on the Bank Note issued pursuant to the Facility being replaced and all amounts due and owing under such Facility.

On or prior to the date set for the replacement of any Facility, the Metropolitan Government shall have delivered to the Issuing and Paying Agent an opinion of counsel for the issuer of the substitute Facility, in form and substance reasonably acceptable to the Metropolitan Government, that it constitutes a legal, valid and binding obligation of such issuer enforceable in accordance with the terms of such substitute Facility, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general heretofore or hereafter enacted, as such laws would apply in the event of the bankruptcy, insolvency, reorganization or liquidation of, or other similar occurrence with respect to, the issuer or in the event of any moratorium or similar occurrence affecting such issuer.

Each substitute Facility must: (1) be an obligation of a financial institution or surety whose debt obligations (or whose holding company parent's debt obligations) or suretyship undertakings, as the case may be, have at least an investment grade rating from each Rating Agency then rating the Commercial Paper Notes, and (2) have a term of at least 364 days.

The Metropolitan Government hereby covenants that it shall use its best efforts to obtain a substitute Facility in the event the Metropolitan Government has reason to believe that a Bank will not, or will be unable to, honor its obligations under its Facility, in which case such substitution shall be made in accordance with the provisions of this Section 4.06(b), other than those set forth in the initial paragraph hereof, which shall not apply.

The Metropolitan Mayor and the Metropolitan Clerk are hereby also authorized, without further action of the Metropolitan County Council, to execute, deliver and issue, as applicable, all documents constituting or evidencing one or more substitute Facilities in substitution for the any Facility then in effect which require execution by the Metropolitan Government, including the Bank Note(s) relating thereto, provided that (i) such documents shall be approved by the officers executing the same, their execution and delivery of such documents to be conclusive evidence of such approval, and (ii) the Bank Note(s) shall be executed as provided in the last sentence of Section 4.02.

Provision for reinstatement of certain amounts repaid by the Metropolitan Government under a Facility shall be made in the Facility under terms and conditions set forth therein.

SECTION 4.07 Bank Consent to Resolution Amendments. Notwithstanding any inconsistent provisions in this Resolution to the contrary and so long as a Bank has not failed to honor a properly presented and conforming Request for Loan, amendments to this Resolution requiring Holder consent shall be subject to such Bank's prior written consent, with such Bank being deemed to be the sole Holder of all Outstanding Commercial Paper Notes of a Series the liquidity for which is provided by such Bank's Facility, and the remedies available to the Holders shall be available to the Bank exclusively, in each case, to the extent such amendments or remedies are applicable to the Series of Commercial Paper Notes related to such Bank's Facility.

ARTICLE V

DEALER AGREEMENTS; ISSUING AND PAYING AGENCY AGREEMENTS; RESPONSIBILITIES OF ISSUING AND PAYING AGENT

SECTION 5.01 Dealer Agreements; Dealers.

(a) The Metropolitan Mayor and the Metropolitan Clerk, without further action of the Metropolitan County Council, are hereby authorized to execute and deliver from time to time one or more Dealer Agreements, each of which shall be substantially in the form of the draft attached hereto as Exhibit C, but, notwithstanding the foregoing, with such changes and additions to and omissions from such draft of such agreement as the officers executing such agreement shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval.

(b) The Metropolitan Government may, with the consent of the Board, and shall, at the request of the Board, remove any Dealer by giving not less than ten (10) days advance written notice to the Issuing and Paying Agent, the Dealer and the applicable Bank. The Metropolitan Government, with the consent of the Board, shall appoint a successor Dealer and shall give written notice of such appointment to the Issuing and Paying Agent and the applicable Bank. Notwithstanding the foregoing, the removal of the Dealer shall be conditioned upon a successor Dealer being appointed and in place at or prior to the removal of the prior Dealer and shall further be subject to the terms and conditions of the applicable Facility.

(c) Any Dealer may resign at any time by giving written notice of such resignation to the Metropolitan Government, the Board, the Issuing and Paying Agent and the applicable Bank specifying the date as of which such Dealer proposes that the same shall become effective, which date shall be not less than 60 days after the date of such notice. The Metropolitan Government, with the consent of the Board, shall appoint a successor Dealer and shall give written notice of such appointment to the Issuing and Paying Agent and the applicable Bank. Notwithstanding the foregoing, the appointment of a successor Dealer shall be subject to the terms and conditions of the applicable Facility.

SECTION 5.02 Issuing and Paying Agency Agreements. The Metropolitan Mayor and the Metropolitan Clerk, without further action of the Metropolitan County Council, are hereby authorized to execute and deliver from time to time one or more Issuing and Paying Agency Agreements, each of which shall be substantially in the form of the draft thereof attached hereto as Exhibit D, but, notwithstanding the foregoing, with such changes and additions to and omissions from such draft of such agreement as the officers executing such agreement shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval.

SECTION 5.03 Issuing and Paying Agent.

(a) The Metropolitan Government covenants to maintain and provide an Issuing and Paying Agent for each Series of Commercial Paper Notes at all times while such Commercial Paper Notes are Outstanding, which shall be a bank, trust company or national banking association (and, except in the case of Book-Entry Commercial Paper Notes, having an office for delivery of Commercial Paper Notes in New York, New York), in each case with trust powers having a combined capital surplus and undivided profits of not less than $500,000,000. Should a change in the Issuing and Paying Agent for the Commercial Paper Program occur, the Metropolitan Government agrees to promptly cause a notice thereof to be published in a financial newspaper or journal of general circulation in New York, New York; provided however, that such notice shall not be required to be published, but shall be delivered to the Depository, if the Commercial Paper Notes are being issued as Book-Entry Commercial Paper Notes at such time. Such notice shall specify the Office of the successor Issuing and Paying Agent. Subject to the terms and conditions of the applicable Facility, a successor Issuing and Paying Agent may be appointed without the consent of the Holders.

(b) The Metropolitan Government may, with the consent of the Board, and shall, at the request of the Board, remove any Issuing and Paying Agent by giving not less than ten (10) days' advance written notice to the Issuing and Paying Agent, each Dealer and the applicable Bank. The Metropolitan Government, with the consent of the Board, shall appoint a successor Issuing and Paying Agent and shall give written notice of such appointment to each Dealer and the applicable Bank. Notwithstanding the foregoing, the removal of the Issuing and Paying Agent and the appointment of a successor Issuing and Paying Agent shall be subject to the terms and conditions of the applicable Facility.

(c) The Issuing and Paying Agent may resign at any time by giving written notice of such resignation to the Metropolitan Government, the Board, each Dealer and the applicable Bank specifying the date as of which the Issuing and Paying Agent proposes that the same shall become effective, which date shall be not less than 30 days after the date of such notice. The Metropolitan Government, with the

consent of the Board, shall appoint a successor Issuing and Paying Agent and shall give written notice of such appointment to each Dealer and the applicable Bank. Notwithstanding the foregoing, the appointment of a successor Issuing and Paying Agent shall be subject to the terms and conditions of the applicable Facility.

(d) Notwithstanding subsections (b) and (c) above, no such removal or resignation shall be effective unless and until a successor has been appointed and shall have accepted the duties and obligations of Issuing and Paying Agent under this Resolution. If no successor has been appointed within 30 days of the written notice of removal or resignation as aforesaid, the Issuing and Paying Agent shall have the right to petition a court of competent jurisdiction for the appointment of a successor Issuing and Paying Agent, and the Issuing and Paying Agent shall be reimbursed by the Metropolitan Government for any and all expenses in connection with any such petition and appointment. On the effective date of any such removal or resignation, the Issuing and Paying Agent shall deliver to the successor Issuing and Paying Agent, if any, at the written direction of the Metropolitan Government, or otherwise to the Metropolitan Government, all canceled or unissued Commercial Paper Notes instruments then held by the Issuing and Paying Agent for disposition in accordance with this Resolution, and shall transfer the funds then held by it to the successor Issuing and Paying Agent, if any, at the written direction of the Metropolitan Government, or otherwise to the Metropolitan Government. The Metropolitan Government shall pay all outstanding fees and expenses due and owed to the Issuing and Paying Agent following such removal or resignation.

(e) The Metropolitan Government and the Issuing and Paying Agent may treat the Holder of Commercial Paper Notes as the absolute owner of any Commercial Paper Notes for the purpose of receiving payment thereof and for all other purposes, subject to Section 4.07 hereof, and the Metropolitan Government and the Issuing and Paying Agent shall not be affected by any notice or knowledge to the contrary.

SECTION 5.04 Responsibilities of the Issuing and Paying Agent. The Issuing and Paying Agent shall perform its responsibilities under the applicable Issuing and Paying Agency Agreement on the terms and conditions set forth therein. Without limiting the foregoing, if funds necessary for the payment of the principal of and interest on Outstanding Commercial Paper Notes on the date that the same shall become due and payable are not in the Commercial Paper Fund and available to make such payment, whether from the issuance of Rollover Commercial Paper Notes hereunder, from draws under a Facility, from the issuance of Bonds or otherwise, the Issuing and Paying Agent shall notify the Metropolitan and the Board of such shortfall and demand that the Metropolitan Government honor its obligation to provide, or to cause to be provided, such funds as set forth in Section 6.01, but subject to the limitations set forth in Section 2.05. In acting or omitting to act hereunder or pursuant to or in connection with this Resolution or the Commercial Paper Notes, the Issuing and Paying Agent shall be entitled to the rights, protections, privileges, immunities, and indemnities accorded to the Issuing and Paying Agent under the applicable Issuing and Paying Agency Agreement.

ARTICLE VI

COVENANTS

SECTION 6.01 Punctual Payment; Covenant to Refinance.

(a) The Metropolitan Government shall punctually pay or cause to be paid the principal of and interest on the Outstanding Commercial Paper Notes and the related Bank Notes in conformity with this Resolution. For the purpose of providing for the payment of the principal of and interest on Outstanding Commercial Paper Notes and the related Bank Notes on the date that the same shall become due and payable, the Metropolitan Government, on or prior to such date, will pay or cause to be paid to the Issuing and Paying Agent for deposit in the applicable Commercial Paper Fund, amounts which, together with other amounts then on deposit in such Commercial Paper Fund, will be sufficient and

available to make such payment on such date. The Metropolitan Government acknowledges that the proceeds of Rollover Commercial Paper Notes will not be available to pay accrued interest on Outstanding Commercial Paper Notes and that other funds of the Metropolitan Government or the Board must be timely provided therefor.

(b) Unless the payment of the maturing principal of Outstanding Commercial Paper Notes otherwise shall be provided for by or on behalf of the Metropolitan Government from proceeds of Rollover Commercial Paper Notes, from loans or advances made and/or drawings honored by a Bank under a Facility or from other available moneys, on or before the respective maturity dates thereof, the Metropolitan Government shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of Bonds or other bonds, notes or other debt obligations of the Metropolitan Government in an amount sufficient to provide for the payment of the principal of and, if determined to be appropriate by the Metropolitan Government, interest on the Outstanding Commercial Paper Notes at maturity; provided, however, if and to the extent such payment of principal and (if appliable) interest has been made from loans or advances made and/or drawings honored by a Bank under a Facility, the proceeds of Bonds or other bonds, notes or other debt obligations of the Metropolitan Government may be used to pay (A) the portion of the principal of the Bank Note corresponding to principal of Commercial Paper Notes paid with the proceeds of an advance made or drawing honored, as applicable, by the Bank, and (B) if determined by the Metropolitan Government to be lawful and appropriate, all or part of the portion of the principal of the Bank Note corresponding to interest on Commercial Paper Notes paid with the proceeds of an advance made or drawing honored, as applicable, by the Bank, and (C) if determined by the Metropolitan Government to be lawful and appropriate, all or part of interest on such advance made or drawing honored, as applicable, by the Bank, as determined in the related Facility.

(c) All obligations of the Metropolitan Government under this Section 6.01 are subject to the limitations set forth in Section 2.05.

SECTION 6.02 Compliance With Agreements and Other Documents. The Metropolitan Government will comply with the terms and provisions of each Dealer Agreement, each Issuing and Paying Agency Agreement, each document constituting or evidencing a Facility and each other resolution or contract to which the Metropolitan Government is a party, the non-compliance with which would materially adversely affect the ability of the Metropolitan Government to make payment of the principal of and interest on the Commercial Paper Notes as and when the same becomes due and payable.

SECTION 6.03 Commercial Paper Notes to Remain Tax-Exempt. The Metropolitan Government covenants that an Authorized Officer will execute and deliver a Federal Tax Certificate in the form prescribed by Bond Counsel in connection with the first issuance of Tax-Exempt Commercial Paper Notes, which Federal Tax Certificate shall also be executed by an Authorized Board Representative or be supplemented by a separate instrument executed by an Authorized Board Representative, and that in connection with any subsequent issuance of Tax-Exempt Commercial Paper Notes it will, if requested by Bond Counsel, execute and deliver either written confirmation that the facts, estimates, circumstances and reasonable expectations contained therein continue to be accurate as of such issue date or a revised Federal Tax Certificate dated such issue date. Each Request by an Authorized Officer given or made pursuant to Section 3.01(c) in connection with the issuance of Tax-Exempt Commercial Paper Notes shall constitute a representation by the Metropolitan Government that the facts, estimates, circumstances and reasonable expectations contained in the latest of such Federal Tax Certificates continue to be true and accurate as of the date of such Request, and that no fact material to the exclusion of the interest on the Tax-Exempt Commercial Paper Notes from gross income for federal income tax purposes exists which has not been reflected in a revised Federal Tax Certificate. The Metropolitan Government represents and covenants that it will not expend, or permit to be expended, the proceeds of any Tax-Exempt Commercial Paper Notes in any manner inconsistent with its reasonable expectations as certified in the Federal Tax Certificates to be executed from time to time with respect to the Commercial Paper Program; provided, however, that the Metropolitan Government may expend Tax-Exempt Commercial Paper Note proceeds

in such manner if the Metropolitan Government first obtains an unqualified opinion of Bond Counsel that such expenditure will not impair the exclusion of interest on the Tax-Exempt Commercial Paper Notes from gross income for federal income tax purposes.

The Metropolitan Government further covenants that no use of the proceeds of any of the Tax-Exempt Commercial Paper Notes or any other funds of the Metropolitan Government will be made which will cause any Tax-Exempt Commercial Paper Note or corresponding Bank Note to be an "arbitrage bond" subject to federal income taxation by reason of Section 148 of the Code. To that end, the Metropolitan Government shall comply with all requirements of said Section 148 and of all regulations issued thereunder or otherwise applicable thereto.

The Metropolitan Government covenants that it will not use any proceeds of the Tax-Exempt Commercial Paper Notes or any other funds held under this Resolution for any purpose which would cause any Tax-Exempt Commercial Paper Notes or corresponding Bank Notes to be subject to treatment as a "private activity bond" defined in Section 141 of the Code.

SECTION 6.04 Reservation of Right to Issue Other Obligations. Subject to the terms of the Facilities and the Electric System Bond Resolution, the Metropolitan Government hereby expressly reserves the right hereafter to issue bonds, notes or other evidences of indebtedness in addition to the Commercial Paper Notes and the Bank Notes, constituting an obligation of the Metropolitan Government payable from and secured by the Net Revenues of the System, either senior to, on parity with, or subordinate to, the priority position of the Commercial Paper Notes and the Bank Notes as provided herein, when and as the Metropolitan Government, at the request of the Board, shall determine and authorize.

SECTION 6.05 Conditions for and Limitations on Issuance of Commercial Paper Notes; Additional Covenants With Respect Thereto.

(a) The Metropolitan Government will not issue, or authorize or instruct the Issuing and Paying Agent in writing to issue, any Commercial Paper Notes if, upon the issuance of such Commercial Paper Notes, the conditions and limitations contained in Sections 2.01(b) and 3.01, or the covenants and agreements of subsection (b) of this Section 6.05, would not be complied with.

(b) The Metropolitan Government will not issue, authorize or instruct the Issuing and Paying Agent in writing to issue, Commercial Paper Notes (i) to bear interest in excess of the Maximum Rate, or (ii) for any purpose unless and until authorized by applicable State law, rules or regulations, or (iii) if it would result in the violation by the Metropolitan Government or the Board of any order of any court, governmental agency or regulatory body.

(c) Following the issuance of Commercial Paper Notes and compliance with the conditions and limitations contained in Section 2.01(b), the Metropolitan Government shall cause an Authorized Board Representative to make the determinations required thereby so that at all times all Commercial Paper Notes may be allocated to authorized purposes and other conditions and limitations may be satisfied with respect thereto as provided by Section 2.01(b).

(d) The Metropolitan County Council hereby expresses its intent that the maturity of the Commercial Paper Notes be extended from two years to six years, as permitted by the Act upon approval of the State Director of the Division of Local Government Finance, and directs the officers of the Metropolitan Government to seek such approval and request a waiver of the principal amortization requirements prescribed by the Act during such extended period. Any actions heretofore taken by the Metropolitan Treasurer or the Director of Finance consistent with the foregoing are hereby ratified and approved.

ARTICLE VII

AMENDMENTS AND SUPPLEMENTS

SECTION 7.01 Without Consent of Holders of Commercial Paper Notes. The Metropolitan Government, from time to time and at any time, at the request of the Board, (i) without the consent or concurrence of any Holder of any Commercial Paper Notes, may adopt a resolution for the purpose of providing for the issuance of additional Series of Commercial Paper Notes in accordance with the terms hereof, and (ii) without the consent or concurrence of any Holder of any Commercial Paper Notes, may adopt a resolution amendatory hereof or supplemental hereto, if the provisions of such resolution shall not materially adversely affect the rights of the Holders of the Commercial Paper Notes then Outstanding, for any one or more of the following purposes:

(a) to make any changes or corrections in this Resolution required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

(b) to add additional covenants and agreements of the Metropolitan Government for the purpose of further securing the payment of the Commercial Paper Notes;

(c) to confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution;

(d) to grant to or confer upon the Holders of the Commercial Paper Notes any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(e) to comply with any request by or requirement of any Rating Agency then rating the Commercial Paper Notes which is necessary, or which the Metropolitan Government reasonably believes is necessary, to prevent a downward revision by such Rating Agency in the rating of Commercial Paper Notes, which changes will not restrict, limit or reduce the obligation of the Metropolitan Government to pay the principal of and interest on the Commercial Paper Notes, subject to the limitations set forth herein, or otherwise materially adversely affect the Holders under this Resolution, but only if there shall be supplied to the Metropolitan Government, the Board, the Issuing and Paying Agent, the Dealers and the applicable Bank an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Tax-Exempt Commercial Paper Notes from gross income of the owners thereof for purposes of federal income taxation;

(f) to provide for the issuance, transfer, exchange, registration, discharge from registration and replacement of Commercial Paper Notes other than Book-Entry Commercial Paper Notes;

(g) to increase the maximum aggregate principal amount of Commercial Paper Notes that may be Outstanding at any time; provided however, that prior to the effectiveness thereof the Metropolitan Government shall have received written evidence from each Rating Agency then rating the Commercial Paper Notes to the effect that such increase will not, by itself, result in a reduction, withdrawal or suspension of such Rating Agency's rating of the Commercial Paper Program which then prevails; or

(h) to modify any of the provisions of this Resolution in any other respect if such modification shall be effective only with respect to Commercial Paper Notes issued subsequent to the effectiveness of such modification, in which case any Commercial Paper Notes instrument (except any Master Note) issued subsequent to the effectiveness of any such modification shall contain a specific reference to, and the Metropolitan Government shall give written notice to the Depository of Book-Entry Commercial Paper Notes of, the modifications contained in such resolution; provided, however, that

nothing contained in this Resolution shall permit or be construed to permit the amendment of the terms and conditions of this Resolution or of the Commercial Paper Program so as to:

(i) make any change in the maturity of any Outstanding Commercial Paper Notes;

(ii) reduce the rate of interest borne by any Outstanding Commercial Paper Notes;

(iii) reduce the amount of the principal payable on any Outstanding Commercial Paper Notes;

(iv) modify the terms of payment of principal of or interest on any Outstanding Commercial Paper Notes, or impose any conditions with respect to such payment;

(v) affect the rights of the Holders of less than all Outstanding Commercial Paper Notes; or

(vi) reduce or restrict the provision made in Section 2.05 for payment of Outstanding Commercial Paper Notes.

SECTION 7.02 With Consent of Holders of Commercial Paper Notes. The Metropolitan Government, from time to time and at any time, at the request of the Board, with the prior written consent of the Banks and the consent of all of the Holders of Outstanding Commercial Paper Notes, may adopt a resolution amendatory hereof or supplemental hereto, other than as described in Section 7.01. For purposes of this Section 7.02, the Bank shall be deemed to be the sole Holder of all Outstanding Commercial Paper Notes of a Series the liquidity for which is provided by such Bank's Facility. The effectiveness of any such amendatory resolution shall also be subject to the terms and conditions of any applicable Facility.

SECTION 7.03 Other Amendments and Supplements. Without limiting Sections 7.01 and 7.02, the Metropolitan Mayor and the Metropolitan Clerk, at the request of the Board, without the consent or concurrence of any Holder of any Commercial Paper Notes, are hereby authorized to provide for amendments or supplements to this Resolution to ensure that the provisions of this Resolution conform to the terms and provisions of the Dealer Agreements, the Facility and the Issuing and Paying Agency Agreements as executed by the Metropolitan Mayor and the Metropolitan Clerk.

SECTION 7.04 Other Agreements. Nothing in this Resolution shall be deemed to restrict any amendment, modification or supplement to any Issuing and Paying Agency Agreement, any document constituting or evidencing a Facility or any Dealer Agreement, or the establishment (or amendment, modification or supplementing) of any limitation on, or procedure for, the issuance of Commercial Paper Notes which is effective only with respect to Commercial Paper Notes issued subsequent to the effectiveness of such amendment, modification, supplement or limitation to the extent not in conflict with this Resolution.

ARTICLE VIII

DEFEASANCE; UNCLAIMED MONIES

SECTION 8.01 Commercial Paper Notes Deemed Paid; Discharge of Resolution. Commercial Paper Notes will be deemed paid for all purposes of this Resolution and shall no longer be considered to be "Outstanding" hereunder when (a) payment of the principal of and interest on such Commercial Paper Notes to the due date of such principal and interest (whether at maturity or otherwise) either (1) has been made in accordance with the terms of such Commercial Paper Notes or (2) has been provided for by irrevocably depositing with the Issuing and Paying Agent (A) moneys sufficient to make such payment and/or (B) direct obligations of, or obligations the principal of and interest on which are unconditionally

guaranteed by, the United States of America (for purposes of this Section 8.01 and Section 8.02, such obligations constitute "Government Obligations") maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, (b) all compensation and expenses of the Issuing and Paying Agent and its agents and counsel then due and payable and pertaining to the Commercial Paper Notes in respect of which such deposit is made shall have been paid or provided for to the satisfaction of the Issuing and Paying Agent, and (c) all amounts then due and payable under any Bank Note and/or Facility relating to the Commercial Paper Notes in respect of which such deposit is made shall have been paid. When Commercial Paper Notes are deemed paid, they will no longer be secured by or entitled to the benefits of this Resolution or be an obligation of the Metropolitan Government, except for payment from such moneys or Government Obligations, and except that such Commercial Paper Notes may be transferred, exchanged, registered, discharged from registration or replaced as provided in Article II, including amendments to such provisions pursuant to paragraph (f) of Section 7.01, which provisions shall remain operative until such defeased Commercial Paper Notes are actually paid. Commercial Paper Notes of any Series, or of any one or more maturities thereof, or all Outstanding Commercial Paper Notes, may be deemed paid pursuant to this Section 8.01, and no such defeasance (including a defeasance of all Outstanding Commercial Paper Notes) shall discharge this Resolution, terminate any Facility or the Commercial Paper Program, constitute advice for purposes of Section 9.02 that no additional Commercial Paper Notes are to be issued, or impair the right of the Metropolitan Government to issue additional Commercial Paper Notes in accordance with the terms hereof.

Unless the Metropolitan Government shall have advised the Issuing and Paying Agent that no additional Commercial Paper Notes are to be issued, authenticated and delivered under this Resolution pursuant to Section 9.02 below, additional Commercial Paper Notes may be issued from time to time hereunder even though all Commercial Paper Notes previously issued hereunder have been paid or are deemed paid under the foregoing provisions of this Section 8.01. If the election is made by the Metropolitan Government under Section 9.02, no additional Commercial Paper Notes may be issued hereunder, and the Issuing and Paying Agent will, upon the written request of the Metropolitan Government, acknowledge the discharge of the Metropolitan Government's obligations under this Resolution and the Commercial Paper Program, except for the obligations set forth in the preceding paragraph as to those Commercial Paper Noted deemed paid under this Section 8.01.

No such deposit will be made or used in any manner which, in the opinion of Bond Counsel, would cause any Tax-Exempt Commercial Paper Notes to be treated as "arbitrage bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

SECTION 8.02 Application of Moneys. The Issuing and Paying Agent will hold moneys or Government Obligations (as defined in Section 8.01) deposited with it pursuant to Section 8.01 and apply the deposited money and the proceeds from the Government Obligations in accordance with this Resolution only to the payment of principal of and interest on the Commercial Paper Notes with respect to which the same was deposited.

SECTION 8.03 Repayment to the Board. The Issuing and Paying Agent will pay to the Board promptly upon its request any excess moneys or securities held by the Issuing and Paying Agent at any time under this Article VIII, and any moneys held by the Issuing and Paying Agent under any provision of this Resolution for the payment of principal of or interest on Commercial Paper Notes, that remains unclaimed for one year or such other shorter or longer period, or to such other Person, as may at the time be prescribed by State law with respect to unclaimed property.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 Additional Actions. Each Authorized Officer, and each other authorized officer and employee of the Metropolitan Government, who may act alone, is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Commercial Paper Notes and otherwise to effectuate the purposes of and carry out the obligations of the Metropolitan Government under the Program Documents. Each Authorized Board Representative, and each other authorized officer and employee of the Board, who may act alone, is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Commercial Paper Notes and otherwise to effectuate the purposes of and carry out the obligations of the Board under the Program Documents.

SECTION 9.02 Termination of Commercial Paper Program. If, as verified by independent determination of the Issuing and Paying Agent, all of the Commercial Paper Notes shall no longer be Outstanding and if the Metropolitan Government shall have advised the Issuing and Paying Agent that no additional Commercial Paper Note is to be issued, authenticated and delivered under this Resolution and all Bank Notes and amounts under any Facility shall have been paid, all balances remaining in the funds and accounts established pursuant hereto shall be transferred to such other funds and/or accounts as an Authorized Board Representative may determine in writing delivered to the Issuing and Paying Agent.

SECTION 9.03 Notices to Rating Agencies. The Board shall give or cause the Metropolitan Government to give each Rating Agency then rating the Commercial Paper Notes, each Dealer, the Issuing and Paying Agent and each Bank advance notice in writing of any (i) change of Dealer, (ii) change of Issuing and Paying Agent, (iii) default under any Facility, (iv) expiration, termination, extension or substitution of any Facility, (v) amendment or material change to the Program Documents or (vi) termination or defeasance of the Commercial Paper Program; provided however, that if neither the Metropolitan Government nor the Board has advance actual notice of any such event, notice shall be given by as soon as practicable after the Metropolitan Government or the Board obtains such actual notice thereof.

SECTION 9.04 Remedies of Holders and Facility Providers. Any Holder may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Metropolitan Government by the provisions of this Resolution. Any Bank may exercise any rights or remedies set forth in the related Facility.

SECTION 9.05 Resolution to Constitute a Contract; Equal Security. In consideration of the acceptance of the Commercial Paper Notes, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Metropolitan Government and the Holders from time to time of the Commercial Paper Notes, and the pledge made by this Resolution by the Metropolitan Government and the covenants and agreements set forth in this Resolution to be performed by the Metropolitan Government shall be for the equal and proportionate benefit, security and protection of all Holders of the Commercial Paper Notes, without preference, priority or distinction as to security or otherwise (including Series designation) of any of the Commercial Paper Notes authorized hereunder over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Resolution. The Metropolitan Government agrees that each Bank shall be an express third-party beneficiary of this Resolution for all purposes hereunder, and each Bank shall be entitled to enforce the rights created in its favor hereunder.

SECTION 9.06 Limitation of Benefits with Respect to this Resolution. With the exception of

the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Commercial Paper Program is intended or should be construed to confer upon or give to any Person other than the Metropolitan Government, the Board, the Holders of the Commercial Paper Notes, the Issuing and Paying Agent, the Banks and the Dealers any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Metropolitan Government, the Board, the Holders of the Commercial Paper Notes, the Issuing and Paying Agent, the Banks and the Dealers as herein and therein provided. The Banks are express third-party beneficiaries hereof.

SECTION 9.07 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions or portions thereof herein contained shall be held by a court of competent jurisdiction to be contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Commercial Paper Notes issued hereunder.

SECTION 9.08 Payment and Performance on Business Days. Whenever under the terms of this Resolution or the Commercial Paper Program, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Commercial Paper Notes, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Commercial Paper Notes, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date of performance or payment, and, with respect to any payment, without any additional interest accruing after the originally scheduled date of payment.

SECTION 9.09 No Personal Recourse. No recourse shall be had for any claim based on this Resolution or the Commercial Paper Program against any member, officer or employee, past, present or future, of the Metropolitan Government, the Metropolitan County Council, the Board or of any successor body as such, or against the State Comptroller or any officer or employee, past, present or future, of the State under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

SECTION 9.10 Disclosure of Liability. All covenants, stipulations, promises, agreements and obligations of the Metropolitan Government contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Metropolitan Government and not of any member, officer or employee of the Metropolitan Government in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Commercial Paper Notes or for any claim based thereon or on this Resolution against any member, officer, or employee of the Metropolitan Government, or against any Person executing the Commercial Paper Notes.

SECTION 9.11 Effect of Headings of Sections. The headings of the sections of this Resolution are for convenience of reference only, and shall not affect the meaning, construction or interpretation of this Resolution.

SECTION 9.12 Effective Date. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

(*signature page follows*)

RECOMMENDED BY:

_____
Laura Smith, General Counsel
Electric Power Board

APPROVED AS TO AVAILABILITY OF FUNDS BY:

_____
Jenneen Reed,
Director of Finance

APPROVED AS TO FORM AND LEGALITY:

_____
Assistant Metropolitan Attorney

INTRODUCED BY:

_____

_____

_____

_____

_____
COUNCIL MEMBER(S)

EXHIBIT A

Form of Master Note

FORM OF
ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTE, SERIES [_____ (Tax-Exempt)] [_____ (Federally Taxable)] – MASTER NOTE

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede &Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede &Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede &Co., has an interest herein.

_____, 20__
(Date of Issuance)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ("Issuer"), for value received, hereby promises to pay to Cede & Co., as nominee of DTC, or to registered assigns: the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "Underlying Records") as being evidenced by this Electric System Revenue Commercial Paper Note, Series [_____ (Tax-Exempt)] [_____ (Federally Taxable)] - Master Note (the "Master Note"), which Underlying Records are maintained by [_____] ("Issuing and Paying Agent"). Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Master Note evidences the obligation of Issuer to pay the principal of and interest on, and only on, the above-named Series of Book-Entry Commercial Paper Notes referred to in Resolution No. RS2026-[___] adopted by the Metropolitan County Council of Issuer on November 17, 2026 (the "Commercial Paper Notes Resolution"), and is issued under the authority of and in full compliance with the Constitution and statutes of the State of Tennessee. Reference is hereby made to the Commercial Paper Notes Resolution for definitions of terms used and not otherwise defined herein, and to all of the provisions of which (including provisions for issuance of obligations on a parity of security herewith) the Holder by acceptance of this Master Note hereby assents.

The Book-Entry Commercial Paper Notes and, accordingly, this Master Note, constitute limited obligations of Issuer payable from and secured solely by a pledge of (i) the net revenues of the electric distribution system of Issuer (gross revenues after the payment of certain operations, maintenance, repair and insurance costs and expenses) subject to prior liens on such net revenues in favor of prior indebtedness of Issuer, and (ii) certain funds in the Commercial Paper Fund, all as more fully set forth in the Commercial Paper Notes Resolution, and shall not constitute a debt of Issuer within the meaning of any statutory limitation. Neither the State of Tennessee nor any political subdivision thereof shall be liable on this Master Note, and this Master Note shall not constitute a debt or liability of the State of Tennessee or of any such political subdivision.

Section 67-5-205 of the Tennessee Code Annotated, as amended, provides that neither the principal nor the interest of any bonds or notes issued by any incorporated town or city, or any agency thereof, shall be taxed by the State of Tennessee or by any county or municipality of said State. Other provisions of said Tennessee Code Annotated indicate, however, that such exemption from taxation may not be available with respect to certain taxes including franchise and excise taxes.

It is hereby certified and recited that all conditions, acts and things required by law and the Commercial Paper Notes Resolution to exist, to have happened and to have been performed precedent to

and in the issuance of this Master Note, exist, have happened and have been performed and that the series of Commercial Paper Notes of which this Master Note is one, together with all other indebtedness of Issuer, complies in all respects with the applicable laws of the State of Tennessee, including, particularly, the Act.

At the request of the registered owner, Issuer shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations that are evidenced thereby shall no longer be evidenced by this Master Note.

This Master Note shall not be entitled to any benefit under the Commercial Paper Notes Resolution or be valid or become obligatory for any purpose until this Master Note shall have been authenticated by the execution by the Issuing and Paying Agent of the Certificate of Authentication hereon.

(*signature page follows*)

IN WITNESS WHEREOF, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY has caused this Master Note to be executed in its name and on its behalf by the manual or facsimile signature of its Metropolitan Mayor and countersigned by the manual or facsimile signature of its Metropolitan Treasurer, and its corporate seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Metropolitan Clerk, all as of the Date of Issuance set forth above.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor of The Metropolitan Government of Nashville and Davidson County

Countersigned:

_____
Metropolitan Treasurer of The Metropolitan Government of Nashville and Davidson County

Attest:

_____
Metropolitan Clerk of The Metropolitan Government of Nashville and Davidson County

(SEAL)

Approved as to Form and Legality:

_____
Director of Law

CERTIFICATE OF AUTHENTICATION

This Master Note is delivered pursuant to the within-mentioned Commercial Paper Notes Resolution.

[_____], as Issuing and Paying Agent

By: _____
Authorized Officer

EXHIBIT B

Offering Memorandum

EXHIBIT C

Form Dealer Agreement

EXHIBIT D

Issuing and Paying Agency Agreement

EXHIBIT E-1

Reimbursement Agreement

EXHIBIT E-2

Fee Letter

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS: Moody's: [___]
Fitch: [___]

This cover page contains limited information for quick reference only. It is not a summary of the matters relating to the Commercial Paper Notes (as defined below). Potential investors must read the entire Offering Memorandum (including the cover page and all appendices attached hereto) to obtain information essential to the making of an informed investment decision. The offering of the Commercial Paper Notes to potential investors is made only by means of the entire Offering Memorandum, including all of the appendices hereto.

$100,000,000
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, SERIES 2026A (TAX-EXEMPT)

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, SERIES 2026B (FEDERALLY TAXABLE)

Tax Treatment:	In the opinion of bond counsel, based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, interest on the Series A Commercial Paper Notes (defined below) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Series A Commercial Paper Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Interest on the Series B Commercial Paper Notes (defined below) is NOT excludable from gross income for federal income tax purposes under Section 103 of the Code. Under existing law and subject to certain exceptions, interest on the Commercial Paper Notes (defined below) is exempt from state, county and municipal taxation in the State of Tennessee. The opinion of bond counsel will address these aspects of the tax status of the Commercial Paper Notes and should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed. For a more complete description, see "TAX MATTERS" herein.
Purpose:	The Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) (the "Series A Commercial Paper Notes") and Electric System Revenue Commercial Paper Notes, Series 2026B (Federally Taxable) (the "Series B Commercial Paper Notes" and, together with the Series A Commercial Paper Notes, the "Commercial Paper Notes") will be issued in an aggregate principal amount not to exceed $100,000,000 to finance or refinance, on an interim basis, costs to extend or improve the electric transmission and distribution system (the "Electric System") of The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government"), including costs to reconstruct, replace, repair and improve the Electric System as necessary or appropriate to repair damage caused by the Storm (as defined herein), all in anticipation of the issuance of long-term electric system revenue bonds ("Bonds"). See "THE COMMERCIAL PAPER NOTES – Authority and Purpose" herein.
Interest:	The Commercial Paper Notes will bear interest from their date of issuance, payable at maturity, at rates not to exceed the lesser of 12% per annum or the maximum rate permitted by law. See "THE COMMERCIAL PAPER NOTES – General" herein.
Credit Facility:	To provide for the payment when due of the principal of and interest on Commercial Paper Notes, and pursuant to the terms and conditions thereof, TD Bank, N.A. (the "LOC Provider") has issued its Irrevocable Transferable Direct-Pay Letter of Credit (the "Letter of Credit") in the stated amount of $109,000,000, pursuant to the terms of a Reimbursement Agreement dated as of December 1, 2026 (the "Reimbursement Agreement"). The Letter of Credit is stated to expire on [December 5, 2031], unless either earlier terminated or extended pursuant to its terms. See "SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT" and "CERTAIN INFORMATION CONCERNING THE LOC PROVIDER" herein. Copies of the Letter of Credit and Reimbursement Agreement are attached hereto as "APPENDIX B – THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT".
Maturity:	The Commercial Paper Notes shall each mature on a Business Day (as defined herein) not later than 270 days from its date of issuance and in no event later than the Business Day immediately preceding the stated expiration date of the Letter of Credit, without regard to early termination. See "THE COMMERCIAL PAPER NOTES – General" herein.
Redemption:	The Commercial Paper Notes are not subject to redemption prior to maturity.
Book-Entry Only System:	The Commercial Paper Notes will be issued only in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC"). The Commercial Paper Notes will be registered in the name of Cede & Co., as nominee for DTC. Individual purchases of interests in the Commercial Paper Notes will be made in book-entry form only in principal denominations of $100,000 or any integral multiple of $1,000 in excess thereof. Purchasers of the Commercial Paper Notes will not receive physical delivery of certificates. See "THE COMMERCIAL PAPER NOTES – Book-Entry Only System" herein.
Security:	To the extent not paid from proceeds of draws under the Letter of Credit, the principal of the Commercial Paper Notes is payable from the proceeds of other Commercial Paper Notes or Bonds, and interest on the Commercial Paper Notes may be paid from the proceeds of Bonds if determined to be appropriate by the Metropolitan Government. The principal of and interest on the Commercial Paper Notes are also payable at maturity from and secured by a pledge of the Electric System's Net Revenues, as defined herein, subject to the application of Net Revenues pursuant to the terms of the Electric System Bond Resolution, as defined herein, and subject to senior pledges of such Net Revenues in favor of Bonds, whether such Bonds are previously or hereafter issued. The Commercial Paper Notes do not constitute a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES - General" herein.
Dealers:	BofA Securities, Inc. and J.P. Morgan Securities LLC. See "THE DEALERS" herein.
Issuing and Paying Agent:	U.S. Bank Trust Company, National Association.

BofA Securities **J.P. Morgan**

Dated: _____, 2026.

This Offering Memorandum contains certain information for quick reference only and is not a summary of the terms of the Commercial Paper Notes. Information essential to the making of an informed decision with respect to the Commercial Paper Notes may be obtained in the manner described herein.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations with respect to the Commercial Paper Notes other than as contained in this Offering Memorandum and, if given or made, such other information or representations must not be relied upon. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Commercial Paper Notes, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

All references to documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced.

The information and expressions of opinion set forth herein are subject to change without notice, and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in the Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.

The order and placement of information in this Offering Memorandum, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance, and this Offering Memorandum, including the appendices attached hereto, must be read in its entirety. The captions and headings in this Offering Memorandum are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Offering Memorandum.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Memorandum for any purpose.

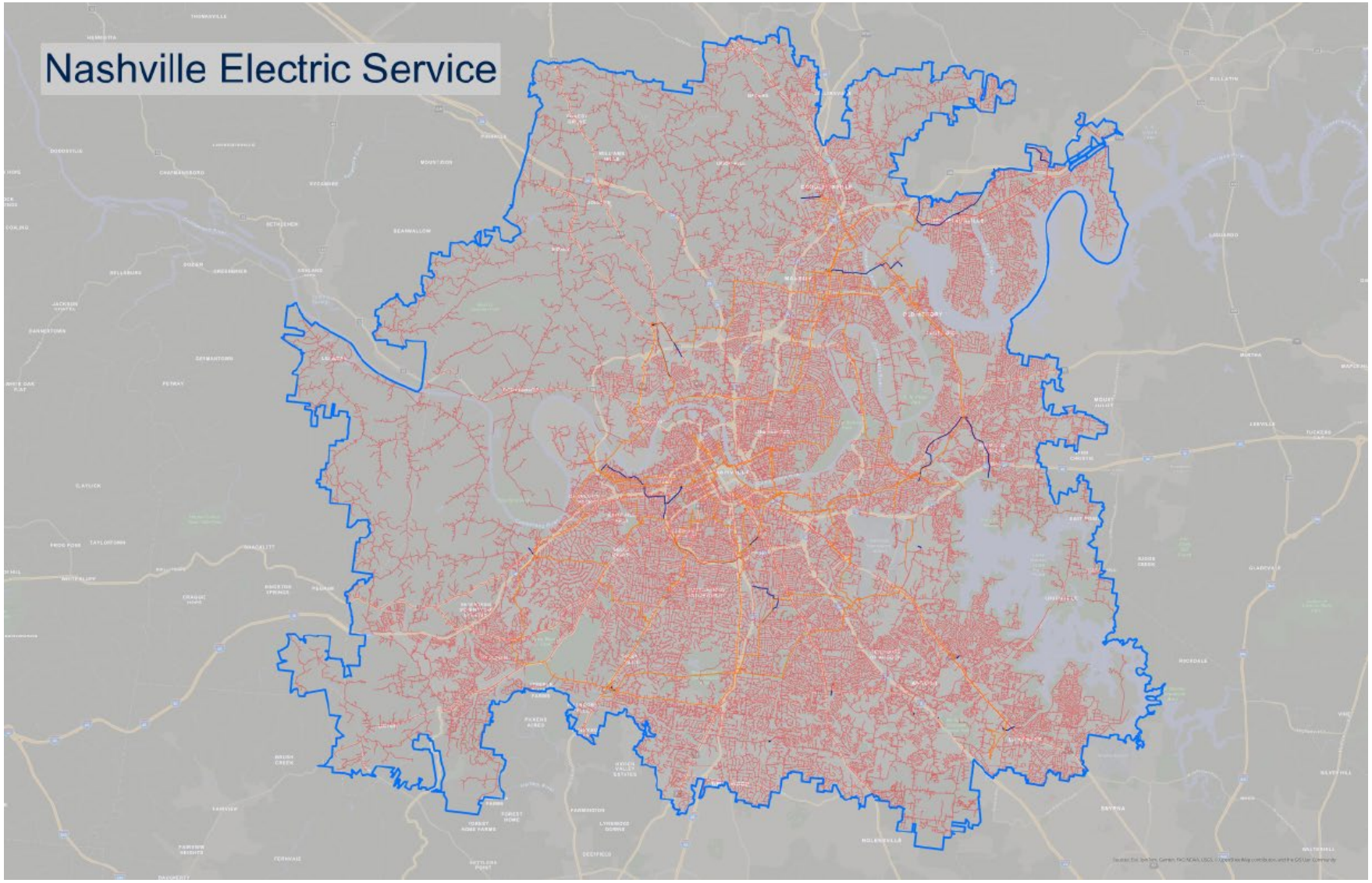
The LOC Provider has no responsibility for the form and content of this Offering Memorandum, other than solely with respect to the information describing the LOC Provider under the heading "CERTAIN INFORMATION CONCERNING THE LOC PROVIDER", and the LOC Provider has not independently verified, makes no representation regarding, and accepts no responsibility for the accuracy or completeness of this Offering Memorandum or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing the LOC Provider under the heading "CERTAIN INFORMATION CONCERNING THE LOC PROVIDER". Accordingly, the LOC Provider disclaims responsibility for the other information in this Offering Memorandum or otherwise made in connection with the Commercial Paper Notes.

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Nashville Electric Service

OFFERING MEMORANDUM

relating to

$100,000,000
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
(TENNESSEE)

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, SERIES 2026A (TAX-EXEMPT)

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, SERIES 2026B (FEDERALLY TAXABLE)

INTRODUCTION

This Offering Memorandum, which includes the cover page and the appendices hereto, is furnished by The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") to provide certain information concerning the electric transmission and distribution system (the "Electric System") operated by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board"), which does business as the Nashville Electric Service ("NES"), and the issuance and sale by the Metropolitan Government of its (a) Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) (the "Series A Commercial Paper Notes") and (b) Electric System Revenue Commercial Paper Notes, Series 2026B (Federally Taxable) (the "Series B Commercial Paper Notes" and, together with the Series A Commercial Paper Notes, the "Commercial Paper Notes"), in a maximum aggregate Outstanding (as defined herein) principal amount of $100,000,000.

This introduction is not a summary of this Offering Memorandum and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Offering Memorandum, including the cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Offering Memorandum and of the documents summarized or described herein, if necessary. The offering of the Commercial Paper Notes to potential investors is made only by means of the entire Offering Memorandum, including the appendices attached hereto. No person is authorized to detach this Introduction from this Offering Memorandum or to otherwise use it without the entire Offering Memorandum, including the appendices attached hereto.

All capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in the hereinafter defined Commercial Paper Resolution, Letter of Credit or Reimbursement Agreement, as applicable.

Authority for Issuance

The Commercial Paper Notes are issued pursuant to the provisions of the Local Government Public Obligations Act of 1986, constituting Chapter 21 of Title 9, Tennessee Code Annotated, as amended (the "Act"), and that certain resolution adopted by the Metropolitan County Council of the Metropolitan Government (the "Metropolitan Council") on November 17, 2026 (the "Commercial Paper Resolution"). The Commercial Paper Notes are issued in an aggregate principal amount not to exceed $100,000,000 in anticipation of the issuance and sale of long-term electric system revenue bonds of the Metropolitan Government (the "Bonds"), which Bonds were authorized by an initial resolution of the Metropolitan

Council adopted on _____, 2026 (the "Initial Resolution"), and may be authorized by additional initial resolutions adopted from time to time thereafter. See "THE COMMERCIAL PAPER NOTES – Authority and Purpose" herein.

Purpose of the Commercial Paper Notes

The proceeds of the Commercial Paper Notes will be used by the Metropolitan Government to finance or refinance, on an interim basis, costs to extend or improve the Electric System, including costs to reconstruct, replace, repair and improve the Electric System and related costs, in anticipation of the issuance of Bonds. Winter Storm Fern (the "Storm") is a severe ice storm that occurred in the Metropolitan Government and surrounding area on January 25, 2026, causing extensive and significant damage to the Electric System. Costs to be financed or refinanced with proceeds of the Commercial Paper Notes include those costs incurred by the Electric System necessary or appropriate to repair and fix damage to the Electric System caused by the Storm. See "THE COMMERCIAL PAPER NOTES – Authority and Purpose" and "INVESTMENT CONSIDERATIONS – Adverse Weather Events and Other Catastrophic Events" herein.

Letter of Credit and Reimbursement Agreement

To provide for the payment when due of the principal of and interest on the Commercial Paper Notes, pursuant to the terms and conditions thereof, TD Bank, N.A. (the "LOC Provider") has issued its Irrevocable Transferable Direct-Pay Letter of Credit (the "Letter of Credit") in the amount of $109,000,000, of which $100,000,000 will be available to pay principal of the Commercial Paper Notes upon maturity thereof, and of which $9,000,000 (equal to 270 days of interest on the principal amount of Commercial Paper Notes calculated at the maximum rate of 12% per annum and computed on the basis of a year of 360 days) will be available to pay accrued interest on the Commercial Paper Notes on their respective maturity dates. The Letter of Credit is issued pursuant to the terms of a Reimbursement Agreement entered into by and among the Metropolitan Government, the Board and the LOC Provider, dated as of December 1, 2026 (the "Reimbursement Agreement"). The Letter of Credit is stated to expire [December 5, 2031], unless either earlier terminated or extended pursuant to the terms thereof and the Reimbursement Agreement. See "SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT" and "CERTAIN INFORMATION CONCERNING THE LOC PROVIDER" herein, and for full copies of the Letter of Credit and Reimbursement Agreement, see "APPENDIX B – THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT" attached hereto.

The Metropolitan Government has entered into separate dealer agreements (the "Dealer Agreements") with BofA Securities, Inc. and J.P. Morgan Securities LLC (collectively, the "Dealers"), with each Dealer undertaking to serve as a dealer for the Commercial Paper Notes. See "THE DEALERS" herein. The Metropolitan Government has entered into an issuing and paying agency agreement (the "Issuing and Paying Agency Agreement") with U.S. Bank Trust Company, National Association (the "Issuing and Paying Agent"), pursuant to which the Issuing and Paying Agent will act as the issuing and paying agent and registrar for the Commercial Paper Notes and, in that role, will be authorized to request Drawings (as defined herein) under the Letter of Credit for the payment of Commercial Paper Notes.

Security and Sources of Payment for the Commercial Paper Notes

Principal of and interest on Commercial Paper Notes are expected to be paid from proceeds of Drawings under the Letter of Credit as provided herein. To the extent not paid from proceeds of Drawings under the Letter of Credit, the principal of the Commercial Paper Notes is payable from the proceeds of other Commercial Paper Notes or Bonds, and interest on the Commercial Paper Notes may be paid from the proceeds of Bonds if determined to be appropriate by the Metropolitan Government. The principal of and interest on the Commercial Paper Notes are also payable at maturity from and secured by a pledge of

the Electric System's Net Revenues, as defined herein, subject to (i) the application of Net Revenues pursuant to the terms of Substitute Resolution No. R85-746 adopted by the Metropolitan Council on November 5, 1985, as amended, restated and supplemented, and pursuant to which Bonds are authorized (the "Electric System Bond Resolution"), and (ii) senior pledges of Net Revenues in favor of the Bonds whether such Bonds are currently outstanding or hereafter issued. The Commercial Paper Notes constitute "Subordinated Debt" pursuant to the Electric System Bond Resolution as more fully described herein. The pledge of Net Revenues to the payment of each series of Commercial Paper Notes is on parity with the pledge thereof in favor of each other series of Commercial Paper Notes and also on parity with the pledge thereof in favor of each related Bank Note issued by the Metropolitan Government to the LOC Provider pursuant to the Letter of Credit and Reimbursement Agreement, as more fully described herein. Proceeds of Commercial Paper Notes will not be available to pay accrued interest on Outstanding Commercial Paper Notes.

"Net Revenues," for any period, means the Revenues during such period minus the Operating Expenses during such period. "Revenues" means (i) all fees, rents and charges and other income derived or to be derived by the Metropolitan Government or the Board from or for the operation, use or services of the Electric System, (ii) any other amounts received from any other source by the Metropolitan Government or the Board and pledged by the Metropolitan Government as security for the payment of Bonds, and (iii) interest received or to be received on any moneys or securities held pursuant to the Electric System Bond Resolution and paid or required to be paid into the revenue fund established under the Electric System Bond Resolution. "Operating Expenses" means all expenses incurred in connection with the operation and maintenance of the Electric System, including, without limiting the generality of the foregoing, all operating and maintenance expenses included in the Uniform System of Accounts exclusive of interest, depreciation and amortization charges and payments-in-lieu-of-taxes.

The Commercial Paper Notes do not constitute a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES - General" herein.

Other Information

This Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

This Offering Memorandum and the appendices hereto contain brief descriptions of, among other matters, the Metropolitan Government, the Board, the Electric System, the Commercial Paper Notes, the Letter of Credit, the Reimbursement Agreement and the security and sources of payment for the Commercial Paper Notes. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Commercial Paper Resolution, the Commercial Paper Notes, the Letter of Credit, the Reimbursement Agreement and other documents contained in this Offering Memorandum are intended as summaries only and are qualified in their entirety by reference to such documents. Copies of the Commercial Paper Resolution and other relevant documents and information are available, upon written request and payment of a charge for copying, mailing and handling, from Tabitha L. Beach, CPA, Interim Chief Financial Officer, Nashville Electric Service, 1214 Church Street, Nashville, Tennessee 37246, (615) 747-3831.

THE COMMERCIAL PAPER NOTES

Authority and Purpose

The Commercial Paper Notes are being issued pursuant to the provisions of the Act and the Commercial Paper Resolution and constitute "Subordinated Debt" under the Electric System Bond Resolution.

The Commercial Paper Notes will be issued in anticipation of the issuance and sale of the Bonds authorized by the Initial Resolution and additional initial resolutions adopted by the Metropolitan Council from time to time hereafter. The proceeds of Commercial Paper Notes will be used by the Metropolitan Government only to (i) provide financing for (A) Electric System extensions and improvements, including the reconstruction, replacement, repairing and improvement of the Electric System as necessary or appropriate to repair and fix damage to the Electric System caused by the Storm, (B) the acquisition of all property, real and personal, appurtenant thereto or connected therewith, (C) the payment of all legal, fiscal, administrative, architectural and engineering costs incident thereto, (D) reimbursement to the Board for funds previously expended for any of the foregoing, and (E) payment or reimbursement of any other related legally permissible costs; (ii) pay at maturity the principal of Outstanding Commercial Paper Notes; (iii) pay (A) the portion of the principal of Bank Notes corresponding to principal of Commercial Paper Notes paid with the proceeds of an Advance made or Drawing honored, as applicable, by the LOC Provider, and (B) if determined by the Metropolitan Government to be lawful and appropriate, all or part of the portion of the principal of Bank Notes corresponding to interest on Commercial Paper Notes paid with the proceeds of an Advance made or Drawing honored, as applicable, by the LOC Provider; and (iv) pay costs incident to the issuance and sale of the Commercial Paper Notes.

General

The Commercial Paper Notes will bear interest from their date of issuance, at a rate not to exceed the lesser of 12% per annum or the maximum rate permitted, from time to time, by Tennessee law, payable at maturity with principal, calculated on the basis of actual days elapsed, including the issue date and excluding the maturity date, in a year containing 365 or 366 days (as the case may be) for Series A Commercial Paper Notes and in a year containing 360 days for Series B Commercial Paper Notes. Series A Commercial Paper Notes shall be sold at a price not less than 100% of the principal amount thereof, and Series B Commercial Paper Notes shall be sold either at a price not less than 100% of the principal amount thereof or at a discount from the par amount to reflect an interest component to the maturity date, but in any event at a price not less than 99% of the par amount thereof.

The Commercial Paper Notes shall each mature on a Business Day not later than 270 days from its date of issuance and in no event later than the Business Day immediately preceding the stated expiration date of the Letter of Credit, without regard to any early termination. U.S. Bank Trust Company, National Association, New York, New York, will act as Issuing and Paying Agent for the Commercial Paper Notes.

The Commercial Paper Notes will be issued only in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC"). The Commercial Paper Notes will be registered in the name of Cede & Co., as nominee for DTC. Individual purchases of interests in the Commercial Paper Notes will be made in book-entry form only in the principal denominations of $100,000 or any integral multiple of $1,000 in excess thereof. Purchasers of the Commercial Paper Notes will not receive physical delivery of certificates. See "THE COMMERCIAL PAPER NOTES – Book-Entry Only System" herein.

Purchases of beneficial ownership interests in the Commercial Paper Notes will be made in book-entry form, and purchasers will not receive certificates representing interests in the Commercial Paper Notes so purchased. If the book-entry system is discontinued, Commercial Paper Notes will be delivered as described in the Commercial Paper Resolution. See "THE COMMERCIAL PAPER NOTES – Book-Entry Only System" herein.

Redemption and Defeasance Provisions

The Commercial Paper Notes are not subject to optional or mandatory redemption prior to maturity.

[All or any portion of the Commercial Paper Notes may be defeased prior to their maturity by the deposit with the Issuing and Paying Agent (or another escrow agent permitted under the Commercial Paper Resolution) of cash, Government Obligations (as defined in the Commercial Paper Resolution), or a combination thereof, the principal of and interest on which, when due and without reinvestment, together with any cash so deposited, will be sufficient to pay the principal of and interest on such Commercial Paper Notes at their respective maturity dates. Upon such deposit, the Commercial Paper Notes so defeased shall no longer be deemed Outstanding under the Commercial Paper Resolution, shall be payable solely from the cash and Government Obligations so deposited, and shall not be entitled to the benefit of, or be payable from Drawings under, the Letter of Credit. Upon any such defeasance, the principal amount of the Commercial Paper Notes so defeased shall immediately be available for the issuance of additional Commercial Paper Notes, subject to the maximum aggregate Outstanding principal amount authorized under the Commercial Paper Resolution and the Stated Amount of the Letter of Credit.]

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and neither the Metropolitan Government nor the Dealers make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC and will be deposited with DTC. The Commercial Paper Notes will be issued (a) in the form of one or more fully registered master notes, the ownership of which will be registered in the name of a nominee of DTC, which nominee will initially be Cede & Co.; and (b) otherwise in book-entry only form through DTC or any other person appointed by the Metropolitan Government to serve as the depository.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between accounts of Direct Participants. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated

subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). DTC has an S&P Global Rating of AA+. The DTC rules applicable to DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC's records. The ownership interest of each actual purchaser of each Commercial Paper Note (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Commercial Paper Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Commercial Paper Notes, except in the event that use of the book-entry only system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Commercial Paper Notes, such as redemptions, tenders, defaults and proposed amendments to any of the Related Documents (as defined herein). For example, Beneficial Owners of Commercial Paper Notes may wish to ascertain that the nominee holding the Commercial Paper Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Metropolitan Government as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Commercial Paper Notes are credited on the record date, as identified in a listing attached to the Omnibus Proxy.

Principal, premium, if any, and interest payments on the Commercial Paper Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail

information from the Metropolitan Government or the Issuing and Paying Agent in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Issuing and Paying Agent or the Metropolitan Government, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Commercial Paper Notes, as applicable, to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Metropolitan Government or the Issuing and Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the Metropolitan Government or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Commercial Paper Note certificates are required to be printed and delivered to holders of the Commercial Paper Notes.

The Metropolitan Government may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Commercial Paper Note certificates will be printed and delivered to the holders of the Commercial Paper Notes.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE METROPOLITAN GOVERNMENT AND THE DEALERS BELIEVE TO BE RELIABLE, BUT THE METROPOLITAN GOVERNMENT AND THE DEALERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NONE OF THE METROPOLITAN GOVERNMENT, THE DEALERS OR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (B) DISTRIBUTION OF CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE COMMERCIAL PAPER NOTES; (C) THE PAYMENT BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR PURCHASE PRICE OF, OR INTEREST ON, ANY SERIES COMMERCIAL PAPER NOTE; (D) THE DELIVERY OF ANY NOTICE BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; OR (E) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Commercial Paper Notes, references herein to the registered owners of the Commercial Paper Notes shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of Commercial Paper Notes.

SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Letter of Credit and the Reimbursement Agreement. The following summary does not purport to be a full and complete statement of the provisions of the Letter of Credit or the Reimbursement Agreement, and both the Letter of Credit and the Reimbursement Agreement should be read in full for a complete understanding of all the terms and

provisions thereof. A copy of each is attached hereto as Appendix B. Capitalized terms not defined under this caption "SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT" have the meanings ascribed to such terms in the Letter of Credit and Reimbursement Agreement and elsewhere in this Offering Memorandum. In the event of any conflict between a definition set forth herein or elsewhere in this Offering Memorandum and the corresponding definition set forth in the Letter of Credit and Reimbursement Agreement, the definition set forth in the Letter of Credit and Reimbursement Agreement shall control for purposes of this section "SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT".

General

To provide for the payment when due of the principal of and interest on Outstanding Commercial Paper Notes, the LOC Provider has issued the Letter of Credit in the maximum available amount of $109,000,000, (calculated as the sum of the maximum principal amount of the Commercial Paper Notes, in an amount equal to $100,000,000, plus interest thereon in an amount equal to $9,000,000, (calculated at the maximum rate of 12% per annum for a period of 270 days and based upon a year of 360 days)), pursuant to the terms of the Letter of Credit and Reimbursement Agreement. See "APPENDIX B – THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT". The Metropolitan Government has authorized the Issuing and Paying Agent to act as its agent in presenting a certificate requesting draws of funds (each a "Drawing") under the Letter of Credit to fund the payment of the principal of and interest on any Commercial Paper Notes at the stated maturity thereof, in accordance with the terms and provisions of the Letter of Credit, the Reimbursement Agreement, the Issuing and Paying Agency Agreement, the Commercial Paper Resolution and the Act. Pursuant to the Letter of Credit and Reimbursement Agreement, and subject to the terms and conditions thereof, the LOC Provider will honor conforming Drawings presented by the Issuing and Paying Agent in an amount sufficient to pay the principal of and interest on Commercial Paper Notes maturing on the date of such Drawing. The LOC Provider shall honor each such Drawing solely with the funds of the LOC Provider. Only the Issuing and Paying Agent (or its successor as Issuing and Paying Agent) may present Drawings under the Letter of Credit, and Drawings may not be negotiated to or by any third party.

The Letter of Credit will be effective from and including [December __, 2026], and will expire at 5:00 p.m., New York City time, on the date (the "Termination Date") which is the earliest to occur of: (a) the Stated Expiration Date, which is [December 5, 2031], as such date may be extended by a Notice of Extension delivered by the LOC Provider to the Issuing and Paying Agent, the Metropolitan Government and the Board; (b) the date of payment of a Drawing, not subject to reinstatement, which, when added to all other Drawings honored under the Letter of Credit that were not subject to reinstatement, in the aggregate equals the principal component of the Stated Amount on the date of issuance thereof, as adjusted pursuant to the terms and conditions of the Letter of Credit; (c) the date on which the LOC Provider receives a termination certificate from the Issuing and Paying Agent stating that it has accepted an alternate credit facility (after the LOC Provider honors any properly presented and conforming Drawing on such date); (d) the date on which the LOC Provider receives a termination certificate from the Issuing and Paying Agent stating that all Commercial Paper Notes are wholly defeased or no longer outstanding and that the Metropolitan Government does not intend to issue additional Commercial Paper Notes; and (e) the earlier of (i) the tenth (10th) calendar day (or, if such day is not a Business Day, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives a Final Drawing Notice from the LOC Provider and (ii) the date on which the Drawing resulting from delivery of the Final Drawing Notice is honored.

The obligation of the LOC Provider to honor a Drawing under the Letter of Credit on any Business Day is subject to the conditions that the LOC Provider shall have received a Drawing certificate conforming to the requirements of the Letter of Credit and that (a) the Letter of Credit shall not have expired or been

terminated in accordance with its terms, (b) the Drawing, together with all other amounts drawn and not reinstated under the Letter of Credit, shall not exceed the Stated Amount then in effect, and (c) none of the proceeds of such Drawing shall be used to pay the principal of or interest on any Commercial Paper Notes that were issued after receipt by the Issuing and Paying Agent and each Dealer of a Stop Order or a Final Drawing Notice. Each Drawing honored by the LOC Provider reduces *pro tanto* the Stated Amount and the amount available to be drawn under the Letter of Credit, subject to reinstatement. Following any Drawing (other than a Drawing resulting from the delivery of a Final Drawing Notice), the Stated Amount will be reinstated, but only when and to the extent amounts are received by the LOC Provider in reimbursement of such Drawing and only if the Issuing and Paying Agent has not received notice from the LOC Provider that an Event of Default under the Reimbursement Agreement has occurred and is continuing.

Obligations Owed to the LOC Provider and Security Therefor

Subject to no Default or Event of Default having occurred and continuing and the representations and warranties contained in the Letter of Credit, the Reimbursement Agreement and Related Documents being true and correct as of the applicable date, any payment by the LOC Provider pursuant to a Drawing will constitute an advance ("Advance") to the Metropolitan Government and the Board; otherwise, the Metropolitan Government and the Board must reimburse the LOC Provider for the full amount of the Drawing immediately upon payment by the LOC Provider thereof, and any unreimbursed amount will bear interest at the Default Rate and be payable on demand. In all events, the portion of each Drawing used to pay interest accrued on Commercial Paper Notes must be repaid on the date of the related Drawing. If reimbursement is not made to the LOC Provider with respect to the interest portion of such Drawing on such date, such obligation shall bear interest at the Default Rate and be payable upon demand.

Advances bear interest at the Bank Rate payable monthly in arrears on the first Business Day of each month (commencing on the first such date to occur after the making of such Advance), on the Final Maturity Date and on the date any Advance shall be paid or prepaid in whole or in part. Advances shall mature on the earliest of the related Conversion Date, the Substitution Date, the date the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than solely as a result of the Letter of Credit terminating on the Stated Expiration Date), and the Business Day on which Commercial Paper Notes or Bonds are sold to fund such repayment; provided that, if the applicable conditions precedent are satisfied on the Conversion Date, the unpaid principal amount of the related Advance will convert into a Term Loan payable in accordance with the Reimbursement Agreement and the interest accrued on the related Advance to the Conversion Date shall be payable by the Metropolitan Government on the related Conversion Date. The principal portion of any Term Loan shall be payable by the Metropolitan Government and the Board in equal semiannual installments ("Semiannual Principal Payments") commencing on the Conversion Date immediately succeeding the date the related Advance was made, and every six months thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the Final Maturity Date (the period commencing on the Conversion Date and ending on the Final Maturity Date is referred to as the "Amortization Period"). Each Semiannual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Semiannual Principal Payments over the applicable Amortization Period.

All unreimbursed Drawings, Advances and Term Loans are evidenced by a promissory note of the Metropolitan Government, for each series of the Commercial Paper Notes, payable to the LOC Provider in a principal amount equal to the Stated Amount (each a "Bank Note"). Each Bank Note constitutes a limited obligation of the Metropolitan Government, payable from proceeds of Commercial Paper Notes or Bonds and secured by a pledge of Net Revenues, subject to the application of Net Revenues pursuant to the terms of the Electric System Bond Resolution and the senior pledge of Net Revenues in favor of the Bonds. Such

pledge of Net Revenues in favor of the Bank Notes is on parity with each other and with the pledge of Net Revenues in favor of the Commercial Paper Notes. The full faith and credit and taxing power of the Metropolitan Government are not pledged to the payment of the principal of, or interest on, the Bank Notes.

Events of Default

The occurrence of any of the following events (including the expiration of any specified time) constitutes an "Event of Default" under the Reimbursement Agreement, unless waived by the LOC Provider in writing:

(a) the Metropolitan Government or the Board shall fail to pay (i) any principal of or interest on any Reimbursement Obligations or the Bank Notes when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) (other than payments on the Bank Notes due solely as a result of acceleration caused by the LOC Provider); (ii) any Facility Fee or any other amount payable under the Letter of Credit and Reimbursement Agreement or under the Fee Letter and, in the case of such Facility Fee or other amount, such failure shall continue for a period of five (5) Business Days from the date such obligation was due; (iii) interest on any Commercial Paper Notes when due; or (iv) the principal of any Commercial Paper Indebtedness (other than the Commercial Paper Notes) when due;

(b) any representation, warranty, certification, or statement made by the Metropolitan Government or the Board in the Reimbursement Agreement, any other Related Document or in any certificate, financial statement, or other document delivered pursuant to the Reimbursement Agreement or any Related Documents shall have been incorrect or untrue in any material respect when made or deemed to have been made;

(c) the Metropolitan Government or the Board shall fail to perform or observe certain covenants, agreements or conditions specified pursuant to the terms of the Reimbursement Agreement;

(d) the Metropolitan Government or the Board shall fail to perform or observe any other covenant, agreement, or condition contained in the Reimbursement Agreement, the Bank Notes or any other Related Document (other than as addressed by any other Event of Default) and such failure, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier to occur of (i) the date on which the Metropolitan Government or the Board, as applicable, has actual knowledge thereof or (ii) written notice thereof shall have been given to the Metropolitan Government and the Board by the LOC Provider; *provided, however,* such breach shall not constitute an Event of Default after such thirty (30) day period for such period of time as, in the judgment of the LOC Provider, the Metropolitan Government or the Board is diligently pursuing a cure or correction of such failure and has provided the LOC Provider with a written plan for curing or correcting such failure, but in no event shall such period extend more than ninety (90) days after the occurrence of such default;

(e) one or more final unappealable judgments or orders, issued or rendered by a Government Authority of competent jurisdiction, for the payment of money in excess of $25,000,000, individually or in the aggregate, shall be issued or rendered against the Metropolitan Government, the Board or the Electric System and payable from all or any portion of the Revenues, and such judgment or order shall continue unsatisfied, unbonded, undismissed and unstayed for a period of sixty (60) days;

(f) the Metropolitan Government or the Board shall fail to pay when due and payable (i) any principal of or interest on any Special Revenue Debt (including, in each case, without limitation, any principal or sinking fund installments), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning the Special Revenue Debt; or any failure to pay the principal of or interest on any Special

Revenue Debt under any indenture, contract or instrument providing for the creation of or concerning such Special Revenue Debt shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to pay the principal of or interest on any Special Revenue Debt is to accelerate, or to permit the acceleration of, the maturity of such Special Revenue Debt or (ii) any principal of or interest on any other Debt (except as otherwise referred to in the Reimbursement Agreement) of the Metropolitan Government or the Board having a principal amount in excess of $5,000,000 and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation thereof or any other default under any indenture, contract or instrument providing for the creation of or concerning such other Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such other Debt or cause the mandatory redemption or mandatory tender thereof;

(g) (i) the Metropolitan Government or the Board shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Metropolitan Government or the Board shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Metropolitan Government or the Board any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Metropolitan Government or the Board, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Metropolitan Government or the Board shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Metropolitan Government or the Board shall admit in writing its inability to pay its debts generally as they become due, or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code;

(h) (i) any material provision of the Reimbursement Agreement or any of the other Related Documents shall at any time for any reason cease to be valid and binding or enforceable against the Metropolitan Government or the Board or shall be declared to be null and void as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment, or (ii) the validity or enforceability of any material provision of the Reimbursement Agreement or any of the other Related Documents shall be contested or repudiated in writing by the Metropolitan Government or the Board or the Metropolitan Government or the Board shall deny that it has any or further liability or obligation under the Reimbursement Agreement, the Commercial Paper Resolution, the Issuing and Paying Agency Agreement, the Commercial Paper Notes or the Bank Notes or (iii) any Governmental Authority having appropriate jurisdiction over the Metropolitan Government or the Board shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which contests the validity or enforceability of any provision of the Reimbursement Agreement or any of the other Related Documents;

(i) (i) (A) the Metropolitan Government or the Board shall impose or the Metropolitan Government or the Board shall declare a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Special Revenue Debt or (B) any Governmental Authority with jurisdiction over the Metropolitan Government or the Board shall impose a debt moratorium, debt restructuring, debt adjustment or

comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on all Debt of the Metropolitan Government or the Board secured by or payable from all or any portion of the Revenues that ranks senior to or on a parity with the Commercial Paper Notes and the Bank Note; or (ii) any Governmental Authority having appropriate jurisdiction over the Metropolitan Government or the Board shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Commercial Paper Notes or the Bank Notes or on all indebtedness of the Metropolitan Government or the Board secured by or payable from all or any portion of the Revenues;

(j) the long-term unenhanced rating by Moody's, Fitch or S&P (in each case to the extent such Rating Agency is then providing a rating) on Bonds or any Debt of the Metropolitan Government or the Board secured by or payable from all or any portion of the Revenues that ranks senior to or on a parity with the Commercial Paper Notes and the Bank Notes is reduced below "Baa3" (or its equivalent), "BBB-" (or its equivalent) or "BBB-" (or its equivalent), respectively, or withdrawn or suspended or otherwise unavailable, respectively;

(k) (i) an *"event of default"* as defined in any Related Document (other than the Reimbursement Agreement, the Bank Notes or the Fee Letter) shall occur and be continuing; (ii) the Metropolitan Government or the Board shall default in the due performance or observance of any material term, covenant or agreement contained in the Commercial Paper Resolution, the Issuing and Paying Agency Agreement or any other Related Document (other than the Reimbursement Agreement, the Bank Notes or the Fee Letter) and the same shall not have been cured within any applicable cure period; or (iii) an "event of default" shall occur under any other agreement between the Metropolitan Government and/or the Board and the LOC Provider relating to Debt of the Metropolitan Government or the Board secured by or payable from all or any portion of the Net Revenues;

(l) a ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered to the effect that interest on the Series A Commercial Paper Notes is includable in the gross income of the holder(s) or owner(s) of such Series A Commercial Paper Notes and either (i) the Metropolitan Government or the Board, after it has been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice or advice in a court of law during the period within which such challenge is permitted, (ii) the Metropolitan Government or the Board shall challenge such ruling, assessment, notice or advice and a court of law make a determination, not subject to appeal or review by another court of law, that such ruling, assessment, notice or advice is correctly rendered or (iii) the Metropolitan Government or the Board do not remedy the challenge to the federal tax-exemption of such Commercial Paper Notes and, as a result, retains or regains the federal exemption originally applicable to such Commercial Paper Notes; or

(m) the Metropolitan Government or the Board shall cease to exist, dissolve or terminate.

Remedies

Upon the occurrence of any Event of Default under the Reimbursement Agreement, the LOC Provider may exercise any one or more of the following rights and remedies in addition to any other remedies in the Reimbursement Agreement or by law provided:

(a) declare the Bank Notes, all accrued interest thereon, and all other amounts payable under the Reimbursement Agreement to be forthwith due and payable, whereupon the Bank Notes and such interest and all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Metropolitan Government and the

Board. If any Event of Default related to bankruptcy, insolvency, reorganization or relief of debtors or a debt moratorium, restructuring or adjustment of the Metropolitan Government or Board shall occur, without any notice to the Metropolitan Government or the Board or any other act by the LOC Provider, the Bank Notes, together with accrued interest thereon, and all other amounts payable under the Reimbursement Agreement, shall become forthwith due and payable, without presentment, demand, protest, or other notice of any kind, all of which are waived by the Metropolitan Government and the Board pursuant to the terms of the Reimbursement Agreement;

(b) may deliver a Stop Order to the Issuing and Paying Agent and each Dealer which shall (i) prohibit, until such time, if any, as the LOC Provider shall withdraw (in writing) such notice, the issuance of additional Commercial Paper Notes and (ii) reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the tenth (10th) day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Related Documents; or

(e) pursue any other action available at law or in equity.

Failure by the LOC Provider to take action in regard to one or more Events of Default shall not constitute a waiver of, or the right to take action in the future in regard to, such or subsequent Events of Default.

If any Event of Default shall occur, then and in every such case the LOC Provider shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in the Reimbursement Agreement, in aid of the exercise of any power granted in the Reimbursement Agreement, or to enforce any other legal or equitable right vested in the LOC Provider by the Reimbursement Agreement, the Bank Notes or by law. The provisions of the Reimbursement Agreement shall be a contract with each and every Holder and the duties of the Metropolitan Government and the Board shall be enforceable by any Holder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction. No remedy conferred upon or reserved to the Holder in the Reimbursement Agreement is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by any Holder.

See "APPENDIX B – THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT" attached hereto.

CERTAIN INFORMATION CONCERNING THE LOC PROVIDER

The following information concerning the LOC Provider has been provided by representatives of the LOC Provider and has not been independently confirmed or verified by the Metropolitan Government or the Dealers. No representation is made herein as to accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the

information given below is correct as of any time subsequent to its date. For the purposes of the following information in this section of the Offering Memorandum, any reference therein to the defined term "Bank" shall mean the LOC Provider.

[TD Bank, N.A. (the "Bank") is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of June 30, 2026, the Bank had consolidated assets of $342.8 billion, consolidated deposits of $277.6 billion and stockholder's equity of $45.7 billion, based on regulatory accounting principles.

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the "SEC"), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at http://www.sec.gov, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The Letter of Credit has been issued by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
4140 Church Road
Mount Laurel, New Jersey 08054
Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at https://cdr.ffiec.gov/public. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country.

Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this section of the Offering Memorandum is correct as of any time subsequent to its date.

NEITHER TD NOR ANY OTHER SUBSIDIARY OF TD OTHER THAN THE BANK IS OBLIGATED TO MAKE PAYMENTS UNDER THE LETTER OF CREDIT.

The Bank is responsible only for the information contained in this section of the Offering Memorandum and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Offering Memorandum. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Offering Memorandum.]

SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

General

Principal of and interest on Commercial Paper Notes are expected to be paid from proceeds of Drawings under the Letter of Credit as provided herein. To the extent not paid from proceeds of such Drawings, the principal of the Commercial Paper Notes is payable from the proceeds of other Commercial Paper Notes or Bonds, and interest on the Commercial Paper Notes may be paid from the proceeds of Bonds if determined to be appropriate by the Metropolitan Government. Proceeds of Commercial Paper Notes will not be available to pay accrued interest on Outstanding Commercial Paper Notes. The principal of and interest on the Commercial Paper Notes are also payable at maturity from and secured by a pledge of Net Revenues, subject to the application of Net Revenues pursuant to the terms of the Electric System Bond Resolution and subject to senior pledges of Net Revenues in favor of the Bonds whether such Bonds are currently outstanding or hereafter issued. As of the date hereof, outstanding Bonds consist of the Metropolitan Government's Electric System Revenue Refunding Bonds, 2015 Series A; Electric System Revenue Bonds, 2017 Series A; Electric System Revenue Refunding Bonds, 2017 Series B; Electric System Revenue Bonds, 2021 Series A; Electric System Revenue Bonds, 2024 Series A and Electric System Revenue Refunding Bonds, 2024 Series B (collectively, the "Outstanding Bonds"). See the subsection entitled "Senior Debt Obligations" below for amounts outstanding on the Outstanding Bonds. See "INVESTMENT CONSIDERATIONS – Additional Obligations" for information regarding the issuance of additional Bonds.

Each Bank Note is payable from proceeds of Commercial Paper Notes or Bonds and secured by a pledge of Net Revenues, subject to the application of Net Revenues pursuant to the terms of the Electric System Bond Resolution and subject to senior pledges of Net Revenues in favor of the Bonds whether such Bonds are currently outstanding or hereafter issued. The pledge of Net Revenues to the payment of each series of Commercial Paper Notes is on parity with the pledge thereof in favor of each other series of Commercial Paper Notes and also on parity with the pledge thereof in favor of each related Bank Note, in accordance with the Letter of Credit and Reimbursement Agreement. Neither the Commercial Paper Notes nor the Bank Notes constitute a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government. Payments of principal and interest on the Commercial Paper Notes will be made through the Commercial Paper Fund, as defined herein, which will be held by the Issuing and Paying Agent for the benefit of the holders of the Commercial Paper Notes and the LOC Provider. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES - Commercial Paper Fund" and "SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT".

Pursuant to the Electric System Bond Resolution and subject to the terms therein, all Revenues, upon the receipt thereof, are deposited in the Revenue Fund established under the Electric System Bond Resolution and, to the extent of moneys available therefor, deposited monthly in the following funds and accounts named in the Electric System Bond Resolution and applied in the following order: (1) to the Operating Fund to pay Operating Expenses; (2) to the Debt Service Fund to pay debt service on the Bonds and an amount equal to one thirty-sixth (1/36th) of any Debt Service Reserve Requirement, if any, for the Bonds; (3) to the Subordinated Debt Fund to pay debt service on any Subordinated Debt and reserves therefor and to pay tendered Subordinated Debt, if any; (4) to the Reserve and Contingency Fund to pay any amount, if any, provided for deposit therein, based on the current annual budget of the Board; and (5) to the General Reserve Fund, to pay any amounts required to be paid to the Rate Stabilization Account, based on the current annual budget for the Board, and then to the General Account to hold the remaining balance of moneys in the Revenue Fund after making the above credits and deposits. For purposes of this paragraph, (i) "Debt Service Reserve Requirement" means, for any Series of Bonds, the amount determined prior to the issuance of such Series of Bonds and set forth in a related resolution or certificate, and (ii) "Subordinated Debt" means indebtedness issued pursuant to and complying with the provisions for the issuance of subordinated debt in the Electric System Bond Resolution. Pursuant to, and in accordance with the terms of, the Commercial Paper Resolution and the Electric System Bond Resolution, the Commercial Paper Notes and the Bank Notes constitute Subordinated Debt under the Electric System Bond Resolution.

The pledge of, security interest in and to, and lien and charge upon, the Net Revenues provided for the Commercial Paper Notes and Bank Notes in the Commercial Paper Resolution are in addition to, and not in contravention of, the provisions of the Electric System Bond Resolution, and such pledge, security interest, lien and charge shall apply to all Net Revenues in the Subordinated Debt Fund under the Electric System Bond Resolution which are from time to time available to pay Commercial Paper Notes and the related Bank Notes. The following provisions shall be binding on all holders of the Commercial Paper Notes and the Bank Notes (collectively referred to in the following provisions (i) through (v) as the "Subordinated Debt"):

(i) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Metropolitan Government or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Metropolitan Government, whether or not involving insolvency or bankruptcy, the holders of all Bonds then outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of the Subordinated Debt are entitled to receive any payment from the Pledged Funds (as defined in the Electric System Bond Resolution) on account of principal (and premium, if any) or interest upon the Subordinated Debt.

(ii) In the event that the Subordinated Debt is declared due and payable before its expressed maturity because of the occurrence of an Event of Default (under circumstances when the provisions of (i) above shall not be applicable), the holders of all Bonds outstanding at the time such Subordinated Debt so becomes due and payable because of such occurrence of such an Event of Default shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Pledged Funds of principal (and premium, if any) or interest upon the Subordinated Debt.

(iii) If any event of default (as defined in the Electric System Bond Resolution for purposes of this subsection) with respect to the Bonds shall have occurred and be continuing (under circumstances when the provisions of (i) above shall not be applicable), the holders of all Bonds then outstanding shall be entitled to receive payment in full of all principal and interest on all such

Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Pledged Funds of principal (and premium, if any) or interest upon the Subordinated Debt.

(iv) No holder of Bonds shall be prejudiced in such holder's right to enforce subordination of the Subordinated Debt by any act or failure to act on the part of the Metropolitan Government.

(v) The provisions of (i), (ii), (iii) and (iv) above are solely for the purpose of defining the relative rights of the holders of the Bonds on the one hand, and the holders of Subordinated Debt on the other hand, and nothing in the Commercial Paper Resolution shall impair, as between the Metropolitan Government and the holders of the Subordinated Debt, the obligation of the Metropolitan Government, which is unconditional and absolute, to pay to the holders of the Subordinated Debt the principal thereof and premium, if any, and interest thereon in accordance with its terms, nor shall anything in the Commercial Paper Resolution prevent the holders of the Subordinated Debt from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights under (i), (ii), (iii) and (iv) above of the holders of the Bonds to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Debt.

[Pursuant to the Electric System Bond Resolution, and, for purposes of this paragraph, using certain defined terms provided therein, the fiscal agent for the Bonds, as directed by the Board, shall apply amounts in the Subordinated Debt Fund to the payment of debt service on the Commercial Paper Notes and Bank Notes and reserves therefor in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the Commercial Paper Resolution. However, if at any time there shall be a Debt Service Reserve Account Deficiency for Bonds and there shall not be any moneys available in the General Account in the General Reserve Fund and the Reserve and Contingency Fund to make up such deficiency, the fiscal agent for the Bonds shall forthwith transfer from the Subordinated Debt Fund for deposit in the Debt Service Reserve Account the amount necessary (or all moneys in the Subordinated Debt Fund, if necessary), to make up such Deficiency.]

[In accordance with the Electric System Bond Resolution and, for purposes of this paragraph, using certain defined terms provided therein, the Board shall at all times establish and collect rates, fees and charges for the use or the sale of the output, capacity or service of the Electric System as shall be required in order that in each fiscal year the Net Revenues, together with other available Revenues, plus the amount of any transfers from the Rate Stabilization Account to the Operating Fund during such fiscal year minus the amounts, if any, required by the Electric System Bond Resolution to be deposited from Net Revenues into the Debt Service Reserve Account, the Subordinated Debt Fund, the Reserve and Contingency Fund and the General Account during such fiscal year shall equal at least (i) the Aggregate Debt Service for the Bonds for such fiscal year and, (ii) the debt service, if any, on any bank notes [and any credit/liquidity facility obligations for the Bonds] for such fiscal year and (iii) the deposits required to be made into the Rate Stabilization Account during such fiscal year, and, in any event, as shall be required, together with other available funds, to pay or discharge all other indebtedness, charges and liens whatsoever payable out of Revenues under the Electric System Bond Resolution.]

Unless the payment of the maturing principal of Outstanding Commercial Paper Notes otherwise shall be provided for by or on behalf of the Metropolitan Government from proceeds of Commercial Paper Notes, from Term Loans or Advances made and/or Drawings honored by the LOC Provider under the Letter of Credit and Reimbursement Agreement or from other available moneys, on or before the respective maturity dates thereof, the Metropolitan Government shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of Bonds or other debt obligations of the Metropolitan Government in an amount sufficient to provide for the payment of the principal of and, if determined to be appropriate by

the Metropolitan Government, interest on the Outstanding Commercial Paper Notes at maturity; provided, however, if such payment of principal and interest has been made from Term Loans or Advances made and/or Drawings honored by the LOC Provider under the Letter of Credit and Reimbursement Agreement, the proceeds of Bonds or other debt obligations of the Metropolitan Government may be used to pay (A) the portion of the principal of the Bank Notes corresponding to principal of Commercial Paper Notes paid with the proceeds of an Advance made or Drawing honored, as applicable, by the LOC Provider, and (B) if determined by the Metropolitan Government to be lawful and appropriate, all or part of the portion of the principal of the Bank Notes corresponding to interest on Commercial Paper Notes paid with the proceeds of an Advance made or Drawing honored, as applicable, by the LOC Provider.

Any holder of the Commercial Paper Notes may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Metropolitan Government pursuant to the Commercial Paper Resolution.

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Senior Debt Obligations

The table below shows the debt service requirements for Outstanding Bonds.

	Outstanding Debt Service[1]		
Year Ending	Principal	Interest	Debt Service
5/15/2027	$36,980,000	$30,194,363	$67,174,363
5/15/2028	38,820,000	28,345,363	67,165,363
5/15/2029	40,765,000	26,404,363	67,169,363
5/15/2030	29,205,000	24,366,113	53,571,113
5/15/2031	28,645,000	22,905,863	51,550,863
5/15/2032	27,475,000	21,473,613	48,948,613
5/15/2033	28,850,000	20,099,863	48,949,863
5/15/2034	23,465,000	18,657,363	42,122,363
5/15/2035	24,635,000	17,484,113	42,119,113
5/15/2036	25,865,000	16,252,363	42,117,363
5/15/2037	27,165,000	14,959,113	42,124,113
5/15/2038	28,520,000	13,600,863	42,120,863
5/15/2039	29,945,000	12,174,863	42,119,863
5/15/2040	24,595,000	10,749,163	35,344,163
5/15/2041	25,745,000	9,593,863	35,338,863
5/15/2042	26,960,000	8,384,013	35,344,013
5/15/2043	20,755,000	7,036,013	27,791,013
5/15/2044	21,790,000	5,998,263	27,788,263
5/15/2045	22,880,000	4,908,763	27,788,763
5/15/2046	24,060,000	3,730,863	27,790,863
5/15/2047	15,020,000	2,492,175	17,512,175
5/15/2048	15,810,000	1,703,625	17,513,625
5/15/2049	16,640,000	873,600	17,513,600
Total	**$604,590,000**	**$322,388,550**	**$926,978,550**

[1] Does not include anticipated debt service for electric system revenue bonds to be issued in 2027. See "CONSTRUCTION AND FINANCING PROGRAM" herein.

Commercial Paper Fund

A Commercial Paper Fund ("Commercial Paper Fund") has been created and established by the Commercial Paper Resolution with the Issuing and Paying Agent as a separate and special purpose trust account for the benefit of the holders of each Series of Commercial Paper Notes. Each such Commercial Paper Fund shall be designated as the "Metropolitan Government Electric System Commercial Paper Fund" together with a Series-specific designation. The Metropolitan Government and the Board shall take any and all actions under the Electric System Bond Resolution that are required for timely payment of the Commercial Paper Notes and the related Bank Notes as and when due from Net Revenues in the Subordinated Debt Fund under the Electric System Bond Resolution which are then available to pay Commercial Paper Notes and the related Bank Notes, including directing the fiscal agent thereunder to transfer funds from the Subordinated Debt Fund to the Issuing and Paying Agent for deposit into the Commercial Paper Fund. Subject to the provisions set forth below, the Issuing and Paying Agent shall have the sole right of withdrawal over the moneys in the Commercial Paper Fund.

The Issuing and Paying Agent, as agent for the holders from time to time of Commercial Paper Notes, shall:

(i) deposit into the applicable Commercial Paper Fund the proceeds of sale of all Commercial Paper Notes of a Series issued on any day, and (A) first, apply such proceeds (together with any amounts then on deposit therein and available for such purpose) to the payment of the principal of and interest on the applicable Bank Note corresponding to the Commercial Paper Notes becoming due and payable on such day, (B) second, apply such proceeds (together with any amounts then on deposit therein and available for such purpose) to the payment of the principal of the Outstanding Commercial Paper Notes of such Series becoming due and payable on such day; and (C) third, transfer any remaining proceeds to or on behalf of the Board as directed in writing by an Authorized Board Representative, to provide financing for those purposes identified in the Initial Resolutions;

(ii) deposit into the applicable Commercial Paper Fund the proceeds of any Term Loan, Advance or Drawing made or honored pursuant to the Letter of Credit and Reimbursement Agreement on any day and apply such proceeds exclusively to the payment of the principal of and (if applicable) interest on Outstanding Commercial Paper Notes becoming due and payable on such day; and immediately return to the LOC Provider the amount of such proceeds as shall not be necessary to pay such principal and (if applicable) interest thereon on such date (and correspondingly reduce the principal amount of outstanding Term Loans, Advances or Drawings under the applicable Bank Note, as set forth in the Letter of Credit and Reimbursement Agreement upon the LOC Provider's receipt thereof);

(iii) deposit into the applicable Commercial Paper Fund any payments made by the Board or the Metropolitan Government to the Issuing and Paying Agent pursuant to a demand submitted by the Issuing and Paying Agent, and apply such deposits to the payment of principal of and interest on Outstanding Commercial Paper Notes (with payments allocated first to interest and then to principal); and

(iv) deposit into the applicable Commercial Paper Fund any payments made to the Issuing and Paying Agent by the Metropolitan Government from the proceeds of Bonds or other debt obligations issued for the purpose of paying a portion of the principal of and/or (if applicable) interest on the Bank Note of a Series and/or the principal of and (if applicable) interest on Outstanding Commercial Paper Notes, and apply such proceeds as directed in writing by an Authorized Board Representative to the payment of the principal of the Bank Note of such Series

and/or the principal of and (if applicable) interest on Outstanding Commercial Paper Notes (such written direction of an Authorized Board Representative to indicate whether such proceeds include interest on Outstanding Commercial Paper Notes); provided that the Bank Note shall be paid prior to the payment of the Outstanding Commercial Paper Notes, and payments of Outstanding Commercial Paper Notes shall be allocated first to interest (if applicable) and then to principal.

Amounts on deposit in a Commercial Paper Fund as proceeds of Commercial Paper Notes or a Bank Note of a Series to be used to pay the principal of other Commercial Paper Notes of such Series and (in the case of a Bank Note and if applicable) interest thereon as required by clause (i) or (ii) above shall not be invested prior to their application for such purposes.

Each Commercial Paper Fund, and all moneys and securities on deposit therein, shall be held by the Issuing and Paying Agent in a separate trust account and shall not be commingled with the assets of the Issuing and Paying Agent or any other Person. It is the intent of the Metropolitan Government that each Commercial Paper Fund, and all moneys and securities on deposit therein, shall constitute a special deposit held in a segregated account and not a general deposit of the Issuing and Paying Agent. Amounts on deposit in the Commercial Paper Fund, except proceeds of sale of Commercial Paper Notes or Advances made or Drawings honored under the Letter of Credit and Reimbursement Agreement, as applicable, to be applied to the payment of the principal of and, if applicable, interest on other Commercial Paper Notes, may be invested prior to their application for authorized purposes, but only at the direction of an authorized representative of the Issuer or the Board and only in Investment Securities. All moneys on deposit in the Commercial Paper Fund that are invested must be invested in Investment Securities which shall mature, or be subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before the dates on which the amounts invested are reasonably expected to be needed for the purposes provided in the Commercial Paper Resolution. All investment losses shall be borne by the Commercial Paper Fund in which the lost moneys were deposited, and investment income shall remain in the Commercial Paper Fund where earned. The Issuing and Paying Agent shall not be liable for any loss resulting from such investments and shall have no duty to invest or reinvest any amounts on deposit in the Commercial Paper Fund in the absence of written direction from the Metropolitan Government. Absent written direction from the Metropolitan Government, amounts shall remain un-invested.

CONSTRUCTION AND FINANCING PROGRAM

Construction Program

The Board's construction program for the fiscal years ending June 30, 2027, through June 30, 2031, consists of capital improvements and construction of the transmission and distribution facilities described herein under "THE ELECTRIC SYSTEM," and includes those construction costs related to Storm damage. The estimated construction costs to be incurred by the Board in each of the fiscal years 2027 through 2031 and additional information on certain improvements are set forth herein under "THE ELECTRIC SYSTEM – Capital Improvement Plan." The Board believes that these cost estimates contain sufficient allowances for inflation, cost escalation and other possible increases. However, for a number of reasons, including unforeseen inflation, compliance with governmental procedures and regulations and changes in the Board's plan, actual costs may vary from the construction program estimates.

Financing Program

Under the Board's current financing plans, the estimated construction costs shown in "THE ELECTRIC SYSTEM – Capital Improvement Plan" would be funded with proceeds from internally generated funds and from the proceeds of Commercial Paper Notes and Bonds issued from time to time.

On November 17, 2026, the Metropolitan Government authorized the issuance of Bonds to (i) finance approximately $[260,000,000] in capital improvements to the Electric System as part of the Board's capital improvement plan and (ii) refund all or a portion of the Metropolitan Government's Electric System Revenue Refunding Bonds, 2015 Series A, Electric System Revenue Bonds, 2017 Series A and Electric System Revenue Refunding Bonds, 2017 Series B for debt service savings. Such Bonds are expected to be issued in 2027.

In the opinion of management of the Board, the monies described above will be sufficient to complete the financing of the Board's construction program through fiscal year [___], including the construction costs summarized above and, to the extent applicable, interest during construction and provisions for reserves, bond discount and other financing expenses. The Board anticipates the Commercial Paper Notes will be retired from proceeds of reimbursements from the Federal Emergency Management Agency ("FEMA"), proceeds of Bonds or other available sources of the Board.

In addition to the debt obligations described above, the Metropolitan Government, acting by and through the Board, has established a $25 million non-revolving line of credit attached to its banking contract (the "Line of Credit") with Pinnacle Bank for the purchase of electric power in case of a natural disaster. The Line of Credit became effective January 1, 2026, and expires on December 31, 2026. There have currently been no borrowings under the Line of Credit. Any borrowings under the Line of Credit will bear interest at a variable rate and will be secured by Net Revenues, subject to the prior pledge of said revenues in favor of the Bonds [and subject to the prior pledge of Net Revenues in favor of the Commercial Paper Notes and the Bank Notes.] In the event of a default in the terms of the Line of Credit, Pinnacle Bank has the option to accelerate payment of all amounts due under the Line of Credit. The Metropolitan Government, acting by and through the Board, intends to renew the Line of Credit upon its expiration. The Metropolitan Government, acting by and through the Board, has established similar lines of credit with one or more banks since fiscal year 2015 for the emergency purchase of power, and there were no borrowings in those prior fiscal years.

THE ELECTRIC POWER BOARD

Organization and History

The Board was established in 1939 as a separate administrative agency of the City of Nashville pursuant to Chapter 262 of the Private Acts of the Legislature of Tennessee for 1939 (amended by Chapter 246 of the Private Acts of 1947 and is now Appendix III of the Charter of the Metropolitan Government of Nashville and Davidson County, Tennessee), to exercise control and jurisdiction over the Electric System. In 1963, the Metropolitan Government was created, consolidating the governments of the City of Nashville and Davidson County. The provisions of the Charter of the City of Nashville relating to the Board were incorporated into the Metropolitan Charter, which took effect on April 1, 1963. In conducting the operations of the Electric System, the Board does business as NES. The principal objective of the Board is to deliver electric power to the homes, businesses, and industries of the service area at the lowest possible cost while maintaining a safe, reliable and efficient electrical distribution system with a strong financial base.

At present, the Board is composed of five members appointed by the Metropolitan Mayor (the "Mayor") and confirmed by the Metropolitan Council. Members of the Board serve staggered five-year terms without pay with the Chair and Vice Chair elected for one-year terms by the Board. In 2026, the Tennessee General Assembly passed a bill to provide out-of-county representation to certain municipal electric systems, including NES. In NES's case, the legislation will result in the opportunities for the mayors of Sumner County, Rutherford County, Wilson County and Williamson County to each appoint one member to the Board, subject to confirmation by the respective county commissions. The Board terms for the newly appointed Board members will commence in January 2027. Board members appointed and

confirmed by the Mayor and the Metropolitan Council, respectively, will continue to serve and will not be replaced. Upon the seating of Board members from Sumner, Rutherford, Wilson and Williamson Counties, the Board will move to nine members in total. [Upon expansion of the Board, the terms of Board members may be set as initial, staggered terms of two years followed by terms of four years or set to reflect current Board member terms, in accordance with applicable state law.]

The Board appoints the President and Chief Executive Officer. The President and Chief Executive Officer is responsible for the day-to-day operation of the electric system, including the hiring of employees. Except for the appointment of Board members and approval of bond issues, neither the Mayor nor the Metropolitan Council, nor any other board, officer, or agency of the Metropolitan Government, has any control over the operation or management of the Electric System or the Board.

NES currently purchases nearly all of its power from the Tennessee Valley Authority ("TVA") pursuant to a Power Contract dated December 19, 1977 (the "Power Contract"). The Power Contract had an initial term of 20 years, beginning on December 19, 1977, and on each subsequent anniversary thereof, the contract was automatically extended for additional one-year renewal terms beyond its then existing time of expiration, subject to termination by either party on not less than 10 years' written notice. Effective August 28, 2019, a Long-Term Partnership Agreement extended the termination notice provision to 20 years with certain provisions around wholesale rate stability that, if not met by TVA, could revert the termination provision back to 10 years. In exchange for an extended termination notice period, TVA reduced certain non-fuel wholesale rates and authorized NES to purchase up to 5% of its demand from non-TVA sources. That agreement, titled Flexibility 2.0, empowered NES to enter into a three-party agreement with TVA and Silicon Ranch for the development of a 166 MW solar project.

The Board maintains the funds, accounts, and records relating to the Electric System separate and distinct from all other funds of the Metropolitan Government.

Board Members

Mr. Clifton Harris, *Board Member*, has been a member of the Board since 2022. Since 2016, he has served as the President and CEO of the Urban League of Middle Tennessee ("ULMT"), a historic civil rights and urban advocacy organization that provides direct services to improve the lives of thousands in underserved Middle Tennessee communities. In 2005, Mr. Harris was appointed by the then-Mayor of the Metropolitan Government to organize and lead the Metropolitan Homelessness Commission, where Mr. Harris created and hosted the Metropolitan Government's first Project Homeless Connect, which assisted thousands of individuals in need of various services. In 2012, he served as the Vice President of Marketing and Sales for CitiValet, Inc. From 2013 to 2016, he served as the Executive Director for Sophia's Heart. In his current role at ULMT, Mr. Harris focuses on the organization's mission to enable African-Americans, other minorities and disenfranchised groups secure economic self-reliance, power, parity, and civil rights by providing resources and support to create workforce development, economic development, educational services, and civic engagement opportunities for Middle Tennesseans. Mr. Harris graduated from St. Augustine's College, specializing in nonprofit management, economic and workforce development. His current term on the Board expires in [2029]**.**

Mr. Robert McCabe, *Board Member*, has been a member of the Board since 2009. He serves as Chairman of the Board of Pinnacle Financial Partners and Pinnacle Bank and is also a director of National Health Investors of Murfreesboro, Tennessee, a registered public healthcare real estate investment company. Mr. McCabe has been active in various civic organizations within his community, including Leadership Knoxville and Leadership Nashville. He is a member of the World President's Organization, Chief Executives Organization, served as the immediate past Chairman of the Board of Trustees of The Ensworth School and is past chairman of Cheekwood Botanical Gardens and Museum of Art. He is also

the past chairman of the Middle Tennessee Boy Scout Council, The Nashville Symphony and the Nashville Downtown Partnership. His current term on the Board expires in [2028].

Mr. Ian Prunty, *Board Member*, has been a member of the Board since 2025. He has more than 16 years of experience in the energy technology sector, with a career focused on innovative solutions for energy efficiency and data strategy. Currently serving as an Account Executive at Snowflake, Prunty helps large enterprises optimize their data strategy. He previously led business development at energy forecasting startup Myst.AI until its acquisition by Snowflake. A graduate of DePauw University and Vanderbilt University's Owen Graduate School of Management, he continues to be active in community-based organizations. His current term on the Board expires in [2030].

Mr. Robert D. "Jaz" Boon II, *Board Member,* is a new board member appointed July 2026. Mr. Boon is a member of the law firm Sherrard Roe Voigt & Harbison litigation practice. Prior to joining the Firm, Mr. Boon served as an Assistant General Counsel at Bridgestone Americas, Inc. where he provided legal advice and support for the environmental, health and safety, and sustainability needs of the business. He earned his J.D. from Belmont University College of Law and went on to clerk for the Honorable Richard H. Dinkins of the Tennessee Court of Appeals. He graduated with a degree in Biology from Lipscomb University. He currently sits on the Board of Directors for the Urban Green Lab and serves as Vice Chair of the Environmental Law Section of the Tennessee Bar Association. His current term on the Board expires in [2031].

Ms. Casey Santos, *Board Chair*, has been a member of the Board since 2022. She is the Chief Information Officer for Asurion, a leading global tech protection and support company. As CIO, Ms. Santos is responsible for Asurion's core technology development and operations behind the company's tech care products and services. She began her career at NASA's Mission Control as an aerospace engineer supporting multiple Space Shuttle missions, including the first Mir/Space Shuttle docking mission and the first Hubble Space Telescope repair mission. She left NASA to be an IT consultant, implementing technology to serve multiple industries. Ms. Santos consulted with McKinsey & Company before embarking on a career as a technology executive in the finance industry. Following consulting, she held senior technology leadership roles at McKinsey's private investment office, General Atlantic, and AllianceBernstein. Ms. Santos holds a B.S. in Aeronautics and Astronautics from the Massachusetts Institute of Technology, an M.B.A. from the Wharton School and an M.A. in International Studies from the Lauder Institute at the University of Pennsylvania. She is currently the board chair-elect for the Nashville Technology Council, as well a board observer for Horizon Blue Cross Blue Shield of New Jersey. She formerly has served on the boards of BritishAmerican Business, Wall Street Technology Association, Women's Forum of New York and the YMCA of Greater New York where she co-chaired the Hispanic Achiever's event. She has twice been awarded honors as a HITEC (Hispanic Information Technology Executive Council) 100 as well as the Constellation Research Transformation 150. She also serves or has served on the advisory boards of Aiden, Box, Zoom, Masergy, Agio, and the Financial Technology Forum. Her current term on the Board expires in [2027].

Management

Ms. Teresa Broyles-Aplin, CPA, *President and Chief Executive Officer*, has served as President and Chief Executive Officer since 2022. Prior to her promotion to this role, she was the Executive Vice President and Chief Financial Officer and Secretary/Treasurer to the Board. She has been with NES since 2006. Prior to joining NES, Ms. Broyles-Aplin spent approximately 9 years in public accounting with most of that time in the assurance and advisory practice of Deloitte & Touche LLP. While working at Deloitte, she served as the lead manager on the NES audit. Ms. Broyles-Aplin provided consultation services in connection with bond offerings and pension accounting for Metropolitan Nashville Airport Authority,

Metropolitan Government of Nashville and Davidson County, and Nashville Electric Service. She has also led the internal audit departments of two publicly-traded companies.

Ms. Broyles-Aplin graduated from Belmont University with a Master of Accountancy and from Austin Peay State University with a Bachelor of Business Administration. She has acted as a subject-matter expert and guest speaker for educational seminars on the topic of Sarbanes-Oxley compliance and risk management. She has also served on the Board of Directors, the Executive Committee, and as the chair of the Finance and Audit Committee for the Nashville Area Chamber of Commerce. Ms. Broyles-Aplin has been awarded the Belmont Massey Graduate School Distinguished Graduate Award and the Chief Financial Officer of the Year award by the *Nashville Business Journal*.

Tabitha Beach, CPA, *Interim Vice President and Chief Financial Officer, is* an experienced accounting and finance leader with over 25 years of experience in financial reporting, budgeting, forecasting, accounting operations, internal controls, and audit. Since joining NES in October 2011, Ms. Beach has held positions of increasing responsibility within the Finance department, including Financial Planning and Analysis Manager and Corporate Controller. In these roles, she has supported financial planning, budget development, financial reporting, and the preparation of information used by executive leadership, the Electric Power Board, and external stakeholders.

Prior to joining NES, Ms. Beach served in accounting controller roles for Tennessee-based organizations and began her career as an auditor in public accounting. She is a Certified Public Accountant in the State of Tennessee and holds a bachelor's degree from the University of North Carolina.

Ms. Laura Smith, Esq., *Vice President – General Counsel*, joined NES in July 1993. She has held several positions in the Legal and Corporate Affairs departments and today oversees all internal and external legal matters, governmental relations, community involvement, and strategic and business continuity planning for NES. Ms. Smith graduated from the University of Florida with a B.A. in Political Science and received her J.D. from the University of Florida College of Law. She has served on the Board of Directors for the Nashville Bar Association and has been named a Fellow of both the Nashville Bar Foundation and the Tennessee Bar Foundation. She is a past president of the Nashville Bar Association.

Active in community endeavors, Ms. Smith has served as president or chair of The Women's Fund of the Community Foundation of Middle Tennessee, FiftyForward, CABLE, Big Brothers of Nashville, WIN, Girl Scouts of Middle Tennessee and the Nashville Women's Political Caucus.

Only the Chair, Vice-Chair, and Board members, as designated above, have a vote on matters before the Board.

THE ELECTRIC SYSTEM

The Electric System was established in 1939 through the purchase of certain properties of the Tennessee Electric Power Company by the Metropolitan Government of Nashville. Pursuant to the Metropolitan Charter, the Electric System is owned by the Metropolitan Government and operated by the Board.

Service Area

According to the 2026 Public Power Statistical Report, a periodic publication of the APPA, NES is the ninth largest public electric utility in America based on electric revenues and the tenth largest public electric utility in America based on customers served. In addition, NES is the eighteenth largest public electric utility in America based on megawatt-hour sales. The service area of the Electric System covers

approximately 700 square miles and includes Davidson County and small portions of the adjacent counties of Cheatham, Rutherford, Robertson, Sumner, Wilson and Williamson Counties. The major portions of the adjacent counties listed above are served by cooperative utilities. On June 30, 2026, the Board served approximately 479,000 customers—434,000 residential and the remaining being commercial, industrial, and municipal customers. Breakdown of kilowatt-hour sales and revenues by major customer classification for the year ended June 30, 2026, is as follows:

Customer type	Kilowatt-hours sales		Revenues[†]
Residential revenue	42.8%		46.8%
Commercial, Industrial, Municipal	56.4%		51.6%
Municipal Lighting	0.8%		1.6%

[†]Miscellaneous revenue accounted for the remainder of total operating revenue for this period.

Source of Electric Power

Except as noted under the subheading "Power from Expanded Flexibility Arrangements with TVA" below regarding certain solar generating capacity, NES has no generating capacity and purchases all of its power from TVA, an agency of the United States Government established in 1933 to develop the resources of the Tennessee Valley. TVA provides electric power to most of Tennessee, northern Alabama, northeastern Mississippi, and southwestern Kentucky. It also supplies power to small areas of Georgia, North Carolina and Virginia. TVA is the nation's largest public power company, providing power to approximately 10 million residents. TVA also maintains a navigable channel for the Tennessee River, performs flood control on the same river along with assistance to flood control on two other rivers, develops and introduces improved soil fertilizers, and encourages agricultural and industrial development and better forestry in the region. TVA's operations fall into two classes: power and non-power. Most of its revenues and assets are provided by the power program. TVA is a self-supporting entity.

The Power Contract provides that the Board may sell power to all customers in its service area, except federal installations having contract demands greater than 5,000 kW and large customers as determined by a calculation outlined in TVA's Industrial Service Policy whom TVA may serve directly. At the present time, TVA does not directly serve any customer located within the service area of the Electric System.

The Power Contract contains provisions that establish the wholesale rates, retail rates and terms and conditions under which power is to be purchased and distributed to the customers of NES. Under the Power Contract, TVA, on a monthly basis, may determine and make adjustments in the wholesale rate schedule with corresponding adjustments in retail rate schedules necessary to enable TVA to meet all requirements of the Tennessee Valley Authority Act of 1933, as amended (the "TVA Act"), and the tests and provisions of TVA's bond resolutions.

The Electric System receives its power from TVA at 27 delivery points. The total rated capacity for these 27 delivery points is 6,203 megavolt amperes, providing a substantial margin over the Electric System's highest demand of 2,838 megawatts on January 17, 2024.

TVA generates much of the electrical power and energy provided to its distributors, including NES, but also purchases some of its electrical power and energy from third parties. The TVA system includes nuclear, fossil, hydroelectric and natural gas plants. In addition, TVA generates renewable energy from solar, wind and biogas (methane) and, as of calendar year 2021, has reduced carbon emissions by 57% from calendar year 2005. TVA has stated goals of being 70% carbon-free by 2030, 80% by 2035 and net-zero by 2050. TVA anticipates meeting the carbon-free goals primarily through the expansion of hydro, solar and nuclear facilities as well as other measures, such as energy efficiencies. In addition, the planned retirement of current coal plants will facilitate TVA in meeting its carbon-free goals. The generated or purchased energy is sold to distributors via TVA's transmission system. TVA also directly serves a limited number of large customers and federal installations. The power sold to the Board is not supplied by one specific generating facility but from the entire TVA system.

The Power Contract provides that TVA shall make every reasonable effort to increase the generating capacity of its system and to provide the transmission facilities required to deliver output thereof so as to be in a position to supply additional power when and to the extent needed by the Board. Neither TVA nor the Board is liable for breach of contract if the availability or use of power is interrupted or curtailed or either is prevented from performing under the Power Contract by circumstances reasonably beyond their control. The amount of power supplied by TVA and the contractual obligation to supply such power are limited by the capacity of TVA's generating and transmission facilities and the availability of power purchased from other generating facilities. The cost and availability of power to the Board may be affected by, among other things, factors relating to TVA's nuclear program, fuel supply, environmental considerations such as stricter emissions standards and future legislation regulating the use of fossil fuel, changes in TVA's wholesale rate design, the construction and financing of future generating and transmission facilities, weather conditions and other factors relating to TVA's ability to supply the power demands of its customers, including NES. NES cannot determine with any precision its future cost of wholesale power purchased from TVA, and the Board's wholesale power costs could be impacted by any combination of the above or other factors.

For more information concerning TVA, its generation capacity and its financial condition, including some of those factors discussed above, see the annual, quarterly and current reports filed by TVA with the SEC. Annual financial information about TVA can be found in TVA's Annual Report filed on Form 10-K. Interim financial information can be found in TVA's Quarterly Reports filed on Form 10-Q. Additional information may be found from time to time on TVA's Current Reports filed on Form 8-K. These documents may be copied and read at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. In addition, TVA's SEC filings are available to the public from the SEC's website at www.sec.gov and from TVA's website at www.tva.gov. **Information contained in these reports and on TVA's website shall not be deemed to be incorporated into, or to be a part of, this Offering Memorandum.**

Power from Expanded Flexibility Arrangements with TVA

In August 2023, TVA released its expanded flexibility agreement (the "Expanded Flexibility Agreement") and related guidelines and power purchase agreements ("PPA"). The Expanded Flexibility Agreement allows local power companies ("LPCs") to purchase or generate electricity from energy resources other than TVA, in an amount up to 5 percent of each LPC's average hourly capacity usage based on fiscal years 2015 through 2019. For NES, the 5 percent equates to 70 megawatts (MW) or 180 MW of solar based on TVA's solar technology factors.

In September 2023, the Board took several actions related to the Expanded Flexibility Agreement, including the following:

- Approved the Expanded Flexibility Agreement and related guidelines and all TVA forms necessary to execute the Expanded Flexibility Agreement.
- Approved a PPA with Silicon Ranch, a Tennessee-based solar energy company, for up to [160] MW of solar power.
- Approved TVA-hosted or TVA partner ("Valley Partner")-hosted purchase options at a set rate for 30 years and a not to exceed amount of $500 million. The PPA with Silicon Ranch has a set rate per MWh that is favorable to the TVA effective rate and will allow NES to lower overall purchased power costs by approximately $5 million to $15 million annually based on the avoided TVA fuel cost rate.
- Authorized management to establish the Valley Partner-hosted and end use customer-hosted guidelines and programs with customer-program power costs not to exceed $56 million over a ten-year period. These costs are expected to be offset by avoided wholesale purchase power costs from TVA.
- Authorized management to establish a Renewable Energy Certificate management program supported by a service contract with North American Renewables Registry, with customer-centric program pricing based on fair market value.
- Entered into negotiations with TVA to understand and transition TVA's Dispersed Power Production (DPP) applicable administrative responsibilities to NES.

The Valley Partner-hosted option allows an LPC to purchase all generation through a PPA from customers or solar developers' energy resources that connect directly to the LPC's distribution system. The end use customer-hosted option provides LPCs an opportunity to purchase excess power generated from a residential or general service customer's behind-the-meter energy resource. The TVA-hosted option allows LPCs to purchase power from energy resources outside of the LPC's territory, but still within the TVA territory.

Silicon Ranch evaluated multiple potential sites for solar generation facilities. Following this evaluation, in October 2024, the Board entered into a PPA with SR Magnolia, LLC, an indirect wholly-owned subsidiary of Silicon Ranch, for the entire output of a 160 MW solar facility under development in Monroe County, Mississippi. The project has an expected delivery date of June 30, 2027. The Expanded Flexibility Agreement and associated solar generation are expected to reduce carbon emissions in the NES service area by over 100,000 metric tons annually, equivalent to removing more than 22,000 gasoline-powered vehicles from the road or powering almost 13,000 homes.

NES is currently developing a marketing and communications plan to inform its residential and commercial customers of available renewable energy resource incentives and rebates and to encourage participation in NES's Valley Partner and end use customer-hosted programs. Such programs are just beginning to be developed, and the timing and amount of actual cost savings and carbon reductions will depend on the speed of development, changes that TVA makes in its own fleet of power generation, and the actual efficiencies and outputs of the solar projects.

Electric Rates

The Power Contract establishes the retail rates that NES and other distributors charge the ultimate power consumers. These rates are revised from time to time to reflect changes in costs, including changes in the wholesale cost of power and distribution costs. While the wholesale rates are uniformly applicable to all distributors of TVA power under the present power contracts with distributors such as NES, the retail rates will vary among distributors of TVA power depending upon the respective distributor's retail customer distribution costs. The rates of TVA for the sale of electric power in the TVA region and its

contracts with distributors, including NES, are structured with the intent to achieve the TVA Act's objective of the distributors of TVA power, including NES, to operate the respective distribution systems on a nonprofit basis and to provide a wide and ample supply of power at the lowest feasible rates.

The Power Contract provides that NES will use its gross revenues from its electric operations to pay for, in the following order, (1) current operating expenses; (2) current payment of interest and debt, including sinking fund payments, when due; (3) reasonable reserves for renewals, replacements, contingencies, and working capital; and (4) payments-in-lieu-of-taxes. Any revenues remaining over and above the preceding requirements are considered to be surplus, under the terms of the Power Contract, and may be used for Electric System construction or retirement of Electric System indebtedness before maturity. Within certain discretionary parameters concerning various factors affecting the earnings of NES and its future financial needs, rates and charges are to be reduced to practicable levels.

NES's retail rates are subject to TVA's review and approval under the provisions, terms, and conditions of the Power Contract. The Power Contract provides for revisions to the retail rates that may be charged by NES when necessary to permit NES to operate on a self-supporting and financially sound basis. NES is not aware of any pending legislation that would propose to make its retail electric rates subject to regulation by any third party or agency other than TVA. The Power Contract further provides that if the retail rates set forth therein do not provide sufficient revenues for the operation and maintenance of the Electric System on a self-supporting, financially sound basis, including debt service, TVA and NES shall agree to changes in rates to provide increased revenues. Similarly, if the rates and charges produce excess revenues, the Power Contract provides that the parties will agree to appropriate reductions. Since the date of the Power Contract, the wholesale and retail rates have been adjusted from time to time.

Effective September 2019, TVA approved a 3.1% decrease to wholesale base power rates, and NES retail rates remained constant. Effective October 2020 and expiring September 30, 2023, TVA temporarily decreased wholesale base power rates by 2.5% for twelve-month periods as part of its Pandemic Recovery Credit. These decreases were passed through to ratepayers after reductions for certain environmental, social and governance (or ESG) projects and donations to nonprofits for bill assistance, decreasing retail rates 1.0%, 1.5%, and 1.1% each year, for the twelve months ending September 30, 2021, 2022, and 2023, respectively. Effective October 2022, the Board raised retail rates by 3.5%, resulting in increased annual revenues of approximately $46.7 million. Effective October 2023, TVA approved a 4.5% increase to the wholesale base power rates and ended the wholesale Pandemic Recovery Credit which, as stated above, had previously lowered wholesale costs by 2.5%, effectively increasing wholesale base rates by 7.0%; the pass-through effect of these actions equates to an increase in annual revenues of approximately 3.5%, or $55.0 million, for the twelve months ending September 2024. Effective October 2024, TVA approved a 5.25% increase to the wholesale base power rates, the pass-through effect of which equates to an increase in annual revenues of approximately 2.6%, or $37.3 million, for the twelve months ending September 2025.

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TVA/NES Historical Rate Increase/Decrease

Month	NES Retail Increase	TVA Retail Impact Increase (Decrease)	TVA Wholesale Increase (Decrease)
October 2020	0.0%	(1.0%)[2]	(2.5%)[2]
October 2021	0.0%	(1.5%)[2]	(2.5%)[2]
October 2022	3.5%	(1.1%)[2]	(2.5%)[2]
October 2023	0.0%	3.5%[3]	7.0%[3]
October 2024	0.0%	2.6%[4]	5.25%[4]

(1) Rate was reduced as part of the Long-Term Partnership Agreement with TVA. See "THE ELECTRIC POWER BOARD – Organization and History" herein for more information on the Long-Term Partnership Agreement.

(2) Retail and wholesale rates were temporarily reduced as part of COVID-19 relief (Pandemic Recovery Credit) from the September 2019 rates. Each year of 2020, 2021, and 2022, the decrease from the 2019 rates were extended. The effect was not cumulative, but rather from the 2019 base year in each instance.

(3) TVA's Board approved a 4.5% adjustment to the wholesale base power rates and ended the wholesale Pandemic Recovery Credit which had previously lowered wholesale costs by 2.5%, effectively increasing wholesale base rates by 7.0%, the pass-through effect of which equated to a 3.5% increase for retail customers.

(4) TVA's Board approved a 5.25% adjustment to the wholesale base power rates, the pass-through effect of which equated to a 2.6% increase for retail customers.

Source: Nashville Electric Service.

Effective April 2011, TVA implemented a seasonal Time-of-Use (TOU) wholesale rate structure. With the TOU rate structure, TVA provides distributors with a monthly wholesale power cost invoice, calculated by applying the respective rates detailed below to usage measured at TVA's wholesale metering points. All usage measured from approximately five dozen separate wholesale metering points are combined by TVA and billed as a single wholesale meter. Qualifying industrial and commercial customer loads are removed from the total wholesale system load being billed on the TOU rate structure. The qualifying industrial and commercial customer loads are billed separately under a time-differentiated rate structure.

In addition, TVA applies a monthly fuel cost adjustment ("FCA") to TVA's wholesale energy rates based upon changing fuel and purchased power costs. The FCA for each month can either increase or decrease electric bills. The FCA is a pass-through to the Electric System's customers and does not directly affect the Electric System's operating income.

In addition to seasonal TOU energy (kilowatt-hour), demand (kilowatt), and FCA charges, TVA added a fixed cost recovery component to the wholesale rate structure effective October 2018. Designed to be revenue neutral, TVA reduced wholesale energy rates by $0.005 while implementing an offsetting flat, monthly Grid Access Charge ("GAC"). The GAC is based on the average of NES's annual energy (kilowatt) load during TVA's previous five fiscal years and is recalculated annually.

In previous years, TVA and distributors worked collaboratively to develop a Strategic Pricing Plan ("SPP") that focuses on TVA's long-term pricing strategy. The SPP serves as a guide for the long-term direction of TVA's wholesale rates and provides distributors the knowledge needed to make future business decisions and evaluate technology investments. As part of the SPP, effective October 2015, TVA changed the wholesale rate structure to send improved pricing signals that are more reflective of TVA's embedded

(fixed) and marginal (variable) costs. Additionally, the wholesale rate structure provides more dynamic pricing and encourages technology investment through pricing and assistance with interval metering and data management. Retail customers experience different seasonal rates for each season of the year associated with the wholesale rate changes for each season of the year.

Effective October 1, 2026, TVA implemented a new wholesale rate classification for data center customers, removing such customers from the manufacturing service rate classification under which they had been billed since December 2008. TVA has estimated that the new classification will result in an average increase of approximately 10% in the amounts billed to data center customers, phased in over three consecutive fiscal years. In connection with the new classification, TVA also adopted a Capacity Commitment Charge applicable to new or expanding data center load in excess of 5 MW, which is intended to recover the incremental generation capacity costs attributable to such load rather than recovering such costs through base rates. The same TVA action (i) modified contract demand requirements so that customers are billed under rate classifications corresponding to their actual usage, (ii) provided a contract option for existing manufacturing customers with loads greater than 5 MW to maintain their existing rate structure for a period of time (which is only available to NES customers to the extent NES agrees in the future to participate) and (iii) updated TVA Board policy governing the approval of new power requirements in excess of 100 MW. TVA has stated that the new data center rate classification and Capacity Commitment Charge are intended to protect residential and manufacturing customers from subsidizing costs associated with the growth of data center load in the TVA service area, consistent with the Ratepayer Protection Pledge that TVA executed on July 23, 2026.

NES has adopted a corresponding retail rate classification, which is included in the Electric System rate schedules included below. NES is unable to predict the number of data center or other large load customers that may seek service from the Electric System under this classification, the amount of Revenues that may be derived from any such service, the amount of capital investment that may be required of NES in connection with serving any such load or the nature or effect of any future TVA rate actions or TVA Board policies relating to data centers or other large loads. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY — TVA and General Industry Risk Factors" and "BONDHOLDERS' RISKS – Future Legislation and Governmental Directives and Priorities".

Following are the electric rates effective October 2026, including the FCA.

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SCHEDULE OF UTILITY RATES IN FORCE – WHOLESALE (Including FCA)[1]
OCTOBER 2026 (UNAUDITED)

Standard Wholesale TOU	**U.S. Dollars**
Summer Season	
Demand Charge (per kW)	
On Peak kW	9.08
Max kW	3.35
Energy Charge (per kWh)	
On Peak kWh	0.06167
Off Peak kWh	0.03967
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00563
Winter Season	
Demand Charge (per kW)	
On Peak kW	8.04
Max kW	3.35
Energy Charge (per kWh)	
On Peak kWh	0.05099
Off Peak kWh	0.04099
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00563
Transition Season	
Demand Charge (per kW)	
On Peak kW	8.04
Max kW	3.35
Energy Charge (per kWh)	
On Peak kWh	0.04148
Off Peak kWh	0.04148
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00563
All seasons	
3.1% Long Term Partnership Reduction (non-fuel)	

[1] The above rates include TVA's October 2026 Fuel Cost Adjustment (FCA). This adjustment is revised monthly. For October 2026, the Standard Service wholesale FCA rate was $0.02052. The Time Differentiated Hours Use of Demand wholesale FCA rates for General Service and Manufacturing Service were $0.02010 and $0.02000, respectively.

Time Differentiated Hours Use of Demand (TDHUD) (Time of Use Service)	U.S. Dollars
TDHUD GSA (General Service) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	11.69
Maximum Demand Charge	4.46
Energy Charge - On Peak	0.10640
Energy Charge - Off Peak First 200 hours	0.07062
Energy Charge - Off Peak Next 200 hours	0.02527
Energy Charge - Off Peak Additional kWh	0.02204
Winter Season	
On Peak kW	10.67
Maximum Demand Charge	4.46
Energy Charge - On Peak	0.09007
Energy Charge - Off Peak First 200 hours	0.07379
Energy Charge - Off Peak Next 200 hours	0.02527
Energy Charge - Off Peak Additional kWh	0.02204
Transition Season	
On Peak kW	10.67
Maximum Demand Charge	4.46
Energy Charge - On Peak	0.07508
Energy Charge - Off Peak First 200 hours	0.07508
Energy Charge - Off Peak Next 200 hours	0.02527
Energy Charge - Off Peak Additional kWh	0.02204
TDHUD GSB (Demand = 5,001 - 15,000 kW)	
Summer Season	
On Peak kW	11.60
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.08958
Energy Charge - Off Peak First 200 hours	0.06297
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Winter Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.07745
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Transition Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.06263
Energy Charge - Off Peak First 200 hours	0.06263
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
TDHUD GSC (Demand = 15,001 - 25,000 kW)	
Summer Season	
On Peak kW	11.60
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.08958

	U.S. Dollars
Energy Charge - Off Peak First 200 hours	0.06297
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Winter Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.07745
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Transition Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.06263
Energy Charge - Off Peak First 200 hours	0.06263
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
TDHUD GSD (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	11.60
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.08958
Energy Charge - Off Peak First 200 hours	0.06297
Energy Charge - Off Peak Next 200 hours	0.02483
Energy Charge - Off Peak Additional kWh	0.02241
Winter Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.07745
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02483
Energy Charge - Off Peak Additional kWh	0.02241
Transition Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.06263
Energy Charge - Off Peak First 200 hours	0.06263
Energy Charge - Off Peak Next 200 hours	0.02483
Energy Charge - Off Peak Additional kWh	0.02241
TDHUD MSA (Manufacturing) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.07882
Energy Charge - Off Peak First 200 hours	0.05305
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

	U.S. Dollars
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.06667
Energy Charge - Off Peak First 200 hours	0.05542
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.05636
Energy Charge - Off Peak First 200 hours	0.05636
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174
TDHUD MSB (Manufacturing) (Demand = 5,001 - 15,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08015
Energy Charge - Off Peak First 200 hours	0.05494
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06839
Energy Charge - Off Peak First 200 hours	0.05733
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05825
Energy Charge - Off Peak First 200 hours	0.05825
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
TDHUD MSC (Manufacturing) (Demand = 15,001 - 25,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08044
Energy Charge - Off Peak First 200 hours	0.05373
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29

	U.S. Dollars
Energy Charge - On Peak	0.06825
Energy Charge - Off Peak First 200 hours	0.05611
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	
1.29	
Energy Charge - On Peak	0.05704
Energy Charge - Off Peak First 200 hours	0.05704
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
TDHUD MSD (Manufacturing) (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.07801
Energy Charge - Off Peak First 200 hours	0.05132
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06582
Energy Charge - Off Peak First 200 hours	0.05367
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05461
Energy Charge - Off Peak First 200 hours	0.05461
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
TDHUD DCA (Data Center) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.07882
Energy Charge - Off Peak First 200 hours	0.05305
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

	U.S. Dollars
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.06667
Energy Charge - Off Peak First 200 hours	0.05542
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.05636
Energy Charge - Off Peak First 200 hours	0.05636
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

TDHUD DCB (Data Center) (Demand = 5,001 - 15,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08015
Energy Charge - Off Peak First 200 hours	0.05494
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06839
Energy Charge - Off Peak First 200 hours	0.05733
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05825
Energy Charge - Off Peak First 200 hours	0.05825
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122

TDHUD DCC (Data Center) (Demand = 15,001 - 25,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08044
Energy Charge - Off Peak First 200 hours	0.05373
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29

	U.S. Dollars
Energy Charge - On Peak	0.06825
Energy Charge - Off Peak First 200 hours	0.05611
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	
1.29	
Energy Charge - On Peak	0.05704
Energy Charge - Off Peak First 200 hours	0.05704
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
TDHUD DCD (Data Center) (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.07801
Energy Charge - Off Peak First 200 hours	0.05132
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06582
Energy Charge - Off Peak First 200 hours	0.05367
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05461
Energy Charge - Off Peak First 200 hours	0.05461
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231

**TVA's fixed cost recovery charge, the basis of which is a rolling five-year average of NES standard service load ending each October.*

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NES Retail Rates Effective October 31, 2026 (with FCA included)

RS Residential	**U.S. Dollars**
Customer Charge (per delivery point per month)	
Between 0 – 500 kWh*	12.06
Between 501 – 2,000 kWh*	16.96
Between 2,001 – 4,000 kWh*	24.96
Between 4,001 – 6,000 kWh*	30.66
Equal to and above 6,001 kWh*	36.70
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 500 kWh	4.50
12 Month Average kWh between 501 – 2,000 kWh	7.33
12 Month Average kWh between 2,001 – 4,000 kWh	7.33
12 Month Average kWh between 4,001 – 6,000 kWh	7.88
12 Month Average kWh equal to and above 6,001 kWh	7.88
Summer Season - Energy Charge (per kWh)	0.11401
Winter Season - Energy Charge (per kWh)	0.11036
Transition Season - Energy Charge (per kWh)	0.10811
SRS Supplemental Residential	
Customer Charge (per delivery point per month)	
Between 0 – 500 kWh*	15.60
Between 501 – 2,000 kWh*	20.50
Between 2,001 – 4,000 kWh*	28.50
Between 4,001 – 6,000 kWh*	34.20
Equal to and above 6,001 kWh*	40.24
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 500 kWh	2.25
12 Month Average kWh between 501 – 2,000 kWh	5.07
12 Month Average kWh between 2,001 – 4,000 kWh	5.07
12 Month Average kWh between 4,001 – 6,000 kWh	5.63
12 Month Average kWh equal to and above 6,001 kWh	5.63
Summer Season - Energy Charge (per kWh)	0.11627
Winter Season - Energy Charge (per kWh)	0.11262
Transition Season - Energy Charge (per kWh)	0.11037
General Power Rate Schedules	
GSA1 (Small Commercial – 0-50 kW)	
Customer Charge (per delivery point per month)	
One Phase Meter, between 0 – 500 kWh*	29.39
One Phase Meter, equal to and above 501 kWh*	36.89
Three Phase Meter, between 0 – 500 kWh*	43.30
Three Phase Meter, equal to and above 501 kWh*	50.50
TVA Grid Access Charge (per delivery point per month)	
One Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.25
One Phase Meter, 12 Month Average kWh equal to and above 501 kWh	2.25
Three Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.25
Three Phase Meter, 12 Month Average kWh equal to and above 501 kWh	5.63
Demand Charge (per delivery point per month)	
0 – 50 kW	5.45
Summer Season - Energy Charge (per kWh)	0.11177
Winter Season - Energy Charge (per kWh)	0.10815
Transition Season - Energy Charge (per kWh)	0.10589

	U.S. Dollars
GSA 2 (Large Commercial - 51-1,000 kW)	
Customer Charge (per delivery point per month)	190.87
TVA Grid Access Charge (All kWh) (per delivery point per month)	14.08
Demand Capacity Charge	1.34
Summer Season	
Demand Charge (per delivery point per month)	
0 – 50 kW	5.45
51–1,000 kW	20.83
Energy Charge (per kWh)	
1st 15,000 kWh	0.11177
All Additional kWh	0.05887
Winter Season	
Demand Charge (per delivery point per month)	
0 – 50 kW	5.45
51 – 1,000 kW	19.79
Energy Charge (per kWh)	
1st 15,000 kWh	0.10815
All Additional kWh	0.05887
Transition Season	
Demand Charge (per delivery point per month)	
0–50 kW	5.45
51 – 1,000 kW	19.79
Energy Charge (per kWh)	
1st 15,000 kWh	0.10589
All Additional kWh	0.05887
GSA3 (Large Commercial – 1,001 – 5,000 kW)	
Customer Charge (per delivery point per month)	1,454.84
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 150,000 kWh	225.80
12 Month Average kWh equal to and above 150,001 kWh	636.87
Summer Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	21.40
1,001 - 5,000 kW	21.78
Energy Charge	
1st 150,000 kWh	0.06885
All Additional kWh	0.05983
Winter Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	20.34
1,001 - 5,000 kW	20.73
Energy Charge	
1st 150,000 kWh	0.06885
All Additional kWh	0.05983
Transition Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	20.34
1,001 - 5,000 kW	20.73

	U.S. Dollars
Energy Charge	
1st 150,000 kWh	0.06885
All Additional kWh	0.05983
LS - Outdoor Lighting	
Customer Charge (per delivery point per month)	2.50
Summer Season	
Energy Charge - All kWh	0.08809
Winter Season	
Energy Charge - All kWh	0.08445
Transition Season	
Energy Charge - All kWh	0.08217
EVC – Electric Vehicle Charging	
Customer Charge (per delivery point per month)	100.00
All Seasons	
Energy Charge - All kWh On Peak	0.23897
Energy Charge - All kWh Off Peak	0.23897
Time of Day Rate Classes	
TGSA1 (Demand 0-50kW)	
Customer Charge (per delivery point per month)	326.79
TVA Grid Access Charge (per delivery point per month)	
One Phase Meter, All kWh	2.25
Three Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.25
Three Phase Meter, 12 Month Average kWh equal to and above 501 kWh	5.63
Summer Season	
Demand Charge	
0 – 50 kW	5.45
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.12172
Off-peak kWh	0.10715
Winter Season	
Demand Charge	
0 – 50 kW	5.45
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.11345
Off-peak kWh	0.10681
Transition Season	
Demand Charge	
0 – 50 kW	5.45
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.10589
Off-peak kWh	0.10589
TGSA2 (Demand = 51-1,000 kW)	
Customer Charge (per delivery point per month)	326.79
TVA Grid Access Charge (per delivery point per month)	
All kWh	14.08
Demand Capacity Charge	1.34

	U.S. Dollars
Summer Season	
Demand Charge	
1st 50 kW	5.45
Over 50 kW	20.83
Energy Charge	
On Peak kWh	0.12425
Off-peak kWh	0.10968
Winter Season	
Demand Charge	
1st 50 kW	5.45
Over 50 kW	19.79
Energy Charge	
On Peak kWh	0.11598
Off-peak kWh	0.10933
Transition Season	
Demand Charge	
1st 50 kW	5.45
Over 50 kW	19.79
Energy Charge	
On Peak kWh	0.10843
Off-peak kWh	0.10843
TGSA3 (Demand = 1,001-5,000 kW)	
Customer Charge	934.50
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 150,000 kWh	225.80
12 Month Average kWh equal to and above 150,001 kWh	636.87
Summer Season	
Demand Charge	
1st 1,000 kW	21.40
Excess over 1,000	21.78
Energy Charge	
On Peak kWh	0.07767
Off-peak kWh	0.06309
Winter Season	
Demand Charge	
1st 1,000 kW	20.34
Excess over 1,000	20.73
Energy Charge	
On Peak kWh	0.07304
Off-peak kWh	0.06639
Transition Season	
Demand Charge	
1st 1,000 kW	20.34
Excess over 1,000	20.73
Energy Charge	
On Peak kWh	0.06772
Off-peak kWh	0.06772

Time Differentiated Hours Use of Demand (TDHUD) (Time of Use Service)	U.S. Dollars
TDHUD GSA (Demand = 1,001 - 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	12.04
Maximum Demand Charge	8.41
Energy Charge - On Peak	0.11357
Energy Charge - Off Peak First 200 hours	0.07671
Energy Charge - Off Peak Next 200 hours	0.03000
Energy Charge - Off Peak Additional kWh	0.02667
Winter Season	
On Peak kW	10.99
Maximum Demand Charge	8.41
Energy Charge - On Peak	0.09674
Energy Charge - Off Peak First 200 hours	0.07998
Energy Charge - Off Peak Next 200 hours	0.03000
Energy Charge - Off Peak Additional kWh	0.02667
Transition Season	
On Peak kW	10.99
Maximum Demand Charge	8.41
Energy Charge - On Peak	0.08130
Energy Charge - Off Peak First 200 hours	0.08130
Energy Charge - Off Peak Next 200 hours	0.03000
Energy Charge - Off Peak Additional kWh	0.02667
TDHUD GSB (Demand = 5,001 - 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.95
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.09344
Energy Charge - Off Peak First 200 hours	0.06603
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Winter Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.08095
Energy Charge - Off Peak First 200 hours	0.06848
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Transition Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.06568
Energy Charge - Off Peak First 200 hours	0.06568
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425

	U.S. Dollars
TDHUD GSC (Demand = 15,001 - 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.95
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.09344
Energy Charge - Off Peak First 200 hours	0.06603
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Winter Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.08095
Energy Charge - Off Peak First 200 hours	0.06848
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Transition Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.06568
Energy Charge - Off Peak First 200 hours	0.06568
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
TDHUD GSD (Demand = > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.95
Maximum Demand Charge	6.29
Energy Charge - On Peak	0.09344
Energy Charge - Off Peak First 200 hours	0.06603
Energy Charge - Off Peak Next 200 hours	0.02675
Energy Charge - Off Peak Additional kWh	0.02425
Winter Season	
On Peak kW	10.89
Maximum Demand Charge	6.29
Energy Charge - On Peak	0.08095
Energy Charge - Off Peak First 200 hours	0.06848
Energy Charge - Off Peak Next 200 hours	0.02675
Energy Charge - Off Peak Additional kWh	0.02425
Transition Season	
On Peak kW	10.89
Maximum Demand Charge	6.29
Energy Charge - On Peak	0.06568
Energy Charge - Off Peak First 200 hours	0.06568
Energy Charge - Off Peak Next 200 hours	0.02675
Energy Charge - Off Peak Additional kWh	0.02425

	U.S. Dollars
TDHUD MSA (Manufacturing) (Demand = 1,001 - 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.08342
Energy Charge - Off Peak First 200 hours	0.05685
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.07090
Energy Charge - Off Peak First 200 hours	0.05928
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.06026
Energy Charge - Off Peak First 200 hours	0.06026
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
TDHUD MSB (Manufacturing) (Demand = 5,001 - 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08376
Energy Charge - Off Peak First 200 hours	0.05776
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07165
Energy Charge - Off Peak First 200 hours	0.06022
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.06117
Energy Charge - Off Peak First 200 hours	0.06117
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303

	U.S. Dollars
TDHUD MSC (Demand = 15,001 - 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08403
Energy Charge - Off Peak First 200 hours	0.05652
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07148
Energy Charge - Off Peak First 200 hours	0.05897
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.05993
Energy Charge - Off Peak First 200 hours	0.05993
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
TDHUD MSD (Demand = > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	3.04
Energy Charge - On Peak	0.08153
Energy Charge - Off Peak First 200 hours	0.05403
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	3.04
Energy Charge - On Peak	0.06897
Energy Charge - Off Peak First 200 hours	0.05646
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	3.04
Energy Charge - On Peak	0.05742
Energy Charge - Off Peak First 200 hours	0.05742
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
DCA (Data Center) (Demand = 1,000 – 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.08342

Energy Charge - Off Peak First 200 hours	0.05685
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.07090
Energy Charge - Off Peak First 200 hours	0.05928
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.06026
Energy Charge - Off Peak First 200 hours	0.06026
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
DCB (Data Center) (Demand 5,000= > 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08376
Energy Charge - Off Peak First 200 hours	0.05776
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07165
Energy Charge - Off Peak First 200 hours	0.06022
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.06117
Energy Charge - Off Peak First 200 hours	0.06117
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
DCC (Data Center) (Demand 15,000= > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08403
Energy Charge - Off Peak First 200 hours	0.05652
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07148
Energy Charge - Off Peak First 200 hours	0.05897
Energy Charge - Off Peak Next 200 hours	0.02666

Energy Charge - Off Peak Additional kWh	0.02666
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.05993
Energy Charge - Off Peak First 200 hours	0.05993
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
DCD (Data Center) (Demand >25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08153
Energy Charge - Off Peak First 200 hours	0.05403
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.06897
Energy Charge - Off Peak First 200 hours	0.05646
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.05742
Energy Charge - Off Peak First 200 hours	0.05742
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415

*These customer charges are based on the highest monthly kWh usage during the latest 12-month period.

The Board assigns retail rates and charges for customers with special load requirements including interruptible and time of day rates. The Board also establishes and collects additional charges for service connections, reconnections, and other services.

Transmission Lines and Substations

The current Electric System is connected to the TVA system at 27 interchange points with a total infeed capacity of 6,202,800 kilovolt amperes. This capacity consists of:

(a) seven bulk 161 kilovolt substations totaling 3,657,600 kilovolt amperes which step the voltage down to the 69 kilovolt level, the 23.9 kilovolt and the 13.8 kilovolt levels;

(b) three industrial customer 161 kilovolt substations totaling 126,000 kilovolt amperes;

(c) two 69 kilovolt hydroelectric plants totaling 156,000 kilowatt amperes; and

(d) seventeen 161-kilovolt-distribution substations totaling 2,329,600 kilovolt amperes, which step the voltage down to 23.9 kilovolt and 13.8 kilovolt levels.

Transmission from the interchange points with TVA into the Electric System consists of approximately 41 pole miles of 161 kilovolt lines and a network of approximately 267 circuit miles of 69 kilovolt lines feeding 40 substations. These substations step the voltage down either to (1) 23.9 kilovolts or 13.8 kilovolts for utilization on distribution circuits or (2) various other voltage levels for industrial customer applications.

Electric Distribution System

Approximately 300 distribution circuits operating at 23.9 kilovolts and 13.8 kilovolts originate at the distribution substation busses and are routed throughout Davidson County and into six surrounding counties to feed the Board's customers.

The concentrated downtown Nashville area is served by an underground network system. Outside the downtown area, new distribution lines are installed both underground and overhead with a preference for underground where they are physically and economically feasible. The distribution infrastructure serves as routes for competitive communication providers who license the electric infrastructure for their use.

Engineering, Construction and Maintenance

Most transmission, substation and distribution engineering is done by NES personnel. Five engineering sections combine efforts to prepare plans that will provide service to new customers, maintain adequate service to existing customers, and prepare long-range plans to accommodate electric loads for customers of the future.

Generally, NES employees perform most of the construction and maintenance work required. NES supplements its work force with contractors when needed for certain construction and maintenance work and storm restoration. For maintenance and repair of equipment and for making special apparatus of various kinds, the Board has shops, laboratory equipment, test apparatus, and instruments. Two-way radio systems and cellular units provide communications with mobile units to enhance the safety of the crews working on the System.

Smart Grid

NES has implemented Advanced Metering Infrastructure, or AMI, and a smart grid on the NES distribution system. NES provides voltage and demand reductions when requested by TVA during summer and winter periods using the smart grid infrastructure. NES estimates annual savings in purchased power costs in the range of $2.5 to $3.0 million. Savings in any year are dependent upon a number of factors, including degree days, weather and other factors.

AMI meters are used at over 415,000 points throughout the NES service territory. Below are a few long-term benefits of the AMI infrastructure:

- AMI technology enables meters to be read remotely.
- AMI provides useful information about the distribution network including automated notification of power outages and usage.
- Two-way communication with the electric grid improves service and power reliability.
- Ability to provide customers information on energy usage and patterns in order to better manage consumption.
- Fewer company vehicles are needed, reducing pollution, energy consumption, and traffic.

Prospective Financial Information

NES does not, as a matter of course, make public projections as to future sales, earnings, or other results. However, the management of NES has prepared the prospective financial information set forth below to present anticipated system growth and its capital improvement plan. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of NES management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of NES. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Offering Memorandum are cautioned not to place undue reliance on the prospective financial information.

Neither NES's independent auditor, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

System Growth

From the fiscal years 2017 to 2026, the annual average customer growth rate was 2.11%, with total average customers increasing from 400,000 in 2017 to 479,000 in 2026. Yearly sales increased from 11.8 kilowatt-hours in fiscal year 2017 to 12.3 billion kilowatt-hours in fiscal year 2026. This represents a 0.5% annual average increase in kilowatt-hour sales during the period. Sales and customer growth have been impacted in the last ten (10) years by economic growth, weather, and increased use of energy efficient construction and equipment by NES customers.

NES prepares an annual forecast of both summer and winter MW peak demand as well as annual megawatt-hours of energy consumption. By 2037, NES system studies have forecasted an 18.3% growth

in MW peak demand. NES anticipates that continued economic growth and change in weather patterns as evidenced by more degree days will be the primary drivers of the forecasted growth in peak demand.

Year	Forecasted Peak Demand (MW)
2025	2,834*
2026	2,802
2027	2,848
2032	3,093
2037	3,354

*Actual System Peak.

Capital Improvement Plan

Capital expenditures are budgeted and expected to be approximately in the amounts listed below for the respective fiscal years. The planned allocation to projects is also provided in the table below. The Board believes that these estimated construction costs contain sufficient allowances for inflation, cost escalation and other possible increases. However, for a number of reasons, including unforeseen inflation, compliance with governmental procedures and regulations and changes in the Board's plan, actual costs may vary from the construction program estimates.

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NES Capital Improvement Plan
(000's omitted)

Fiscal Year	NES Business Capital Requirements	Technology Strategy Capital Requirements	East Bank	Total Capital Requirements
2027	$191,100	$0	$3,900	$195,000
2028	183,400	0	2,000	185,400
2029	195,400	42,000	0	237,400
2030	204,400	42,000	0	246,400
2031	213,700	0	0	213,700

Source: Nashville Electric Service

The Technology Strategy implementation is currently planned to begin in fiscal year 2028 and will replace the work and asset management and financial components of the enterprise resource management system. The values included above are preliminary estimates.

The East Bank project is a development consisting of 338 acres of underutilized land directly across the river from Downtown Nashville. The development includes the new stadium for the Tennessee Titans. NES' planned capital expenditures of $5.9 million stem from underground cable installations.

NES has historically funded approximately 50 percent of its capital needs through bond proceeds but plans to reduce this to 45 percent to [strengthen the debt position]. NES plans to utilize cash on hand, however, to fund capital requirements for the Technology Strategy. Management plans to repair, replace and restore capital assets according to the approved capital budget funding within plus or minus 5.0 percent. However, due to unforeseen circumstances, expenditures may arise that exceed forecasted funding levels. If this occurs, Management would request Board approval of any additional funding required to meet the needs of the Electric System.

Insurance

The Board is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. As an agency of the Metropolitan Government, the Board is a governmental entity and is covered under the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated Sections 29-20-101, et seq. Tennessee Code Annotated Section 29-20-403 provides for minimum limits of not less than $300,000 for bodily injury or death of any one person in any one accident, occurrence or act, $700,000 for bodily injury or death of all persons in any one accident, occurrence or act and $100,000 for injury to or destruction of property of others in any one accident. The Board is immune from any award of judgment for death, bodily injury, and/or property damage in excess of the limits described above. Therefore, the Board has not secured insurance coverage in excess of those limits.

The Board has secured property insurance for coverage of all property losses, effective November 1, 2025. The property insurance program is placed with Starr Technical Risks, AEGIS Insurance Services, Inc., and Allianz. The insurance companies participate on a quota share basis with Starr Technical

providing 60% of the capacity, AEGIS providing 25%, and Allianz 15%. The limit of liability per insurance company is $150,000,000 and some of the key sub-limits are as follows:

General plant, contents, substations, and construction in progress:	$150,000,000
Includes flood per occurrence and in the annual aggregate, except;	
Locations in Flood Zone A or V	$5,000,000
Earth Movement per occurrence and in the annual aggregate	$50,000,000
Miscellaneous Unnamed Locations	$1,000,000
Newly Acquired Property (90 days reporting)	$5,000,000
Boiler and Machinery	$150,000,000

The Board provides health benefits to its employees through a self-insured plan with no lifetime claim limit for essential health benefits and a $2,000,000 lifetime claim limit for non-essential health benefits per insured. The Board has secured a stop-loss reinsurance policy for individual medical claims over $450,000.

FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

The electric utility industry has been and will continue to be affected by a number of factors that will have an impact on the business, operations and financial conditions of both public and private electric utilities, including the Board. These include deregulation, compliance with North American Electric Reliability Corporation's ("NERC") electric reliability standards and Smart Grid initiatives.

In the past, one of these factors was the efforts at both the national and local levels to restructure the electric utility industry from a heavily regulated monopoly to an industry in which there is more (or open) competition for power supply service at both the wholesale and retail level. Historically, electric utilities have operated as monopolies within their service territories, subject to certain exceptions. Under this arrangement, utilities have generally been able to charge rates primarily determined by their costs of service, rather than by competitive forces. There has been little activity regarding deregulation in recent years due to the perception of rapid escalation of electric rates in areas that have been deregulated. There can be no assurance that this arrangement will continue for the Board, and the Board is already subject to certain competitive forces and other factors as described below.

Competitive Environment in Tennessee

In the late 1990s and early 2000s, various regulatory and legislative bodies in Tennessee considered a wide range of issues associated with the advisability of retail competition in the electric utility industry. None of these groups recommended that Tennessee actively pursue full retail competition at that time, and there are no currently pending state legislative or regulatory initiatives to provide for retail competition in Tennessee at this time.

Transmission Access to Wholesale Power

The Board's ability to access the wholesale power markets is limited, and TVA currently enjoys substantial insulation from wholesale competition. TVA operates under the TVA Act. Under the TVA Act, subject to certain minor exceptions, TVA may not currently enter into contracts that would have the effect of making it or the Board and other distributors a source of TVA power supply outside a statutorily-specified area. However, under a special provision of the Energy Policy Act of 1992 (the "anti-cherry-picking provision"), TVA is not required to provide its competitors with access to its transmission system to transmit power for consumption within the area that TVA or the Board and other distributors of TVA's

power may serve. Thus, while TVA may not sell power outside its current service area, except for certain pre-existing arrangements, its competitors are not allowed to obtain transmission service from TVA to sell power within TVA's service areas under present law. Pending and future legislative and regulatory actions could impact the Board's ability to access the wholesale market, and modification of TVA's historically protected service area could adversely affect TVA's financial and operating condition.

Federal Energy Policy Act of 2005

The Energy Policy Act of 2005 authorizes the Federal Energy Regulatory Commission ("FERC") to require "unregulated transmitting utilities" to provide open access to their transmission systems on comparable terms and conditions as those "unregulated transmitting utilities" provide transmission service to themselves. While the Board meets the minimum kilowatt-hour sales threshold to be an "unregulated transmission utility" under Section 201(f) of the Federal Power Act, it is unclear the extent to which, if any, the Board's facilities would be considered subject to these requirements. The Board is unable to predict at this time the impact of these requirements on the Board's operations and finances.

The Energy Policy Act of 2005 provides certain "load serving entities" holding firm transmission rights the ability to continue to use those rights to serve their customers, and one provision of the Energy Policy Act of 2005 purports to provide these rights to wholesale customers of TVA like the Board. It is currently unclear whether these or other provisions of the Energy Policy Act of 2005 will fundamentally change the Board's power supply arrangements with TVA or the Board's ability to access the wholesale generation markets at a future point in time.

The Energy Policy Act of 2005 also subjected electric utilities like the Board to certain amendments to the Public Utility Regulatory Policies Act of 1978 ("PURPA"). The purposes of PURPA in 1978 were, and continue to be, to help the nation facilitate the conservation of energy, optimize efficiency, and provide for the establishment of equitable rates. As originally enacted, PURPA required certain utilities to consider and, if appropriate, adopt certain service practice and rate standards. As amended, PURPA now requires consideration of five new standards: (i) Net Metering; (ii) Fuel Source Diversity; (iii) Fossil Fuel Generation Efficiency; (iv) Smart Metering (time-based metering and communications); and (v) Interconnection Standards for Independent Power Producers. Under the revised PURPA standards, the TVA Board is the Board's regulatory authority for purposes of PURPA. The potential financial implications for some of the standards are currently unknown.

NERC Electric Reliability Standards Compliance

With the passage of the Energy Policy Act of 2005 ("EPAct") Congress authorized FERC to establish an Electric Reliability Organization ("ERO") to protect the reliability of the bulk electric power system in the United States. The North American Electric Reliability Corporation ("NERC") was certified by FERC as the ERO. Owners, operators, and users of the bulk power system are required to be registered with NERC and the appropriate Regional Entities, or in NES's case, the Southeastern Electric Reliability Corporation ("SERC"). NERC intends to comprehensively and thoroughly protect the reliability of the U.S. power grid. To support this goal, NERC will include in its compliance registry each entity that NERC concludes can materially impact the reliability of the bulk power system. Based on NERC's "functional model", NES has registered with SERC/NERC as a "Distribution Provider" (DP), "Transmission Owner" (TO), and "Transmission Planner" (TP). NES also meets the requirements to register as a "Transmission Operator" (TOP); however, NES has executed an agreement with TVA that delegates the TOP function to TVA.

NES has developed "Policies, Guidelines, & Procedures (PGP's) documents for all applicable NERC Reliability Standards and their associated requirements. In order to ensure compliance with each

of these requirements, NES fosters a "culture of compliance" and has established an organizational structure to provide employees with annual reliability compliance training and to document all related testing and maintenance activities related to NES' electric facilities that can materially impact the bulk electric system.

TVA and General Industry Risk Factors

Because the Board purchases all of its power from TVA, any risk factors affecting or potentially affecting the business operations of TVA may also affect the Board. TVA may mitigate some of these risks by increasing the rates it charges for its power. As a federal governmental instrumentality, TVA's operations may also be affected as federal administrations change. A discussion of the risk factors affecting TVA's operations can be found in "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in TVA's Annual Report. TVA's Annual Report is available to the public from the SEC's website at www.sec.gov and from the TVA's website at www.tva.gov.

In addition to risks discussed above, the electric utility industry in general has been, or in the future may be, affected by a number of other factors which could impact the financial condition of the Board. Such factors include, among others, the following: (i) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative other than those described elsewhere in this Offering Memorandum; (ii) changes resulting from conservation and load management programs on the timing and use of electric energy; (iii) changes in national, regional or state energy policy; (iv) competition from other utilities, independent power producers, marketers and brokers; (v) competition with customer-owned generation, such as "self-generation" or "distributed generation," which might include microturbines, fuel cells, and other generation resources; (vi) shifts in the availability and relative costs of different fuels, whether such fuels are competitive alternatives to electricity or are used in the generation of electricity; (vii) other federal, state or local legislative or regulatory changes; (viii) loss of large municipal, industrial or commercial customers; and (ix) changes in the economy. Any of these factors (as well as other factors) could have an adverse effect on the financial condition of any electric utility and will likely affect individual utilities in different ways.

The Board is unable to predict what impact any of the foregoing factors will have on its operations and financial conditions, but the impact could be significant. This Offering Memorandum includes a brief discussion of certain of these factors. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date of this Offering Memorandum. Extensive information on the electric utility industry is available in the public domain, and potential purchasers of the Commercial Paper Notes should obtain and review such information.

ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION

Pension Plans and Other Post-Employment Benefits

The information relating to the Nashville Electric Service Retirement Annuity and Survivors' Benefit Plan (the "DB Plan"), the Defined Contribution Retirement Plan (the "DC Plan") and other post-employment benefits ("OPEB Plan") (together, the "Plans") contained herein relies on information produced by the Plans and their independent actuaries. The actuarial assessments are forward-looking information that reflect the judgment of the fiduciaries of the Plans. Actuarial assessments are based upon a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future.

Defined Benefit Pension Plan

The DB Plan is a single employer defined benefit pension plan administered by the Board. The DB Plan provides retirement and survivors' benefits to participants and beneficiaries. The authority to establish and maintain the DB Plan is assigned to the Board by the Charter of the Metropolitan Government.

All full-time regular employees hired before July 1, 2012 were eligible to participate in the DB Plan. Employees hired on or after July 1, 2012 are eligible to participate in the NES Defined Contribution Plan ("DC Plan"). As of April 1, 2026, there were a total of 1,497 vested participants, including 983 currently receiving benefits, and 113 terminated participants entitled to receive benefits in the future. Participants who retire at or after age 65 are entitled to annual retirement benefits payable monthly for life in an amount equal to two percent of final average compensation multiplied by years of participation in the DB Plan up to 35 years. A participant is eligible for early retirement at age 52½ with 15 years of credited service or at age 50 with 30 years of credited service. The amount of the benefit that would otherwise be payable at age 65 is reduced according to a formula specified in the DB Plan. However, if a participant has attained age 52½, and the participant's age plus service totals 80 or greater, there is no reduction for payment of the participant's benefit before age 65. A survivor benefit is paid to the spouse of a participant who dies while employed equal to 35 percent of the participant's final average compensation for life, and monthly survivor benefits are paid for certain surviving children until their 23rd birthday.

The Board establishes and may amend the contribution requirements for the DB Plan. All contributions to the DB Plan are made by the Board; participants are not required or permitted to contribute to the DB Plan (although participant contributions have been required for participation in the past). The Board's general practice is to fund at least the minimum required contribution as determined by USI Consulting Group the DB Plan's independent actuary (the "Plan's Actuary").

Source: The Plan's Actuary.

The Board's contributions for plan years ended March 31, 2022 through 2026, respectively, are as follows:

Plan Year Ended March 31	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed	Percent of Annual Covered Payroll
2022	$31,886,367	$31,900,000	100.0%	50.0%
2023	$31,589,376	$31,600,000	100.0%	51.3%
2024	$34,229,916	$34,250,000	100.0%	54.5%
2025	$32,698,650	$32,700,000	100.0%	54.1%
2026	$33,872,253	$38,203,000	112.8%	61.7%

Sources: Actuarial Valuation and Reports for the DB Plan prepared by the Plan's Actuary for applicable plan years (the "Pension Actuarial Valuations") and the Board's Financial Statements for applicable years (the "Financial Statements").

The annual pension expense for the years ended June 30, 2022, 2023, 2024, 2025, and 2026 were $37.1 million, $45.3 million, $36.8 million, $69.6 million, and $20.4 million, respectively. Fluctuations for the periods were related primarily to the difference between actual investment income and actuarially determined investment income.

Sources: The Pension Actuarial Valuations and the Financial Statements.

The minimum required employer contribution and the estimated liability of the DB Plan to pay future benefits are determined by the Plan's Actuary on an annual basis in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68 ("GASB 68"). The Plan's Actuary uses demographic and other data (such as employee age, salary and service credits) and various assumptions (such as estimated salary increases, interest rates, employee turnover and mortality) to determine the amount that the Board should contribute in a given year in order for the DB Plan to accumulate sufficient funds to pay benefits when due. The Plan's Actuary then produces Pension Actuarial Valuations, which contain the actuary's report on the DB Plan's assets, liabilities and required contribution for the following year.

The annual required contribution was determined using the entry age method/ which evaluates the contribution needed an individual participant basis. The significant actuarial assumptions used by the Plan's Actuary in compiling the annual Pension Actuarial Valuations are based on study results conducted every five years (most recently in 2025) and on industry assumptions. Significant assumptions include (a) a 7.25 percent investment rate of return for plan years beginning April 1, 2023, and 7.5 percent investment returns for plan years 2022 and prior and (b) projected annual salary increases ranging from 4.14 to 8.14 percent and (c) mortality assumptions based on 102.0 percent of the Pub. G-2010 Mortality Table with adjustments for future mortality improvements utilizing scale MP-2021 projected generationally from the base year 2010. The assumptions also include an annual cost-of-living post-retirement benefit increase of two and a half percent per year for plan years beginning April 1, 2025, and an annual cost-of-living post-retirement benefit increase of two percent per year for plan years 2024 and prior. The effect of short-term volatility in the market value of investments is recognized in the net annual pension expense by amortizing the effects of differences between the "expected value" of assets on each valuation date (April 1) and actual results over a 5-year period.

The actuarial accrued liability ("AAL"), as determined by the Plan's Actuary, is an estimate of the present value of all future benefits that are based upon employment service performed up to the valuation date and that are expected to be paid from the Plan to current and retired employees. The AAL is based on

the valuation methodology and actuarial assumptions that are being used. Any difference between the AAL and the actuarial value of assets is called the "Unfunded Actuarial Accrued Liability" or "UAAL." The Plan's Actuary also calculates the "Funded Ratio," which is the result obtained by dividing the actuarial value of plan assets by the AAL. The "asset smoothing" method described above is an accepted practice under GASB 68. It reduces large fluctuations in the actuarial value of assets and the UAAL that would otherwise occur as a result of market volatility.

Benefits for certain retirees who terminated before July 1, 1996 are being paid by John Hancock Insurance Company under a non-participating annuity contract. In addition, a portion of the benefits of retirees attributable to participant contributions to the DB Plan during the time period when such contributions were permitted are and will be paid by John Hancock. Because John Hancock is guaranteeing the payment of these benefits, neither the assets held by John Hancock for payment nor the liability of the DB Plan for these benefits is reflected in the Actuarial Valuations. The present value of these benefits guaranteed by John Hancock is estimated to be less than $9.3 million, as April 1, 2026. Should the Board ever be required to pay for or fund any of these benefits from the DB Plan for these benefits guaranteed by John Hancock, future contributions and the UAAL could be significantly increased.

Effective April 1, 2015, the actuarial valuation method for the DB Plan was changed to the current method. This change was made in accordance with GASB 68 and state law. It set a 25-year period, commencing on April 1, 2015, for amortization of the DB Plan's UAAL.

The Board's contributions are held in trust. Studies and recommendations involving investment allocations are currently provided by SEI Investments Management Corp. ("SEI"). The recommendations from SEI are presented to an investment committee of the Board consisting of two management members and two non-management members. Recommendations from this committee must be approved by the Board to be implemented. Since the obligations of the DB Plan are long-term in nature, the investment policy is aimed toward performance and return over a number of years. The management of the DB Plan fund is governed by the Statement of Investment Objectives and Guidelines of the Investment Committee, most recently revised January 23, 2008.

The Actuarial Valuation assumes an investment rate of return equal to 7.25 percent. Due to the volatility of the investment marketplace, however, the actual rate of return on the assets of the DB Plan will be higher or lower than the assumed rate. If the actual market performance should be less than the assumed rate of 7.25 percent, the liabilities of the DB Plan will be greater than shown in the actuarial valuation, the UAAL will be greater, and the future contributions will have to be increased to enable the DB Plan to pay benefits. The following table shows the actual rate of return on the DB Plan's assets for the past 10 years**.**

Investment Rate of Return

Plan Year Ended March 31	Rate of Return
2017	12.1%
2018	11.0%
2019	4.2%
2020	-5.9%
2021	40.5%
2022	4.0%
2023	-6.5%
2024	16.1%
2025	7.6%
2026	15.1%
Last 3-Year Average Return Per Annum	12.93%
Last 5-Year Average Return Per Annum	7.26%
Last 10-Year Average Return Per Annum	9.82%

Source: The Plan's Actuary.

In compiling the annual Pension Actuarial Valuation, as noted above, the Plan's Actuary determines the actuarial value of plan assets under an asset smoothing method. The result is that the actuarial value of assets is different from the market value and does not reflect the true value of DB Plan assets at the time of measurement. As a result, use of the asset smoothing method can be expected to provide a more or less favorable presentation of the DB Plan's current financial condition than would a method based solely on market value. The tables below show the differences in certain factors in the Pension Actuarial Valuation for the past 5 years by comparing the use of market value versus actuarial value for DB Plan assets. The AAL figures are the same in both tables.

Historical Funding Progress
Actuarial Value
($000 omitted)

Actuarial Valuation Date April 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Actuarial Asset Value	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$591,622	$781,992	$190,370	75.7%	$61,592	309.1%
2023	$606,847	$823,810	$216,963	73.7%	$62,837	345.3%
2024	$632,604	$830,867	$198,263	76.1%	$60,487	327.8%
2025	$672,207	$862,558	$190,351	77.9%	$61,942	307.3%
2026	$687,978	$898,633	$210,655	76.6%	$58,404	360.7%

Sources: The Pension Actuarial Valuations and the Financial Statements.

Historical Funding Progress
Market Value
($000 omitted)

Actuarial Valuation Date April 1	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Market Asset Value	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$632,195	$781,992	$149,797	80.8%	$61,592	243.2%
2023	$570,270	$823,810	$253,540	69.2%	$62,837	403.5%
2024	$640,405	$830,867	$190,462	77.1%	$60,487	314.9%
2025	$664,284	$862,558	$198,274	77.0%	$61,942	320.1%
2026	$732,474	$898,633	$166,159	81.5%	$58,404	284.5%

Source: The Plan's Actuary.

The tables above also illustrate the changes in the UAAL and the Funded Ratio during the periods indicated. The Funded Ratio and the UAAL are useful in measuring the financial health of the DB Plan. An increasing UAAL or a decreasing Funded Ratio from year to year generally signals a deterioration in the financial health of the DB Plan because it indicates an increasing gap between the liabilities of the DB Plan for future benefit payments and the value of assets available in the DB Plan to pay those liabilities as they become due. Conversely, a decreasing UAAL or an increasing Funded Ratio generally indicates an improvement in the financial health of the DB Plan because such a change reflects a closing of the above-mentioned gap.

Under current Tennessee law, as interpreted by the Tennessee Supreme Court, a governmental employer such as the Board is generally not permitted to change the terms of a pension plan to reduce an accrued benefit, or the right to accrue future benefits, of any participant who is eligible to receive benefits under the plan (i.e., any vested participant) unless that participant consents to the decrease or reduction in benefits. However, a pension plan can be amended so as to exclude new employees. In that manner, the risk of future increases in the UAAL, whether anticipated or not, resulting from the entry of new participants can be eliminated.

The Public Employee Defined Benefit Financial Security Act of 2014 (the "2014 Act") was signed into law by the Governor of the State on May 22, 2014. The 2014 Act, as amended, requires, among other things, each political subdivision which provides defined benefit plans not administered by the Tennessee Consolidated Retirement System to (a) adopt a resolution delineating a funding policy for fiscal years beginning after June 15, 2015; (b) begin funding any unfunded accrued liability via the level dollar amortization method no later than the plan fiscal year commencing on or before June 15, 2020; (c) annually make a payment to the pension plan of no less than 100 percent of the actuarially determined annual required contribution that incorporates both the normal cost of benefits and the amortization of the pension plan's unfunded accrued liability (the "ADC"), provided however, the affected political subdivision may make a payment of more than 100 percent of the ADC. Any underpayment must be made up in the next fiscal year as an addition to the subsequent year's ADC. If the political subdivision fails to fund the ADC, the 2014 Act permits the State Commissioner of Finance and Administration, at the direction of the Comptroller of the Treasury, to withhold such amount or part of such amount from any state-shared taxes that are otherwise apportioned to such political subdivision. The money withheld from state-shared taxes will be paid to the political subdivision's pension plan.

The 2014 Act further provides that (a) for all affected employees of the political subdivision hired on or after the effective date of the 2014 Act, the political subdivision may freeze, suspend or modify benefits, employee contributions and plan terms and design on a prospective basis (except as to those employees employed prior to the effective date of the 2014 Act where applicable law provides otherwise); and (b) for any pension plan that is funded below 60 percent, the affected political subdivision may not establish benefit enhancements unless approved by the State Treasurer.

The Board implemented changes in funding calculations to comply with the minimum requirements beginning in fiscal year 2016 and has complied with such requirements since that time.

Defined Contribution Retirement Plan

Effective July 1, 2012, the Board established a Defined Contribution Retirement Plan (the "DC Plan") for all new employees. The DC Plan is intended to be a defined contribution money purchase pension plan. Its purpose is to provide retirement benefits to eligible employees who were hired after July 1, 2012. Participants who were not vested in the DB Plan as of July 1, 2012 were able to choose whether to continue to participate in the DB Plan or to participate in the new DC Plan.

All contributions to the DC Plan are made by the Board; participants are not required or permitted to contribute to the DC Plan. The Board makes contributions to the DC Plan based on the normal cost for the DB Plan under the current actuarial cost method. However, investment risk is shifted from the Board to the participants in the DC plan preventing any underfunding exposure to the Board with respect to future employees. As of April 1, 2026, the contribution quotient for the DC Plan is 17.46 percent of covered payroll. The investments of the DC plan are held in a Trust managed by the Board. During FY26, the DC Plan transitioned its investment lineup from a selection of individual mutual funds to a target date fund structure. Previously the investment in mutual funds resulted in all participants having the same allocation regardless of their age or years to retirement exposing older employees to too much risk and younger employees to too little risk.

Members of the DC Plan are also eligible to participate in the OPEB Plan discussed below.

Other Post-Employment Benefits

The Board also provides post-employment medical, dental and life insurance benefits to eligible retirees (the "OPEB Plan"). Medical and dental benefits are also provided to their spouses. Retirees are eligible for these post-retirement benefits once the sum of their age at retirement and service reaches 70 with a minimum of 5 years of service. As of April 1, 2026, approximately 743 retirees and 216 beneficiaries met those eligibility requirements. Retirees eligible for Medicare who reach age 65 after January 1, 2006 are required to enroll in Medicare as primary insurance but will be covered under the OPEB Plan for secondary coverage. Retirees are required to pay a share of the group medical rate for coverage under the OPEB Plan. The OPEB Plan was funded on a pay-as-you-go basis prior to June 30, 2008. Effective with the year ending June 30, 2008, the Board also established a trust fund to hold its contributions to the OPEB Plan.

The independent actuarial firm of USI Consulting Group, which produces the Actuarial Valuations for the DB Plan, also determines the required contribution for the OPEB Plan based on an annual valuation (the "OPEB Actuarial Valuations"). The actuarial method used is the entry age normal method. Under this method, the actuarial present value of the projected benefits of each individual employee is allocated on a level basis over the service of that individual between hire date and assumed retirement date. This is an individual, and not aggregate, actuarial method. The actuarial assumptions include (a) a 7.5 percent investment rate of return, (b) annual increase in healthcare costs determined using the Getzen model and a

5.16 percent to 4.04 percent trend, and (c) mortality assumptions based on 102.0 percent of the Pub. G-2010 Mortality Table with adjustments for future mortality improvements utilizing scale MP-2021 projected generationally from the base year 2010. The actuarial value of OPEB Plan assets is determined by a technique of asset smoothing analogous to the method described above that is used for the DB Plan.

OPEB Actuarial Valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions about future employment, mortality and the healthcare cost trend are based upon studies conducted every five years (most recently in 2025) and industry assumptions. One or more of these actuarial assumptions may prove to be inaccurate or be changed in the future. If the assumption for healthcare cost trends should prove to be less than the actual increases over time for covered medical expenses under the OPEB Plan, and if this increase is not offset through a corresponding increase in the retiree's cost-sharing obligation, the OPEB Plan's unfunded actuarial accrued liability ("UAAL") will be greater than stated in the current financial statements and unanticipated increases in the required contribution would be required in future years.

The Actuarial Valuation assumes an investment rate of return equal to 7.5 percent. Due to the volatility of the investment marketplace, however, the actual rate of return on the assets of the OPEB Plan will be higher or lower than the assumed rate. If the actual market performance should be less than the assumed rate of 7.5 percent, the liabilities of the OPEB Plan will be greater than shown in the actuarial valuation, the UAAL will be greater, and the future contributions will have to be increased to enable the OPEB Plan to pay benefits. The following table shows the actual rate of return on the OPEB Plan's assets for the past 10 years**.**

Investment Rate of Return

Plan Year Ended March 31	Rate of Return
2017	12.9%
2018	11.2%
2019	4.5%
2020	-6.6%
2021	41.6%
2022	3.8%
2023	-6.0%
2024	16.5%
2025	7.7%
2026	15.1%
Last 3-Year Average Return Per Annum	13.1%
Last 5-Year Average Return Per Annum	7.4%
Last 10-Year Average Return Per Annum	10.1%

Source: The OPEB Actuarial Valuation as of April 1, 2026.

The Board's contributions for the past five years are as follows:

Plan Year Ended March 31	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
2022	$22,232,930	$22,300,000	100.0%
2023	$23,020,968	$23,100,000	100.0%
2024	$23,019,059	$23,100,000	100.0%
2025	$23,343,315	$23,400,000	100.0%
2026	$21,649,793	$21,700,000	100.0%

Sources: The OPEB Actuarial Valuations.

The annual OPEB expense for the years ended June 30, 2022, 2023, 2024, 2025, and 2026 were $17.0 million, $13.4 million, $4.6 million, $(3.7) million, and $(8.4) million, respectively.

In compiling the annual OPEB Actuarial Valuations, the Plan's Actuary determines the actuarial value of plan assets under an asset smoothing method as noted above. As is the case with the DB Plan, use of this asset smoothing method might provide a more favorable or less favorable presentation of the Plan's current financial condition than would a method based solely on market value.

The tables below show the difference in certain factors in the OPEB Actuarial Valuations for the past 5 years by comparing the use of market value versus actuarial value for OPEB Plan assets.

Historical Funding Progress
Actuarial Value
($000 omitted)

Actuarial Valuation Date April 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Actuarial Asset Values	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$191,054	$345,715	$154,662	55.3%	$97,761	158.2%
2023	$208,217	$342,558	$134,342	60.8%	$103,368	130.0%
2024	$233,217	$348,998	$115,781	66.8%	$109,346	105.9%
2025	$259,037	$340,046	$81,009	76.2%	$115,051	70.4%
2026	$289,676	$339,651	$49,975	85.3%	$118,526	42.2%

Source: The OPEB Actuarial Valuations.

Historical Funding Progress
Market Value
($000 omitted)

Actuarial Valuation Date April 1	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Market Asset Values	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$200,801	$345,715	$144,914	58.1%	$97,761	148.2%
2023	$197,021	$342,558	$145,537	57.5%	$103,368	140.8%
2024	$237,128	$348,998	$111,870	67.9%	$109,346	102.3%
2025	$262,231	$340,046	$77,816	77.1%	$115,051	67.6%
2026	$305,342	$339,651	$34,309	89.9%	$118,526	28.9%

Source: The Plan's Actuary.

The tables above also illustrate the changes in the UAAL and the Funded Ratio during the periods indicated. The Funded Ratio and the UAAL are useful in measuring the financial health of the OPEB Plan. An increasing UAAL or a decreasing Funded Ratio from year to year generally signals a deterioration in the financial health of the OPEB Plan because it indicates an increasing gap between the liabilities of the DB Plan for future benefit payments and the value of assets available in the DB Plan to pay those liabilities as they become due. Conversely, a decreasing UAAL or an increasing Funded Ratio generally indicates an improvement in the financial health of the OPEB Plan because such a change reflects a closing of the above-mentioned gap.

Miscellaneous Revenues

The Board derives revenues from a variety of sources other than the Electric System, including charges to local telephone and cable television companies for pole attachments. The aggregate revenue from all of these activities was approximately $25,324,000 for the fiscal year ended June 30, 2026.

Payments-in-Lieu-of-Taxes

The Board is one of the largest payers of taxes or in-lieu-of-taxes in the Metropolitan Government. The terms and conditions of the Power Contract provide, in part, that the Board may use its revenues to pay taxes or in-lieu-of-taxes to the Metropolitan Government and to other jurisdictions in which it has property and customers. The State of Tennessee has enacted into law specific statutes for the calculation and process for payment of an amount in-lieu-of-taxes for municipal electric systems. In 1987, the Tennessee General Assembly passed, and the Tennessee Governor signed into law the Municipal Electric System Tax Equivalent Law of 1987 (the "Tax Equivalent Law of 1987"). The Tax Equivalent Law of 1987 governs the timing, calculation, and payment of amounts in-lieu-of-taxes by municipal electric systems in an effort to achieve a more uniform system in Tennessee for the payment of the amounts in-lieu-of-taxes by the municipal electric systems to the municipality that owns such electric systems, as well as payments to other jurisdictions within which such municipal electric systems own property or operate their electric systems. The formula includes a property tax equivalency calculation plus four percent of operating revenue less power costs on a three-year average. For the Electric System's fiscal year ending June 30, 2026, the amount paid for payments in-lieu-of-taxes to all of the cities and counties in the Electric System's service area was approximately $45,867,000, which sum was equal to approximately 2.9% of Electric System revenues for that fiscal year.

SELECTED FINANCIAL DATA

The following selected financial data of the Board for the fiscal years presented have been summarized or derived from the Board's audited financial statements.

Statement of Revenues, Expenses and Changes in Net Position

(in thousands)

	Fiscal Year Ended June 30,				
	2026	2025 (3)	2024 (2)	2023	2022 (1)
Operating Revenues, net	$ 1,635,446	$ 1,582,789	$ 1,469,607	$ 1,500,081	$ 1,383,183
Operating Expenses	1,569,530	1,499,588	1,363,540	1,426,921	1,294,895
Operating Income	65,916	83,201	106,067	73,160	88,288
Other income and (deductions)	31,027	38,571	40,947	56,464	5,421
Income before Interest Charge	96,943	121,772	147,014	129,624	93,709
Interest Expense	20,221	21,098	20,745	15,949	16,594
Unusual or Infrequent Item	36,867	-	-	-	-
Net Increase in Net Assets/Change in Net Position	$ 39,855	$ 100,674	$ 126,269	$ 113,675	$ 77,115

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Statements of Net Position

(in thousands)

	Fiscal Year Ended June 30,				
	2026	2025 [3]	2024 [2]	2023	2022 [1]
Assets and Deferred Outflows of Resources					
Utility Plant, net	$ 1,727,395	$ 1,586,720	$ 1,473,099	$ 1,337,953	$ 1,265,667
Investment of Restricted Funds	12,439	169,323	258,481	53,241	166,992
Current Assets	758,911	759,522	699,371	710,450	611,799
Other Non-Current Assets	47,200	51,792	53,759	13,700	16,815
Total Assets	2,545,945	2,567,357	2,484,710	2,115,344	2,061,273
Deferred Outflows of Resources	$ 3,879	$ 13,749	$ 16,589	$ 68,511	$ 99,756
Total Assets and Deferred Outflows of Resources	$ 2,549,824	$ 2,581,106	$ 2,501,299	$ 2,183,855	$ 2,161,029
Liabilities and Deferred Inflows of Resources					
Long Term Debt, less current portion	$ 645,283	$ 691,914	$ 740,116	$ 517,086	$ 554,885
Current Liabilities	290,472	261,280	236,486	239,035	253,531
Current Liabilities Payable From Restricted Assets	50,480	50,127	53,285	36,960	46,426
Net Pension Liability	107,016	200,608	191,477	240,453	238,338
Net OPEB Liability	8,830	59,631	110,306	139,658	172,610
Other Non-Current Liabilities	29,713	27,486	27,044	13,700	14,932
Total Liabilities	$ 1,131,794	$ 1,291,046	$ 1,358,714	$ 1,186,892	$ 1,280,722
Deferred Inflows of Resources	$ 202,226	$ 114,111	$ 67,310	$ 47,957	$ 44,976
Net Position	$ 1,215,804	$ 1,175,949	$ 1,075,275	$ 949,006	$ 835,331
Total Liabilities, Deferred Inflows, and Net Position	$ 2,549,824	$ 2,581,106	$ 2,501,299	$ 2,183,855	$ 2,161,029

[1] As restated for adoption of Governmental Accounting Standards Board Statement No. 96 Subscription Based Information Technology

[2] As restated for adoption of Governmental Accounting Standards Board Statement No. 101 Compensated Absences.

[3] As restated for adoption of Governmental Accounting Standards Board Statement No. 103 Financial Reporting Model Improvements.

The following tables represent information relating to the number of customers, kilowatt-hour sales, maximum hourly demand, and data on largest customers.

Number of Customers (not Meters)

FISCAL YEAR	RESIDENTIAL	SMALL COMMERCIAL	LARGE COMMERCIAL & INDUSTRIAL	MUNICIPAL LIGHTING	TOTAL
2017	355,456	34,231	6,967	292	396,946
2018	361,427	34,437	7,140	289	403,293
2019	366,045	34,984	7,004	225	408,258
2020	373,798	35,457	6,882	209	416,346
2021	383,355	36,485	6,737	215	426,792
2022	392,689	36,758	6,871	219	436,537
2023	404,056	36,802	6,986	218	448,062
2024	416,398	37,155	6,947	215	460,715
2025	428,006	37,536	7,180	208	472,930
2026	434,397	37,172	7,269	206	479,044

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Sales in kWh and Maximum System Demand in kW

FISCAL YEAR	RESIDENTIAL	SMALL COMMERCIAL	LARGE COMMERCIAL & INDUSTRIAL	MUNICIPAL LIGHTING	TOTAL KWH	MAX HOURLY DEMAND IN KW
2017	4,659,830,693	810,856,131	6,274,265,762	136,995,640	11,881,948,226	2,395,195
2018	4,925,981,572	825,843,592	6,178,405,432	136,331,006	12,066,561,602	2,572,736
2019	4,914,037,499	819,866,983	6,156,401,981	136,563,983	12,026,870,446	2,466,445
2020	4,862,286,789	790,846,391	5,899,743,533	134,414,754	11,687,291,467	2,525,250
2021	4,922,652,706	791,374,963	5,742,857,217	133,626,219	11,590,511,105	2,472,763
2022	4,997,479,729	822,831,589	5,983,948,597	131,992,795	11,936,252,710	2,558,919
2023	4,857,612,548	800,619,495	5,953,430,800	130,433,946	11,742,096,789	2,779,973
2024	4,947,415,015	825,855,975	5,938,609,842	125,528,769	11,837,646,430	2,830,344
2025	5,196,225,065	831,589,528	6,056,560,445	113,553,261	12,197,928,299	2,840,846
2026	5,295,012,442	834,221,135	6,141,440,058	102,252,860	12,372,926,495	2,573,511

Ten Largest Customers

Fiscal Year Ended June 30,

Group Name	2026 Revenue	2026 % of Total	2026 kWH	2026 % of Total	2025 Revenue	2025 % of Total	2025 kWH	2025 % of Total
AT&T (1)	$ 7,089,509	0.44%	65,691,553	0.53%				
Metro Airport Authority	$ 7,290,962	0.45%	74,872,999	0.61%	$ 7,202,630	0.45%	74,602,076	0.60%
Fiberweb	7,833,095	0.49%	111,786,180	0.90%	7,866,158	0.49%	115,431,960	0.93%
Bridgestone/Firestone (2)					8,081,575	0.50%	100,040,302	0.81%
HCA	10,660,562	0.66%	105,842,726	0.86%	9,254,756	0.57%	95,447,216	0.77%
Metropolitan Government (all other departments)	13,837,455	0.86%	121,351,350	0.98%	14,331,912	0.89%	119,748,343	0.97%
Metropolitan Government District Energy System	15,180,105	0.94%	95,029,056	0.77%	14,731,391	0.91%	99,297,975	0.80%
State of Tennessee (all departments)	17,907,201	1.11%	153,509,707	1.24%	17,247,013	1.07%	151,584,346	1.23%
Metropolitan Board of Education	20,509,546	1.27%	145,406,803	1.18%	19,919,450	1.24%	143,914,329	1.16%
Metropolitan Government Water and Sewer	20,682,501	1.28%	214,267,014	1.73%	21,204,985	1.32%	218,081,242	1.76%
Vanderbilt University	28,225,597	1.75%	302,140,947	2.44%	25,975,372	1.61%	277,276,289	2.24%
	$ 149,216,533	9.27%	1,389,898,335	11.23%	$ 145,815,243	9.06%	1,395,424,078	11.28%
NES total electric sales and kWh	$ 1,610,122,000		12,372,926,495		$ 1,557,061,000		12,197,928,299	
Portion represented by non-governmental entities	$ 53,808,763	3.34%	$ 585,461,406	4.73%	$ 51,177,861	3.29%	$ 588,195,767 (3)	4.82%

(1) AT&T was not one of the ten largest customers in fiscal year 2025.
(2) Bridgestone/Firestone was not one of the ten largest customers in fiscal year 2026.
(3) Formula for non-governmental kwh inadvertently included governmental entities in 2025. Updated in current presentation to accurately reflect only non-governmental entities.

Summary of Changes in Net Position

FISCAL YEAR	OPERATING REVENUES, NET	PURCHASED POWER	OPERATING EXPENSES (a)	DEPRECIATION & AMORTIZATION	TAX EQUIVALENTS (b)	OPERATING INCOME	NONCAPITAL SUBSIDIES (c)	OTHER INCOME (d)	OTHER DEDUCTIONS (e)	UNUSUAL OR INFREQUENT ITEMS (f)	CHANGES IN NET POSITION
2017	1,260,957,000	932,275,000	178,525,000	55,409,000	33,468,000	61,280,000		2,384,000	22,490,000		41,174,000
2018	1,324,224,000	943,511,000	182,932,000	58,719,000	30,551,000	108,511,000		6,700,000	21,019,000		94,192,000
2019	1,342,217,000	949,308,000	201,037,000	62,783,000	32,073,000	97,016,000		12,649,000	19,639,000		90,026,000
2020	1,278,700,000	887,729,000	220,035,000	66,266,000	31,866,000	72,804,000		8,229,000	17,643,000		63,390,000
2021	1,258,542,000	850,409,000	199,446,000	70,443,000	39,736,000	98,508,000		1,167,000	16,132,000		83,543,000
2022	1,383,183,000	946,804,000	232,467,000	76,873,000	38,751,000	88,288,000		5,421,000	16,594,000		77,115,000
2023	1,500,081,000	1,046,258,000	255,094,000	85,119,000	40,450,000	73,160,000		56,464,000	15,949,000		113,675,000
2024	1,469,607,000	995,556,000	240,744,000	90,885,000	36,355,000	106,067,000		40,947,000	20,745,000		126,269,000
2025	1,582,789,000	1,085,315,000	274,456,000	100,943,000	38,874,000	83,201,000	6,238,000	32,333,000	21,098,000		100,674,000
2026	1,635,446,000	1,136,985,000	279,116,000	107,562,000	45,867,000	65,916,000	5,924,000	25,103,000	20,221,000	36,867,000	39,855,000

a. Includes costs relating to customer accounts, sales and administrative and general expenses.
b. Tax equivalents inlcude payments made to local government in-lieu-of real property taxes from which the Board is exempt so long as the property is used for its tax-exempt purpose, and payments made to government agencies for employer taxes.
c. Updated retroactively for GASB 103 adopted in FY 2026.
d. Primarily interest income.
e. Primarily interest expense.
f. Effects of Winter Storm Fern in accordance with GASB 103.

NASHVILLE ELECTRIC SERVICE
Debt Service Coverage

(MODIFIED CASH BASIS IN ACCORDANCE WITH BOND RESOLUTION)
FISCAL YEAR ENDED JUNE 30,

FISCAL YEAR	CHANGES IN NET POSITION	PLUS ADJUSTMENTS: DEPRECIATION & AMORTIZATION	PLUS ADJUSTMENTS: INTEREST EXPENSE, NET	PLUS ADJUSTMENTS: UNUSUAL/INFREQUENT (GAINS)LOSSES (c)	PLUS ADJUSTMENTS: TAX EQUIVALENTS	INCOME AVAILABLE FOR DEBT SERVICE	DEBT SERVICE: INTEREST (a)	DEBT SERVICE: PRINCIPAL (b)	DEBT SERVICE: TOTAL	DEBT SERVICE COVERAGE
2017	41,174,000	55,409,000	22,490,000	-	33,468,000	152,541,000	24,480,000	25,260,000	49,740,000	3.07
2018	94,192,000	58,719,000	21,019,000	-	30,551,000	204,481,000	28,362,000	27,288,000	55,650,000	3.67
2019	90,026,000	62,783,000	19,639,000	-	32,073,000	204,521,000	27,340,000	28,324,000	55,664,000	3.67
2020	63,390,000	66,266,000	17,643,000	-	31,866,000	179,165,000	26,171,000	36,222,000	62,393,000	2.87
2021	83,543,000	70,443,000	16,132,000	-	39,736,000	209,854,000	26,673,000	36,928,000	63,601,000	3.30
2022	77,115,000	76,873,000	16,594,000	-	38,751,000	209,333,000	26,782,000	35,446,000	62,228,000	3.36
2023	113,675,000	85,119,000	15,949,000	-	40,450,000	255,193,000	25,009,000	35,976,000	60,985,000	4.18
2024	126,269,000	90,885,000	20,745,000	-	36,355,000	274,254,000	27,669,000	29,876,000	57,545,000	4.77
2025	100,674,000	100,943,000	21,098,000	-	38,874,000	261,589,000	33,695,000	36,960,000	70,655,000	3.70
2026	39,855,000	107,562,000	20,221,000	36,867,000	45,867,000	250,372,000	31,847,000	37,667,000	69,514,000	3.60

a. EXCLUDES ACCRETED INTEREST EXPENSE ON ELECTRIC SYSTEM REVENUE BONDS, 1998 SERIES A ZERO COUPON BONDS.
b. INCLUDES ACCRETED INTEREST IN THE YEAR OF MATURITY. CALCULATED ON A PRORATA BASIS AT INTERIM DATES BASED ON BOND INSTRUCTIONS.
c. EFFECTS OF WINTER STORM FERN IN ACCORDANCE WITH GASB 103.

INVESTMENT CONSIDERATIONS

General

Set forth below are certain investment considerations related to the Commercial Paper Notes. All potential considerations are not included, and the discussion is not intended to be exhaustive.

Enforceability of Remedies

The remedies available to the owners of the Commercial Paper Notes upon an event of default under the Commercial Paper Resolution are in many respects dependent upon judicial actions, which are often subject to discretion and delay. The enforceability of remedies or rights with respect to the Commercial Paper Notes may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Commercial Paper Resolution may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Commercial Paper Notes will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Ratings Dependent Upon the LOC Provider

The ratings assigned to the Commercial Paper Notes are based primarily upon the short-term ratings assigned to the LOC Provider and the obligation of the LOC Provider to honor conforming Drawings under the Letter of Credit, and not upon the credit of the Metropolitan Government, the Board or the Electric System, the pledge of Net Revenues securing the Commercial Paper Notes or any independent assessment of the likelihood that maturing Commercial Paper Notes can be paid from the proceeds of other Commercial Paper Notes or Bonds. Accordingly, any downgrade, suspension or withdrawal of the ratings assigned to the LOC Provider, or any change in the outlook with respect to such ratings, would be expected to result in a corresponding downgrade, suspension or withdrawal of, or change in the outlook with respect to, the ratings assigned to the Commercial Paper Notes, without regard to the financial condition or operating results of the Electric System. Any such downward revision, suspension or withdrawal of the ratings assigned to the Commercial Paper Notes may have an adverse effect on the liquidity and market price of the Commercial Paper Notes, and neither the Metropolitan Government nor the Board has undertaken any responsibility to oppose any such revision, suspension or withdrawal. See "SUMMARY OF THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT," "CERTAIN INFORMATION CONCERNING THE LOC PROVIDER" and "RATINGS" herein.

Additional Obligations

The Metropolitan Government has expressly reserved the right to issue indebtedness in addition to the Commercial Paper Notes that are payable from and secured by the Net Revenues of the Electric System, including Bonds secured by a pledge of Net Revenues of the Electric System senior to the pledge thereof securing the Commercial Paper Notes and Bank Note. Under the Electric System Bond Resolution, the Metropolitan Government may issue additional Bonds secured by a pledge of the Net Revenues senior to that of the Commercial Paper Notes and the Bank Notes if (i) the amount of Net Revenues, as certified by a Board representative, during any 12 consecutive months selected by the Board of the 18 months immediately preceding the issuance of the additional Bonds were not less than 110% of the greatest amount of debt service scheduled to occur in any future fiscal year (calculated in the manner provided in the Electric System Bond Resolution and reflecting any adjustment in effective rates, fees and charges collected by the Board), or (ii) the Net Revenues for each of the full fiscal years, as certified and estimated by a consulting

engineer in accordance with the Electric System Bond Resolution, in the period specified in the next sentence, shall be at least equal to 110% of the sum of (A) the adjusted aggregate debt service [and (B) the debt service, if any, on any credit/liquidity facility obligations for each such fiscal year, as estimated by the consulting engineer in accordance with the Electric System Bond Resolution]. The period to be covered by such certificate of the consulting engineer shall be the period beginning with the fiscal year in which the series of additional Bonds is issued and ending with the later of (a) the fifth full fiscal year after such date of issuance or (b) the first full fiscal year in which less than 10% of the interest coming due on Bonds estimated by the consulting engineer to be outstanding is to be paid from deposits made from Bond proceeds in the Debt Service Account in the Debt Service Fund established under the Electric System Bond Resolution. The Metropolitan Government may issue Bonds to refund any outstanding Bonds without complying with any earnings test. [Pursuant to the Letter of Credit and Reimbursement Agreement, the Metropolitan Government and the Board have covenanted not to incur, create or permit to exist, directly or indirectly, any Lien on all or any part of the Net Revenues that is senior to or on a parity with the Lien securing the [Commercial Paper Notes] and the Bank Notes other than the Liens created for the benefit of the Bonds that have heretofore or may hereafter be issued.]

The issuance of additional obligations payable from Net Revenues of the Electric System would increase the debt service requirements of the Electric System and could adversely affect the Net Revenues available to pay the Commercial Paper Notes or Bank Notes, to the extent needed therefor. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES" herein.

Loss of Tax Exemption

There is no provision for the redemption of the Series A Commercial Paper Notes or for the payment of additional interest on the Series A Commercial Paper Notes in the event that interest on the Series A Commercial Paper Notes becomes includable in gross income for federal income tax purposes. In the event that interest on the Series A Commercial Paper Notes becomes includable in gross income for federal income tax purposes, the value and marketability of the Series A Commercial Paper Notes would likely be adversely affected. The Metropolitan Government and the Board have, however, covenanted not to do anything that would adversely affect the tax-exempt status of the Series A Commercial Paper Notes. See "TAX MATTERS" herein.

Future Legislation and Governmental Directives and Priorities

The federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt obligations is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would completely eliminate the exemption for interest on all tax-exempt obligations. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on all tax-exempt obligations. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption.

Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt obligations already outstanding, including the Series A Commercial Paper Notes offered pursuant to this Offering Memorandum, as well as obligations issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series A Commercial Paper Notes.

Investors should consult their own tax advisors about the prospects and possible results of future legislation that could affect the exemption for interest on tax-exempt obligations.

In addition to future legislation, new administrations, including that of the President of the United States, may have new regulatory and/or financial directives and priorities that could impact TVA and NES. Any change to said directives and priorities, including executive orders related to the development of energy resources and corresponding changes to federal funding in connection therewith, could have an unknown impact on future projects of the Electric System.

In recent sessions of the Tennessee General Assembly, there has been an increase in the number of legislative proposals affecting municipal electric systems. Such legislation has included in the past, and may include in the future, proposals regarding the governance, scope of service area and divestiture of municipal electric systems. See "THE ELECTRIC POWER BOARD – Organization and History" regarding legislation adopted in 2026 changing member representation of the Board. Further, to the extent there is any legislation that has either not been adopted or been adopted in a manner that is inapplicable or immaterial to the finances and/or operations of NES, there can be no assurance that any such legislation will not be proposed for future consideration by the Tennessee General Assembly or amended by future action of the Tennessee General Assembly to apply to NES's finances or operations in a material manner.

Recently, the Tennessee General Assembly passed legislation addressing the allocation of infrastructure costs associated with large electric loads. Public Chapter 961 of the Tennessee Public Acts of 2026, passed and signed into law effective as of May 2026 (the "Data Center Act"), prohibits a municipality or an electric utility, including the Electric System, from paying or otherwise absorbing the cost of electrical infrastructure incurred to serve a data center (defined, generally, as a building that primarily contains equipment used to process, store or transmit digital information, together with related environmental control equipment, and that is projected to have a peak electric demand of fifty megawatts (50 MW) or more during the first three years of operation). An electric utility may, however, allocate a portion of such costs to general utility system improvements in specified circumstances, including where the associated improvements extend beyond those necessary to deliver electric service to the data center and may be used to deliver electric service outside the data center, and may reimburse a data center owner or operator for such costs in accordance with standard policies that are not exclusively applicable to data centers and that do not cause existing customers to incur a rate increase.

The Data Center Act also authorizes a data center to purchase electric energy, capacity and related or ancillary services from an independent power producer located in Tennessee, including by means of a direct interconnection behind the data center's meter. Where the data center takes electric service from an electric utility, such a behind-the-meter interconnection requires the written approval of that electric utility. Where an independent power producer instead seeks access to transmission or distribution facilities, such access is provided at the election of, and on terms and conditions established by, the owner of those facilities. The Data Center Act further provides that, to the extent its provisions conflict with a term, condition, rate schedule or requirement of TVA, the TVA provision controls and the electric utility is not required to comply with the Data Center Act to the extent of the conflict. Because NES purchases its power requirements from TVA under the Power Contract (except as otherwise provided herein) and its retail rates are subject to TVA review and approval, the practical effect of the Data Center Act on the Electric System will depend in part upon TVA's rate schedules and requirements, including the rate classifications described under "THE ELECTRIC SYSTEM" herein. NES does not expect the Data Center Act to have a material adverse effect on the operations or financial condition of the Electric System, but NES is unable to predict the extent to which data centers within its service area may in the future obtain electric service from independent power producers rather than from the Electric System, or the effect that any such arrangements would have on Revenues.

There may continue to be legislation proposed in the Tennessee General Assembly affecting municipal electric systems, such as the Electric System. NES cannot predict whether such legislation will be enacted or the effect of any such legislation, if enacted, upon NES or the Electric System.

See also "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY."

Adverse Weather Events and Other Catastrophic Events

The Metropolitan Government's location in the southern United States and proximity to several waterways, including the Cumberland River, increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the Metropolitan Government faces other threats due to adverse weather, including the possibility of drought conditions that could become increasingly severe and frequent.

Severe weather events and natural disasters, generally, including floods, droughts, extreme heat, tornadoes, snow and ice storms and other storm events, can affect the Board's operations and finances in a myriad of ways, including by potentially damaging Electric System infrastructure, interrupting service to customers, damaging customers' property in a way that changes their energy needs and disrupting the business operations of major contractors, vendors or other partners of the Electric System. Also, changing weather conditions may result in unexpected levels of energy usage and fluctuating revenues of the Electric System. For example, when temperatures are milder, customers often use less electricity, resulting in less revenue to the Electric System. Along with natural disasters, catastrophic events caused by human activity could also materially impact the Electric System in a manner that disrupts service to customers and decreases revenues and increases expenses of the Electric System.

Neither the Metropolitan Government nor the Board can predict the timing, extent or severity of adverse weather events and/or other catastrophic events and their impact on the Metropolitan Government's or the Board's operations and finances.

The Storm, as hereinabove described, hit the Metropolitan Government and surrounding area on January 25, 2026, causing extensive and significant damage to portions of the Electric System's transmission and distribution infrastructure. The Storm was the largest ice storm in the Electric System's history and resulted in a state of emergency being called by the Mayor of the Metropolitan Government. It caused widespread power outages affecting approximately 230,000 customers at its peak, with certain customers experiencing service interruptions lasting in excess of 12 days. NES deployed its full complement of line crews and supplemented its workforce with mutual aid crews from other utilities and contract workers to restore service. Full power restoration to all affected customers was achieved on or about February 7, 2026. The Storm resulted in extensive damage to power lines, utility poles, transformers and other Electric System equipment across the NES service territory.

NES currently estimates that the total cost of storm restoration and repair of damaged infrastructure resulting from the Storm will be approximately $103 million. NES intends to fund such costs from debt proceeds, including proceeds of the Commercial Paper Notes, along with available revenues of the Electric System, insurance proceeds, available lines of credit and, to the extent available, reimbursement from FEMA. NES has submitted an application to FEMA for reimbursement of eligible Storm-related expenditures. The Board maintains property insurance with a total limit of liability of $150,000,000 per participating insurance company. See "ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION – Insurance."

Although the Electric System has been fully restored to pre-Storm conditions, the Storm resulted in increased operating expenses and capital expenditures in fiscal year 2026. Separately, NES projects increased operating expenses and capital expenditures in fiscal years 2027 and 2028 associated with both

its normal course of business, due to current economic factors, as well as measures intended to mitigate the impacts of future storms. These measures include, but are not limited to, a revised vegetation management plan, expanded availability of contract resources to support crew staging, conversion of older infrastructure and increased deployment of system automation devices to isolate outages. NES has also developed a new Emergency Response Plan based on the National Incident Management System (NIMS) Incident Command System (ICS) framework.

Cyber Security

The Metropolitan Government and the Board utilize various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the Metropolitan Government and/or the Board may be the target of cyberattacks attempting to gain access to such information or disrupt operations of NES. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the Metropolitan Government and/or the Board to legal action. Neither the Metropolitan Government nor the Board has any knowledge of, nor historical record of, any successful material cyber-security breach or related attack.

Attempted cyber security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or entities similar to the Metropolitan Government and the Board. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. Utilities, in particular, are often the target of cyberattacks, and cyberattacks on U.S. utilities are increasing. To mitigate against such risks, the Metropolitan Government and the Board have instituted various technical controls, policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. The Board is subject to the requirements of NERC and complies with federal rules applicable to utilities owning certain types of assets on the bulk electric system. The Board undergoes regular monitoring and compliance audits in this regard. The Metropolitan Government and the Board also maintain insurance against cyber security incidents. Despite the Metropolitan Government's and the Board's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

Public Health Emergencies and Global Conflicts

The emergence of an epidemic, pandemic or other widespread public health emergency would have an unknown impact on the Metropolitan Government, the Board and the Electric System. The global outbreak in 2020 of the COVID-19 respiratory disease led, from time to time, to quarantine and other "social distancing" measures across the world, including the Metropolitan Government. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers.

Though such quarantining and "social distancing" measures related to COVID-19 have since terminated, neither the Metropolitan Government nor the Board is able to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the Metropolitan Government, the Board or the Electric System.

Historical data on the financial performance of the Electric System as well as employment, income trends, and business activity in the Metropolitan Government are detailed in this Offering Memorandum, including historical data collected both before and during the COVID-19 pandemic. See "SELECTED FINANCIAL DATA" above for historical information on revenues, expenses, changes in net position as well as information on sales and demand and debt service coverage for the Electric System. See also Appendix D attached hereto for historical economic and demographic information for the Metropolitan Government. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and ratepayers in the area may have been forced to reduce their business activities during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information and historical data on the Electric System, see Appendix C to the Offering Memorandum.

The ongoing conflicts between Russia and Ukraine as well as the conflict in Iran have contributed to volatility in global energy and commodity markets and may have adverse economic impacts that could affect the Metropolitan Government and NES. NES currently is not experiencing significant delays in the delivery of materials as a result of these conflicts, though the cost of certain materials has increased. As part of its daily operations, NES consumes large quantities of gasoline and diesel fuel. Continued increases in material and fuel prices could increase the Electric System's operating expenses and capital expenditures. In addition, to the extent these conflicts increase the cost of fuel used by TVA to generate electricity, such increases could result in higher fuel cost adjustments, which would increase NES's purchased power costs and the amounts billed to customers. NES continues to monitor and respond to developments affecting its workforce, customers and suppliers and intends to take additional steps to mitigate negative business impacts, if and when appropriate.

Other Risk Factors

In the future, the following additional factors, among others, may adversely affect the operations of energy providers, including the Board, to an extent that cannot be determined at this time:

(1) The ability of, and costs to, the Board to insure or otherwise protect itself against property damage and general liability claims. See "ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION – Insurance."

(2) TVA's inability to provide electricity and other risk factors relating to the Board's relationship with TVA. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY – TVA and General Industry Risk Factors."

(3) Proposals to eliminate the tax-exempt status of bonds issued by the Metropolitan Government, or to limit the use of such tax-exempt bonds, as discussed above, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to the Board of financing future capital needs.

LITIGATION

At the time of the original delivery of the Commercial Paper Notes, there will be furnished a certificate of certain officers of the Metropolitan Government stating that there is no litigation then pending, or to their knowledge threatened, affecting the corporate existence or boundaries of the Metropolitan Government, or the titles of its officials to their respective offices, or the validity of the Commercial Paper Notes, the Commercial Paper Resolution or the Related Documents, or the power of the Metropolitan

Government and the Board to fix and collect rates and charges for the services of the Electric System sufficient to pay the Commercial Paper Notes.

TAX MATTERS

Commercial Paper Notes may be issued either as Series A Commercial Paper Notes or as Series B Commercial Paper Notes. The opinion of Bradley Arant Boult Cummings LLP, as Bond Counsel ("Bond Counsel"), attached hereto as Appendix A, addresses certain federal and state tax matters relating to the Commercial Paper Notes. Such opinion makes certain assumptions as to future acts by the Metropolitan Government, the absence of changes in law, and other matters as described herein and therein. Bond Counsel does not express any opinion regarding federal, state, or local tax consequences arising with respect to the Commercial Paper Notes, or the ownership or disposition thereof, or the accrual or receipt of interest thereon, except as stated in such opinion. The following discussion does not address the effects of any applicable federal, state, local or foreign tax laws other than those specifically discussed below. Prospective purchasers are urged to consult their own tax advisor concerning the federal income tax consequences of owning and disposing of the Series A Commercial Paper Notes, as well as any consequences under the laws of any state, local or foreign taxing jurisdiction.

Federal Tax Matters – Series A Commercial Paper Notes (Tax-Exempt)

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met for interest on the Series A Commercial Paper Notes to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Series A Commercial Paper Notes to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series A Commercial Paper Notes. The Metropolitan Government has covenanted in the Commercial Paper Resolution to maintain the exclusion of interest on the Series A Commercial Paper Notes from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In the opinion of Bradley Arant Boult Cummings LLP, Nashville, Tennessee, Bond Counsel, under existing law, and assuming compliance with the aforementioned covenant, interest on the Series A Commercial Paper Notes is excluded from gross income for federal income tax purposes. Bond Counsel is also of the opinion that the Series A Commercial Paper Notes are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Code, and, therefore, interest on the Series A Commercial Paper Notes will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code. However, in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations" (as defined in Section 59(k) of the Code), interest on the Series A Commercial Paper Notes is not excluded from the determination of adjusted financial statement income.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series A Commercial Paper Notes may affect the tax status of interest on the Series A Commercial Paper Notes. No assurance can be given that future legislation, or amendments to the Code, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of interest on the Series A Commercial Paper Notes from gross income for federal income tax purposes. Furthermore, Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series A Commercial Paper Notes, or the interest thereon, if any action is taken with respect to the Series A Commercial Paper Notes or the proceeds thereof upon the advice or approval of bond counsel other than Bond Counsel.

Although Bond Counsel has rendered an opinion that interest on the Series A Commercial Paper Notes is excluded from gross income for federal income tax purposes, a holder's federal income tax liability may otherwise be affected by the ownership or disposition of the Series A Commercial Paper Notes. The nature and extent of these other tax consequences will depend upon the holder's other items of income or deduction. Without limiting the generality of the foregoing, prospective purchasers of the Series A Commercial Paper Notes should be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series A Commercial Paper Notes or, in the case of the financial institution, that portion of a holder's interest expense allocated to interest on the Series A Commercial Paper Notes, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B) reduces the deduction for loss reserves by the current statutory percentage of the sum of certain items, including interest on the Series A Commercial Paper Notes, (iii) interest on the Series A Commercial Paper Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series A Commercial Paper Notes, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series A Commercial Paper Notes. Bond Counsel has expressed no opinion regarding any such other tax consequences.

See "INVESTMENT CONSIDERATIONS – Loss of Tax Exemption" and "INVESTMENT CONSIDERATIONS – Future Legislation and Governmental Directives and Priorities" herein for a discussion of certain risk factors relating to investment in the Series A Commercial Paper Notes.

Federal Tax Matters - Series B Commercial Paper Notes (Federally Taxable)

UNDER THE CODE, INTEREST ON THE SERIES B COMMERCIAL PAPER NOTES IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. Ownership of the Series B Commercial Paper Notes may also result in other federal, state, local and foreign income tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any collateral consequences arising with respect to the Series B Commercial Paper Notes. Holders of Series B Commercial Paper Notes should consult their own tax advisors concerning tax consequences of ownership of the Series B Commercial Paper Notes.

State of Tennessee

In the opinion of Bond Counsel, under existing laws of the State of Tennessee, interest on the Commercial Paper Notes is exempt from all present state, county, and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the Commercial Paper Notes during the period the Commercial Paper Notes are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Commercial Paper Notes in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee. Ownership of the Commercial Paper Notes or interest thereon may be subject to state or local taxation in jurisdictions other than the State of Tennessee under applicable state or local laws, as to which Bond Counsel expresses no opinion. Each prospective investor and purchaser of the Commercial Paper Notes should consult its, his or her own tax advisor regarding the status of the interest on the Commercial Paper Notes in a particular state or local jurisdiction other than Tennessee.

LEGAL MATTERS

The form of opinion of Bradley Arant Boult Cummings LLP, Nashville, Tennessee, as Bond Counsel, with respect to certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Commercial Paper Notes is attached hereto as Appendix A. No representation is made to the holders of the Commercial Paper Notes that Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Offering Memorandum and Bond Counsel assumes no responsibility to the holders of the Commercial Paper Notes except for the matters that will be set forth in its approving opinion.

Certain legal matters with respect to the Board were passed upon by Laura Smith, Esq., Vice President – General Counsel to the Board, and with respect to the Metropolitan Government, by Tyler Chance Yarbro, Esq., Director of Law of the Metropolitan Government. Certain legal matters for the LOC Provider were passed upon by its special counsel, Chapman and Cutler LLP. Certain legal matters for the Dealers were passed upon by Bass, Berry & Sims PLC, as counsel to the Dealers.

CONTINUING DISCLOSURE

The Metropolitan Government is not required to file reports with the SEC in connection with the Commercial Paper Notes. The Metropolitan Government will not agree to provide any "annual financial information" (within the meaning of SEC Rule 15c2-12) or any other information or notices pursuant to Rule 15c2-12 to the MSRB in connection with the issuance of the Commercial Paper Notes. However, the Metropolitan Government has agreed to file such "annual financial information" and other information and notices required by SEC Rule 15c2-12 with EMMA in connection with the issuance of its Outstanding Bonds, and such information is available from the EMMA website (emma.msrb.org) as long as the Metropolitan Government has outstanding Bonds.

This Offering Memorandum is not a summary of the terms of the Commercial Paper Notes, and information essential to the making of an informed decision with respect to the Commercial Paper Notes may be obtained in the manner described above. All references to documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced. The information and expressions of opinion in this Offering Memorandum are subject to change without notice, and future use of this Offering Memorandum shall not create any implication that there has been no change in the matters described herein since the date hereof.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC (the "Municipal Advisor"), is employed as a municipal advisor to the Metropolitan Government and the Board in connection with the issuance of the Commercial Paper Notes. The Municipal Advisor, in its capacity as municipal advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Commercial Paper Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor has provided the following sentence for inclusion in this Offering Memorandum: The Municipal Advisor has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to the Metropolitan Government, the Board and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this

transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

THE DEALERS

As hereinabove provided, the Metropolitan Government has entered into separate Dealer Agreements with BofA Securities, Inc. and J.P. Morgan Securities LLC (each a "Dealer" and together the "Dealers"), with each Dealer undertaking to serve as dealers for the Commercial Paper Notes. Each Dealer is paid an annual fee based on the principal amount and maturity of the Commercial Paper Notes sold or placed by the Dealer. Under the Dealer Agreements, the Dealers have no commitment to purchase any Commercial Paper Notes. Inquiries to the Dealers may be directed as set forth below.

BofA Securities, Inc.
[One Bryant Park, Third Floor]
[New York, New York 10036]
Attention: [Kevin Langlais]

Telephone: [646-743-1356]
Email:[kevin.langlais@bofa.com]

J.P. Morgan Securities LLC
270 Park Ave, 3rd Floor
New York, New York 10017
Attention: Public Finance Short-Term Trading Desk
Telephone: (212) 834-7224
Email: JP_Muni_CP@jpmorgan.com

The Dealers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealers and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Metropolitan Government and the Board for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Metropolitan Government and the Board.

BofA Securities, Inc. ("BofA Securities") has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Commercial Paper Notes.

INDEPENDENT AUDITORS

The financial statements as of June 30, 2026, and 2025, included in this Official Memorandum, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing herein.

RATINGS

Moody's Ratings and Fitch Ratings (together, the "Rating Agencies") have assigned ratings of "[__]" and "[__]" respectively, to the Commercial Paper Notes, based upon the Letter of Credit issued by the LOC Provider in connection with the issuance of the Commercial Paper Notes.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies and an explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies, or either of them, may have an adverse effect on the liquidity and market price of the affected Commercial Paper Notes. The Metropolitan Government has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

FORWARD-LOOKING STATEMENTS

Any statements made in this Offering Memorandum, including in the appendices attached hereto, involving estimates or matters of opinion, whether or not so expressly stated as such, are set forth as estimates or matters of opinion and not as representations of fact. No representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Offering Memorandum, including in the appendices attached hereto, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Offering Memorandum are based on information available on the date hereof and the Metropolitan Government does not assume any obligation to update any such forward-looking statement. It is important to note that actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including without limitation: risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates; possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions; and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Metropolitan Government. Any of such assumptions could be inaccurate. Therefore, there can be no assurance that the forward-looking statements included in this Offering Memorandum, including in the appendices attached hereto, will prove to be accurate.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to in this Offering Memorandum do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Commercial Paper

Notes, the security for and the sources for repayment of the Commercial Paper Notes and the rights and obligations of the noteholders. Copies of such documents may be obtained in the manner specified under the caption "INTRODUCTION - Other Information" herein.

The information in this Offering Memorandum, including the appendices attached hereto, has been compiled from official and other sources deemed by the Metropolitan Government to be reliable and, while not guaranteed as to completeness or accuracy, is believed by the Metropolitan Government to be correct as of the date of this Offering Memorandum.

Use of the words "shall" or "will" in this Offering Memorandum or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Neither this Offering Memorandum nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Commercial Paper Notes.

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AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFERING MEMORANDUM

The execution and delivery of this Offering Memorandum, and its distribution and use by the Dealers in connection with the public offer, sale and distribution of the Commercial Paper Notes, have been duly authorized and approved by the Metropolitan Government and the Board.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: /s/
Title: Metropolitan Mayor

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: /s/
Title: Board Chair

APPENDIX A

FORM OF OPINION OF BOND COUNSEL

APPENDIX B

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY FOR THE YEARS ENDED JUNE 30, 2026, AND JUNE 30, 2025, AND INDEPENDENT AUDITOR'S REPORT

APPENDIX D

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY AREA – ECONOMIC AND DEMOGRAPHIC INFORMATION

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THE METROPOLITAN NASHVILLE AND DAVIDSON COUNTY AREA

Economic and Demographic Information

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is issuing its Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) and Electric System Revenue Commercial Paper Notes, Series 2026B (the "Commercial Paper Notes") for the use and benefit of the Electric Power Board of The Metropolitan Government of Nashville and Davidson County, which does business as Nashville Electric Service (the "Board"). ***The Commercial Paper Notes are not general obligations of the Metropolitan Government, and no holder of the Commercial Paper Notes shall ever have the right to compel the Metropolitan Government to exercise its taxing power to pay principal, redemption price of or interest on the Commercial Paper Notes.***

The following information provided in this APPENDIX D is accurate as of the date of the Offering Memorandum but is subject to change without notice and has been collected from sources that the Metropolitan Government considers to be reliable. The Metropolitan Government has made no independent verification of the information provided by non-Metropolitan Government sources, and the Metropolitan Government takes no responsibility for the completeness or accuracy thereof. The Metropolitan Government undertakes no responsibility and has no obligation to update the information contained within this APPENDIX D subsequent to the date of the Offering Memorandum.

The Metropolitan Government

Organization

On June 28, 1962, the voters of Nashville and Davidson County approved the Charter of the Metropolitan Government (the "Charter"). The Tennessee Supreme Court upheld the validity of the Charter in October 1962. On April 1, 1963, the governments of the City of Nashville and of Davidson County were consolidated to form "The Metropolitan Government of Nashville and Davidson County", under which the boundaries of Nashville and Davidson County are co-extensive.

The executive and administrative powers are vested in the Metropolitan Mayor (the "Mayor" or "Metropolitan Mayor"), who is elected at large for a four-year term. The Mayor is authorized to administer, supervise and control all departments and to appoint all members of boards and commissions created by the Charter or by ordinance enacted pursuant to the Charter unless otherwise excepted. A two-thirds vote of the Metropolitan County Council is required to override the Mayor's veto. The Charter also provides for a Vice Mayor, who is elected at large for a four-year term and is the presiding officer of the Metropolitan County Council. The Metropolitan County Council is the legislative body of the Metropolitan Government and is composed of 40 members who are elected for four-year terms: 35 are elected from council districts and five are elected at large.

Economic and Demographic Profile of the Metropolitan Government

Introduction

The Metropolitan Government, as created in 1963, is in the north central part of Tennessee and covers 533 square miles. Nashville is the capital of the State of Tennessee and is situated in the Nashville Basin, between the Tennessee River on the west and the Eastern Highland Rim on the east.

Population Growth

The following table sets forth information concerning population growth in the Metropolitan Government. A comparison with the Nashville Metropolitan Statistical Area ("MSA"), the State and the United States serves to illustrate relative growth.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEMOGRAPHIC STATISTICS – POPULATION GROWTH CHANGE

Geographical Areas	April 1, 2020 Estimates Base	July 1, 2025 Population Estimates	2020 – 2025 Percentage Changes
Nashville/Davidson	689,449	721,074	4.6%
MSA	2,021,837	2,197,416	8.7%
State of Tennessee	6,910,840	7,315,076	5.8%
United States	331,449,281	341,784,857	3.1%

Source: United States Census Bureau (www.census.gov).

Growth within the MSA has occurred to the greatest extent in surrounding communities, which, although suburbs of Nashville, are in themselves residential, manufacturing and agricultural communities.

Median Household Income

The following table shows the median household income figures in the Metropolitan Government, the State and the United States for calendar years 2015-2024.

NASHVILLE METROPOLITAN STATISTICAL AREA
MEDIAN HOUSEHOLD INCOME
(Calendar Years 2015-2024)

Geographical Area	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Nashville/Davidson	51,999	54,666	58,264	60,799	63,846	64,418	65,463	72,561	80,216	80,803
State of Tennessee	47,330	51,340	55,310	56,060	56,630	54,970	62,170	65,380	72,700	75,860
United States	56,520	59,040	61,140	63,180	68,700	68,010	70,780	74,580	80,610	83,730

Source: United States Census Bureau via FRED® (**www.fred.stlouisfed.org**)

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Employment

The following table shows the labor force segments and employment industries operating within the Nashville MSA for calendar years 2021-2025.

NASHVILLE MSA
EMPLOYMENT BY INDUSTRY

	2021	2022	2023	2024	2025
Total Employed – All Industries [1]	1,056	1,126	1,164	1,184	1,191
In Percentages:					
Education & Health Services	14.96%	14.59%	14.77%	15.03%	15.40%
Financial Activities	7.08	7.19	7.10	6.84	6.86
Government	11.31	10.75	10.74	11.01	10.91
Information	2.48	2.83	2.77	2.69	2.67
Leisure & Hospitality	10.16	10.86	11.32	11.34	11.44
Manufacturing	7.81	7.62	7.45	7.47	7.38
Professional & Business Services	17.19	17.35	16.98	16.50	16.35
Trade, Transportation, Utilities	21.17	20.33	20.46	20.00	19.08
Other	7.84	8.47	8.41	9.13	9.91

(1) Total nonfarm employment in thousands.

Source: United States Bureau of Labor Statistics (www.bls.gov)

UNEMPLOYMENT RATES

The following table sets forth the unemployment percentage rates in Davidson County, the MSA, the State and the United States for the calendar years 2016-2025.

Geographical Areas	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nashville/Davidson	3.6%	2.8%	2.6%	2.5%	8.1%	4.4%	2.8%	2.7%	2.8%	3.0%
MSA	3.8	3.0	2.7	2.6	7.1	3.8	2.8	2.7	2.8	3.0
State of Tennessee	4.7	3.7	3.5	3.3	7.4	4.4	3.4	3.3	3.4	3.5
United States	4.9	4.4	3.9	3.7	8.1	5.4	3.7	3.6	4.0	4.3

Source: United States Bureau of Labor Statistics (www.bls.gov)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS

JUNE 30, 2025

PRINCIPAL EMPLOYERS	NUMBER OF EMPLOYEES	PERCENTAGES OF TOTAL EMPLOYMENT
Vanderbilt University	41,284	3.65%
State of Tennessee	28,185	2.49
HCA Healthcare Inc.	27,700	2.45
Metro Nashville-Davidson County Government and Public Schools	22,322	1.97
United States Government	14,678	1.30
Amazon	13,200	1.17
Ascension Saint Thomas	10,069	0.89
The Kroger Company	8,100	0.72
Nissan North America[1]	7,250	0.64
Western Express Inc.	5,148	0.45
TOTAL	**177,936**	**15.73%**

[1] Located a few miles outside Metropolitan Government.
Source: Metropolitan Government ACFR for the Fiscal Year ended June 30, 2025

Private-Sector Investment and Job Creation

Continued expansion in Nashville has occurred in recent years in corporate and regional headquarters, the technology industry, manufacturing, health care management and many areas where the local economy has established strength and growth potential.

East Bank Development

The East Bank development project (called "Imagine East Bank") is being led by the East Bank Development Authority ("EBDA"), a newly-created instrumentality of the Metropolitan Government, to reimagine the East Bank, the 550-acre site lying immediately to the east of the Cumberland River and adjacent to downtown Nashville, which is currently comprised of mostly asphalt parking lots, industrial and commercial uses, and the existing Nissan Stadium. The nearly 80-acre East Bank project is expected to include $4.5 billion of public and private investment, spanning 2.7 million square feet of building space, the second largest development project in Tennessee. Imagine East Bank involves transforming the East Bank into a multi-use development with various public and private components, including walkable districts, with hotels, restaurants, entertainment, and residential developments. The plans include a 65-acre corporate headquarters campus for the Oracle Corporation, a new campus for the Tennessee Performing Arts Center, 12 acres of riverfront parks and greenways, and the construction of a new Nissan Stadium.

Oracle Corp.

Oracle is a multinational computer technology corporation best known for its software products, cloud-engineering services and systems and database management systems. Oracle has committed to a large-scale investment on the northern end of the East Bank. The planned 65-acre campus will serve as the company's world headquarters. As part of the project, Oracle has committed to several infrastructure investments and a new pedestrian bridge crossing the river and connecting the East Bank to the Germantown

neighborhood just north of downtown Nashville. Oracle began clearing the site in February 2026 and the redevelopment is expected to be finished by 2031.

New Nissan Stadium

The new, enclosed Nissan Stadium is currently under construction and scheduled to be open prior to the 2027 NFL season, but its purpose is expected to go far beyond the team's home games. With a seating capacity of roughly 60,000, the enclosed stadium is designed to serve as a year-round facility, attracting concerts, NCAA Final Fours, college football playoffs, and other large-scale events. Nashville has already secured its bid for its first Super Bowl in 2030. The space and its high-profile events are expected to bolster convention business by providing an additional venue that can be utilized for large gatherings in conjunction with events at the Convention Center.

East Bend

A 47-acre mixed-use redevelopment of former industrial/scrapyard property along the Cumberland River on the East Bank, just south of the new Nissan Stadium, is currently in the pre-construction/planning stage. The site was historically operated as a metal recycling/scrapyard facility and is being transformed into a mixed-use urban neighborhood with housing, retail, restaurants, entertainment, public parks, riverfront access, and potential cultural amenities.

Amazon

In 2018, the American multinational e-commerce and technology company, Amazon.com, Inc. ("Amazon"), announced its plans to invest $230 million in Nashville to build its newest operations center, consisting of two towers, to be located at Nashville Yards in Downtown Nashville. With one tower complete, Amazon announced in 2025, the beginning of the interior work on the second 24-story Amazon Tower II.

The mixed-use development creates 7,200 permanent jobs. This mixed-use development included plans for a new operations center combined with a massive complex of hotels, shops, restaurants, apartments, offices and a 1.3-acre park. The new Amazon operations site includes management and tech-focused jobs, including software developers, customer fulfillment, transportation, supply chain, and various other employment opportunities.

The $230 million investment created approximately 7,200 new permanent jobs at the Amazon operations center. These innovative and highly compensated employment opportunities are expected to continue to boost the Nashville economy, provide workers with attractive and equitable opportunities, and distinguish Nashville from other major cities by making it a premiere location for business investment and career opportunities. Since 2010, Amazon has invested nearly $13 billion in Tennessee and $530 billion in the United States subsequently creating more than 25,000 jobs in Tennessee in its operations, logistics, corporate and technology functions.

Other Nashville Business Investment

Over the past several years, many national and global companies have relocated and/or expanded their headquarters or operations site into Nashville or announced their intention to do so.

In 2018, the global asset management firm, AllianceBernstein L.P. ("AllianceBernstein"), announced its plans to invest $70 million and create 1,050 jobs in Nashville as it relocates its corporate headquarters from New York to Downtown Nashville. Just two years later in 2020, AllianceBernstein announced plans to invest another $10 million and add another 200 jobs to its downtown operations. These two investments represent a combined $80 million and 1,250 jobs. AllianceBernstein serves as the

corporate tenant anchor for Fifth + Broadway in Downtown Nashville. Fifth + Broadway is a $450 million public-private partnership redevelopment of the former Nashville Convention Center. Fifth + Broadway features more than 380 residential units, a 26-story, 385,000-square-foot office tower, Assembly Food Hall, a renovated conference center, and the National Museum of African American Music.

Capgemini, the global information technology consulting firm, announced it will invest $20.1 million to establish operations in Nashville. Headquartered in France and located in 50 countries, Capgemini will create a minimum of 500 new jobs, with projected growth of up to 1,000 jobs, as the company launches its first Tennessee delivery center at Broadwest in Nashville.

Smart, the London-based retirement fintech company has chosen Nashville for its United States headquarters. The Smart relocation project is anticipated to create nearly 130 new jobs and yield a $2.2 million investment into Nashville.

August BioServices, a contract development and manufacturing organization (CDMO) which supports the global pharmaceutical industry, announced plans to invest $130 million and create 270 jobs. This two-phased growth plan will construct a new, state-of-the-art, drug development and manufacturing facility that will feature multiple high-speed production lines capable of delivering commercial scale throughput across a wide array of sterile injectables containers, including vials, IV bags and prefilled syringes.

Harrow, Inc. announced the expansion of their corporate headquarters in Nashville. One of the leading U.S. eyecare pharmaceutical companies, Harrow will invest nearly $3 million and create 147 new jobs as part of the project, increasing its current headcount in Tennessee by nearly 70%.

In 2019, iHeartMedia, the leading audio company in the United States selected Nashville as the location for iHeartRadio's second digital headquarters, further expanding its current New York-based digital team; creating new jobs; and building on iHeartRadio's continued growth and innovation as the leading audio platform for consumers across the country.

Other business investment successes within Nashville include the establishment of the first Amazon Air cargo aircraft ("Amazon Air") at the Nashville International Airport ("BNA"). Amazon Air will use over 39,000 square feet of space at BNA. Amazon Air's Nashville gateway at BNA will include an onsite area to sort packages bound for their next destination and will be managed by an Amazon logistics partner, LGSTX Cargo Services. The Amazon Air's Nashville gateway is anticipated to create and support more than 70 jobs.

Nashville Record Pressing will establish operations in Nashville, which includes relocating its headquarters, and establishing certain manufacturing, distribution, and back-office functions. Nashville Record Pressing is estimated to invest $13.3 million into this expansion which is estimated to create 255 new permanent jobs in Nashville.

United Record Pressing, the oldest and largest vinyl record pressing plant in North America, announced the company will expand manufacturing operations at its headquarters to create 209 additional jobs. Continued expansion has occurred in recent years in corporate and regional headquarters, the technology industry, manufacturing, health care management and many areas where the local economy has established strength and growth potential.

In addition to recent business investment announcements, Nashville continues to serve as home to numerous major corporate headquarters and employers.

HCA (Hospital Corporation of America) Healthcare Inc. is headquartered in Nashville and is a company that operates various hospitals, surgery centers, freestanding clinics, emergency rooms, urgent

care centers and physician clinics. According to the *Nashville Business Journal* Book of Lists published in 2024-2025, this company was ranked among: (i) the top 25 largest employers in Nashville with an estimated local employment of 27,700 individuals; and (ii) the largest public healthcare companies with an estimated revenue of $60.23 billion in 2022. See "Healthcare" below.

Ascension is headquartered in St. Louis, Missouri, and operates physician practices and the Ascension Saint Thomas Hospital Midtown located in Nashville through providing 24/7 comprehensive healthcare services, including emergency care for life-threatening injuries and illnesses. According to the *Nashville Business Journal* Book of Lists published in 2024-2025, this company was ranked amongst the top 25 largest employers in Nashville with an estimated local employment of 10,069 individuals. See "Healthcare" below.

In 2021, Asurion opened a new, state-of-the-art facility in Nashville where it is currently headquartered. Asurion operates as a company that offers technical assistance and support for various tech devices and appliances. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked among: (i) the top 30 largest employers in Nashville with an estimated local employment of 3,400 individuals; and (ii) the top 30 largest private companies.

Bridgestone Americas is currently headquartered in Tokyo, Japan and operates as a company that manufactures tires, produces air springs, roofing materials, industrial fibers and textiles. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked among: (i) the top 30 largest employers in Nashville with an estimated local employment of 2,474 individuals; and (ii) the top 30 largest manufacturers.

Genesco is a footwear focused specialty retailer and branded company with more than 1,400 stores in the United States, Canada, the United Kingdom, and Republic of Ireland. Genesco is a leading Nashville-based specialty retailer and branded company with nearly 100 years of success selling footwear and accessories. In 2022, Genesco unveiled its new 7-floor 182,000 square foot headquarters in Nashville which currently houses an estimated 850 employees.

Additionally, the RMR Group Inc. has acquired 16 acres located within the East Bank immediately to the north of the location of the new Nissan Stadium development, and has submitted a development plan to the Metropolitan Government that contemplates three million square feet of mixed-use space.

Nextpower expanded their corporate operations, adding an additional 60 jobs and investing almost $14.5 million. Nextpower engineers advanced technologies that unify structural, electrical, and digital layers to optimize clean energy generation, control, and reliability.

Nissha Medical Technologies ("NMT") officials announced the company has selected Nashville, Tennessee, to relocate its engineering operations. NMT will create 38 new jobs and invest $4.5 million through the project with plans to share incubator space for research and development (R&D) at Vanderbilt University as its new Center of Excellence.

Carlex Glass America executives announced the company will expand its advanced manufacturing operations in Nashville. The more-than $55 million project will create 143 high-skill jobs and equip the Davidson County campus with next generation production lines. Scheduled for completion in mid-2026, the expansion will enable Carlex to fabricate larger precision-formed automotive glass using the most technologically advanced equipment available – the only end-to-end process of its kind in North America.

Professional Land Surveyors ("PLS") relocated to Davidson County, adding 52 jobs and investing $430,000. PLS provides land survey, construction survey, and due diligence services for high-value real estate transactions.

Richards & Southern expanded their operations, adding 26 jobs and investing $6.5 million. Richards and Southern Inc. is a full-service merchandise design, manufacturing, sales and licensing company serving brands and entertainers world-wide.

Dynamic Concept a global leader in aluminum technologies and casthouse solutions, proudly announces the launch of Dynamic Concept USA, a new operations unit in the U.S., located in Nashville, Tennessee. They added 22 jobs and invested $710,000. For over 20 years, the company has delivered high-performance engineering and advanced equipment to aluminum producers worldwide. With a strong presence in North America, Europe, and the Middle East, this strategic expansion reflects the company's mission to bring its expertise closer to its clients, especially those located in the dynamic and rapidly growing Midwest industrial corridor.

Manufacturing

As of August 2025, approximately 87,600 persons were employed in the manufacturing industries in the Nashville MSA, engaging in a wide range of activities and producing a variety of products, including food, tobacco, textiles and furnishings, lumber and paper, printing and publishing, chemical and plastics, leather, concrete, glass, stone, primary metals, machinery and electronics, motor vehicle equipment, measuring and controlling devices, and consumer products. Nashville MSA's largest manufacturing employers include Nissan North America, Bridgestone Americas, Electrolux Home Products, A.O. Smith Water Products and Vought Aircraft Industries.

Trade

Nashville is the major wholesale and retail trade center for the MSA along with some 50 counties in the central region of the State of Tennessee, southern Kentucky and northern Alabama. Nashville is a retail trade area of more than 2.3 million people with consumer spending by Nashville MSA residents that exceeds $32.0 billion. Nashville is one of the top 50 retail markets in the United States. In the Nashville region, there are 245 shopping centers with 37.3 million square feet of gross leasable area. Nine of these centers are super-regional and 15 are regional.

Agriculture

Nashville is surrounded by agricultural-based economies. The area encompassing middle Tennessee produces livestock, dairy products, soybeans, small grain, feed lot cattle, strawberries, hay and tobacco. Nashville's agricultural identity in the state is further established by the fact that it is the home of the Ellington Agricultural Center, which is the headquarters for the Tennessee Department of Agriculture, the Tennessee Agricultural Museum, and the Tennessee Wildlife Resources Agency. The Ellington Agricultural Center is located 10 miles south of Downtown Nashville and is the heart of the state's agricultural interests.

Transportation

Nashville serves as a conduit or trans-shipment point for much of the traffic between the northeast and southeast United States. Three interstate highways extending in six directions intersect in Nashville in addition to nine Federal highways and four State highways. Barge service on the Cumberland River, together with good rail and air services, gives Nashville an excellent four-way transportation network.

The Cumberland River, connecting Nashville and the surrounding area to the Gulf of Mexico and intermediate points on the Ohio and Mississippi Rivers, is used by 51 commercial operators, 18 of which serve Nashville. With the completion of the Tennessee-Tombigbee Waterway in 1985, Cumberland River freight is able to reach the Port of Mobile, thereby eliminating approximately 600 miles of the distance from Nashville to the open sea and contributing to the development of foreign trade in Nashville. In

addition, the Federal Government in 1982 approved Nashville as a Foreign Trade Zone, a secured area supervised by the United States Customs Service, which provides for the storing of foreign merchandise without duty payments.

The CSX System, a major national railroad, serves Nashville. In addition, five major rail lines link Nashville to all major markets in the nation. Rail carriers interchange freight and cooperate in providing and extending transit privileges covering both dry and cold storage and the processing or conversion of materials.

A commuter rail service from Lebanon, Tennessee to Nashville, approximately 32 miles, known as the Music City Star, commenced transportation services in September of 2006. It is operated under the direction of the Regional Transportation Authority, a multi-county agency. The ticket price includes Metropolitan Transportation Authority ("MTA") bus service on circulator routes in the downtown area.

In 1973, the Metropolitan Government acquired the net assets of the Nashville Transit Company, and MTA was established. The MTA provides a comprehensive public transportation system covering the entire metropolitan area. In addition to regularly scheduled bus routes, the MTA provides special transportation services for the handicapped and operates bus service in the downtown area for shoppers, tourists and downtown workers. The revenues derived from the transit system are not sufficient to pay the expenses incurred in the operation of the system. During the Fiscal Year ended June 30, 2025, the Metropolitan Government and the State of Tennessee contributed approximately $83.366 million and $6.272 million, respectively, to pay approximately 67.1% of the MTA's operating expenses. The State of Tennessee directs revenues from a two cent per gallon gasoline tax, which it imposes on local governments that may be applied to mass transit. The contribution of the Metropolitan Government was paid from its general revenues.

The MTA received an additional $3 million in its Fiscal Year 2025 operating budget. A portion of this budget increase will cover operating costs for the new Dr. Ernest Rip Patton, Jr. North Nashville Transit Center, which is opening later this year located at 6th Avenue and Clarksville Highway. This transit center is part of a larger effort to enhance public transit accessibility citywide. This transit center will feature an air-conditioned waiting room, restrooms, and multiple bus bays, enabling seamless connections between routes spanning throughout the Metropolitan Government. During Fiscal Year 2024, the MTA implemented several service enhancements as part of its "Better Bus" initiative. These improvements included increased route frequency, extended routes, introduction of new bus routes, and the addition of new WeGo Link Zones. The Fiscal Year 2026 budget includes funding to sustain these enhanced services.

The Metropolitan Government's $3.1 billion transit improvement plan, "Choose How You Move", is focused on expanding bus services, constructing new sidewalks, upgrading traffic signals to improve mobility, enhancing safety for riders while reducing transportation costs for residents. In November 2024, Metropolitan Government voters approved, by referendum, the imposition of a 0.5% surcharge on retail sales to fund the construction and operation of a transit program for the Metropolitan Government (the "Transit Program"). The Transit Program envisions utilizing this new funding source, in combination with federal formula funds, federal competitive grants, state funding, transit fares, and other agency revenue, to fund a multi-modal transit system, including 24/7/365 bus transit service for the first time in Nashville's history with better frequency and more crosstown and local routes, 86 miles of related connecting sidewalks, smart traffic signals, and improvements to roads and streets.

The Metropolitan Nashville Airport Authority (the "Airport Authority") owns BNA and the John C. Tune airport. Funding for the Airport Authority's capital and operating expenses is provided exclusively from Airport Authority revenues. BNA is situated approximately eight miles from downtown Nashville. BNA continues to experience record-breaking growth with 25.7 million total travelers at the end of Fiscal Year 2025. Currently, BNA averages 670 daily airline arrivals and departures to 113 nonstop destinations. Various international flights continue to be added to BNA including transoceanic flights with direct service

to Reykjavik, Iceland via Icelandair, and Dublin, Ireland via Aer Lingus. BNA continued expansions inside with reimagined concessions opening 49 new food, beverage, and retail spaces. Nashville's legendary Bluebird Café performed its first concert series away from its historical venue live at BNA. S&P Global Ratings raised its long-term rating and underlying rating to "AA-" from "A+" on the Airport Authority's senior-lien airport revenue bonds, with a stable financial outlook on February 7, 2023. In April 2023, BNA opened its newest six-level parking garage that adds 1,800 additional covered parking spaces and connects directly to the on-site Hilton hotel opening later this year.

Construction

Construction in the Metropolitan Government is illustrated by the table on the following page describing the number and value of building permits issued by the Department of Codes Administration of the Metropolitan Government.

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NUMBER AND VALUE OF BUILDING PERMITS IN THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

	RESIDENTIAL CONSTRUCTION		NON-RESIDENTIAL CONSTRUCTION		REPAIRS, ALTERATIONS, AND INSTALLATIONS		OTHER [1]			
Calendar Year	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Total Number of Permits	Total Permit Value
2016	5,858	1,751,681,098	1,136	1,607,184,808	2,737	562,151,606	2,694	21,911,674	12,425	3,942,929,186
2017	5,537	1,084,398,438	1,196	1,996,276,985	2,342	572,053,980	2,642	24,394,733	11,717	3,677,124,136
2018	5,536	989,334,771	866	1,931,789,059	2,458	639,160,352	2,771	15,622,773	11,431	3,575,906,955
2019	5,195	968,600,069	1,056	2,598,254,537	2,374	607,178,804	2,388	26,243,063	11,013	4,200,276,473
2020	5,065	1,087,364,258	1,262	2,849,430,768	2,245	637,530,427	2,893	48,416,444	11,465	4,658,741,897
2021	5,840	1,354,609,341	1,422	3,233,814,213	1,935	849,251,371	2,877	59,010,065	12,074	5,496,684,990
2022	6,434	1,522,597,275	1,235	3,148,493,682	1,956	620,952,445	2,708	77,395,665	12,333	5,369,439,067
2023	5,237	1,158,284,840	1,151	2,747,824,413	1,995	927,124,866	1,982	56,243,509	10,365	4,889,477,628
2024	5489	1,132,124,208	930	1,981,475,145	1,553	894,237,032	1,806	37,471,152	9,778	4,045,307,537
2025	5527	1,196,563,949	997	2,240,556,041	1,778	965,452,568	1,991	31,822,189	10,293	4,434,394,747

[1] Includes moved residential buildings, house trailers, and the demolition of residential and non-residential buildings and signs & billboard permits.

Source: Metropolitan Government Department of Codes Administration

Healthcare

Nashville is one of the nation's leaders in the healthcare field. HCA Healthcare has its headquarters and operates several hospitals in the surrounding area. Vanderbilt University Medical Center and St. Thomas Hospital are Nashville's other primary hospitals.

The Metropolitan Government relocated the city-owned hospital, the Metropolitan Nashville General Hospital, to Hubbard Hospital of Meharry Medical College in 1998. In addition, Meharry provides medical staff to the Metropolitan Nashville General Hospital. The arrangement provides Nashville with a renovated facility staffed with residents from Meharry Medical College.

Higher Education

The Nashville MSA includes over 20 colleges and universities, including Vanderbilt University, Belmont University, Tennessee State University, Lipscomb University, Meharry Medical College, Nashville State Community College and Fisk University. Total higher education enrollment exceeds 120,000 students annually. Several of Nashville's institutions of higher education offer graduate programs. Nashville is also a leading center for medical research and education with Vanderbilt University emphasizing medical research in addition to its programs in other disciplines and with Meharry Medical College specializing in health care delivery.

Professional Sports

The Metropolitan Government is home to four professional sports franchises, all of which are located in or near downtown Nashville. The NFL's Tennessee Titans have played their football games in Nissan Stadium since 1999, and the Metropolitan Government hosted the NFL draft in 2019. The National Hockey League's ("NHL") Nashville Predators currently play their hockey games in the Bridgestone Arena, and the Metropolitan Government hosted the NHL All-Star game in 2017. The Nashville Sounds, the AAA affiliate of the Milwaukee Brewers, play their baseball games in First Horizon Ballpark. The MLS' Nashville Soccer Club plays its games at GEODIS Park.

Cultural Facilities

Library System

The Nashville Public Library system includes a 300,000 square feet downtown main library and 20 community branches located across the county. In addition, an extensive online offering of books and resources has extended its reach beyond the traditional branch system. The library facilities host numerous in-house programs and community events throughout the year. In the Fall of 2019, the State of Tennessee completed the construction in downtown Nashville of a 165,000 square foot library and archives.

Performing Arts

The Tennessee Performing Arts Center is the first state-funded facility of its kind in the nation and is home to the Nashville Ballet, the Nashville Opera Association, and the Tennessee Repertory Theatre. The arts center occupies an entire city block, and its venues include Andrew Jackson Hall (2,472 seats), the James Polk Theater (1,075 seats), the Andrew Johnson Theater (264 seats), and the War Memorial Auditorium (1,661 seats). The Tennessee Performing Arts Center plays host to numerous events each year, including an annual series of Broadway plays. The Nashville Children's Theater is home to the oldest professional theater for children in the county. Thousands of school age children and adults are treated to a variety of productions each year. The Schermerhorn Symphony Center is located in Downtown Nashville

and consists of numerous spaces with its main venue being the 1,844-seat Laura Turner Concert Hall, which hosts the Nashville Symphony.

Museums and Visual Arts

The Frist Art Museum occupies Nashville's historic downtown former post office building. A public-private partnership between the Metropolitan Government, the Frist Foundation and the Dr. Thomas F. Frist, Jr. family, the Frist Art Museum contains more than 24,000 square feet of gallery space capable of showcasing major national and international visual arts exhibitions.

The Parthenon, located in Nashville's Centennial Park, is a full-scale replica of the original building in Athens, Greece. The reproduction was built to honor Nashville's reputation for education and has attracted visitors since 1897. The recently restored building serves as Nashville's permanent art museum, holding a collection of paintings by 19th and 20th century American artists.

Cheekwood Botanical Garden and Art Museum is a 55-acre site that includes the original Cheek gardens, with pools, fountains, statuary, extensive boxwood plantings and breathtaking views of the rolling Tennessee hills. The Museum of Art is housed in a 30,000-square foot Georgian-style mansion and contains world-class collections of American and contemporary painting and sculpture, English and American decorative arts and traveling exhibitions. Collections also include silver, and the most comprehensive collection of Worcester porcelain in America.

Vanderbilt University's Fine Arts Gallery showcases six exhibitions each year that represent Eastern and Western art and an international collection of works. The Van Vechten Gallery at Fisk University houses more than 100 pieces from artists like Picasso, Renoir, and O'Keeffe. For religious art, there's a wooden 8-foot-by-17-foot carving of "The Last Supper" based on Leonardo da Vinci's masterpiece at The Upper Room Chapel, along with a striking 9,000 pieces of mosaic-stained glass called the World Christian Fellowship Window. The museum at the Upper Room also has outstanding religious works, besides two annual displays of nearly 70 Ukrainian Easter eggs in April and more than 100 Nativity scenes in December.

The Country Music Hall of Fame and Museum is one of the world's largest and most active popular music research centers and the world's largest repository of country music artifacts. In May 2001, the Museum moved to a new 130,000 square foot facility in downtown Nashville. In 2014, the Museum expanded to 350,000 square feet to connect to the new Omni headquarters hotel described below.

The Adventure Science Center features a state-of-the-art Planetarium as well as exhibits and programs which focus on geology, zoology, ecology, physics and other sciences. The Nashville Zoo at Grassmere is a zoological garden and historic plantation farmhouse located six miles from downtown. The Zoo contains over 6,000 individual animals and attracts approximately 950,000 visitors each year. The Tennessee State Museum opened in the Bill Haslam Center in October 2018 with 137,000 square feet of administration and gallery space.

The National Museum of African American Music opened in 2021. This museum celebrates the history of Black music in America and has the mission to educate the world, preserve the legacy, and educate visitors on the central role African Americans played in creating American music. The National Museum of African American Music is an over 56,000 square feet venue located in Downtown Nashville. It is the only museum dedicated to preserving and celebrating the many music genres created, influenced, and inspired by African Americans. The National Museum of African American Music markets itself as the premier global destination for music lovers of all generations.

Music Concert Venues

The Metropolitan Government hosts large concert events at either the Bridgestone Arena or the Nissan Stadium. Smaller indoor venues include the Ryman Auditorium – the 2,362-seat original home of the Grand Ole Opry – and the new Grand Ole Opry, a 4,372-seat theater venue located near Gaylord Opryland Resort & Convention Center that hosts America's longest running live radio show. The Metropolitan Government opened Ascend Amphitheater in 2015, which maintains capacity of 6,800 and is located downtown, adjacent to the Cumberland River. The 4,500-seat Woods Amphitheatre at Fontanel is located nine miles north of downtown.

Tourism

Tourism is a major industry in Nashville consistently ranking in the top three producers. The Nashville Convention and Visitors Corporation and Tourism Economics estimate that visitors spent $11.22 billion in 2024.

As of May 2026, the Nashville MSA had 528 hotels offering 61,762 rooms. The table below shows the room availability and occupancy rate for the Nashville MSA in the last 10 years.

NASHVILLE MSA HOTEL AND MOTEL ROOMS / OCCUPANCY RATE

Calendar Year	Rooms Available	Occupancy Rate
2016	40,558	75.10%
2017	41,733	74.10%
2018	44,335	73.30%
2019	47,676	73.50%
2020 [1]	50,654	40.88%
2021 [1]	54,499	59.10%
2022	57,576	68.60%
2023	57,476	68.69%
2024	59,971	66.40%
2025	61,762	65.50%

[1] Hotels experienced declines in their occupancy rates due to the impact of the COVID-19 pandemic.

Source: Nashville Convention and Visitors Corporation.

Conventions and Corporate Meetings

Nashville's Music City Center opened in May 2013 and features a 350,000 square foot exhibit hall, 75,000 square feet of ballroom space (consisting of a 57,000 square foot grand ballroom and an 18,000 square foot junior ballroom), 90,000 square feet of meeting rooms, 31 loading docks and a parking garage with 1,800 spaces. The Music City Center celebrated its 10th anniversary in May of 2023, and continues to serve the Metropolitan Government by attracting various local and national events. Over the last 10 years, the Music City Center hosted 2,335 events, including 462 local nonprofit events, with an attendance record of 4.4 million people, equating to $3.3 billion in direct economic impact for the greater Nashville region.

The Music City Center's location created a high demand for hotel rooms, particularly full-service properties. The 800-room full-service hotel called the "Omni Nashville Hotel" opened in September 2013 next to the Music City Center. In the fall of 2016, the 456-room full-service hotel called "The Westin Nashville" opened adjacent to the Music City Center. The 533-room full-service hotel called the "JW Marriott Nashville" opened in 2018. Also, the 673-room full-service hotel called "Renaissance Nashville Hotel", the 591-room full-service hotel called the "Grand Hyatt Nashville", and several other full service hotels have opened near the Music City Center. Also, several smaller hotels have also opened near the Music City Center. The Music City Center and its adjacent hotels are located within walking distance of the Downtown Entertainment District, as described below.

Located approximately ten miles from downtown is the Gaylord Opryland Resort & Convention Center, the third largest hotel/convention center under one roof in the United States. The complex features 2,881 hotel rooms, 263,000 square feet of exhibit space and 300,000 square feet of meeting space. A $90 million indoor waterpark was completed in December 2018. Adjacent to the Gaylord Opryland Resort & Convention Center is the Grand Ole Opry, described above, and Opry Mills – a 1.1 million square foot megamall, which opened in May 2000. The mall contains 200 stores, theme restaurants, a 20-screen multi-theater complex and an IMAX theater. In early 2025, Ryman Hospitality Properties, Inc., the Nashville-based ownership group for the Gaylord Opryland Resort & Convention Center, announced that a $131 million expansion is planned for completion in the spring of 2027. The expansion includes a new approximately 31,000-square-foot ballroom, 38,000 square feet of breakout space and 39,000 square feet of pre-function space.

Downtown Entertainment District

The Downtown Entertainment District encompasses approximately 20 square blocks centered around historic Lower Broadway ("Lower Broad"). Lower Broad consists primarily of historic brick restaurants and bars that feature live music and entertainment. Many of the restaurants and bars are owned and/or sponsored by current and former music artists. Lower Broad is a short walk to the Music City Center and its adjacent hotels, the existing Tennessee Titans Stadium, the Country Music Hall of Fame and Museum and most other Downtown Nashville attractions. The Music City Center, the Omni Nashville Hotel, The Westin Nashville, the Grand Hyatt Nashville, the JW Marriott Nashville, and other full-service adjacent hotels are each located in Downtown Nashville within the Central Business District, and are within walking distance of many notable attractions, including but not limited to, the Bridgestone Arena, the existing Tennessee Titans Stadium, the Ryman Auditorium, Frist Art Museum, Schermerhorn Symphony Center, Musicians Hall of Fame and Museum and the Johnny Cash Museum. In addition to Lower Broad, Nashville's Downtown Entertainment District also includes Second Avenue, Riverfront and Printers Alley, being collectively known as "The District". The District is commonly known for its nightlife, bars and clubs that offer a unique experience that includes different shopping and dining options.

Seasonal, Festival and Sporting Events

Downtown Nashville annually hosts several seasonal, festival and sporting events. Downtown Nashville hosts one of the nation's largest New Year's Eve parties each year, with approximately 100,000 people coming downtown for fireworks and live music. Nashville also hosts a four-day music festival each June known as CMA Music Fest. The event includes performances by more than 100 entertainers and groups, autograph sessions and activities directed at the attendees. The Titans Stadium hosts the college football Music City Bowl each December, and the Bridgestone Arena is a regular host for Southeastern Conference and NCAA men's and women's basketball tournaments.

Education

The Metropolitan Nashville Public Schools is the second largest school district in Tennessee and the forty-ninth (49th) largest school district in the United States. The following table illustrates the enrollment and attendance trends for the Metropolitan Nashville Public Schools:

PUBLIC SCHOOL ENROLLMENT AND ATTENDANCE

School Year	Total Enrollment	Average Attendance
2015-2016	85,797	77,791
2016-2017	86,633	78,098
2017-2018	85,379	77,117
2018-2019	86,292	77,218
2019-2020	84,358	77,474
2020-2021	80,118	74,577
2021-2022	79,651	73,120
2022-2023	80,701	73,292
2023-2024	78,709	71,713
2024-2025	80,593	73,114

Source: The Metropolitan Government of Nashville and Davidson County.

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REIMBURSEMENT AGREEMENT

dated as of December 1, 2026

among

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY,

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

and

TD BANK, N.A.,

relating to

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, SERIES 2026A

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SCHEDULE:

Schedule I	—	Certain Addresses for Notices

REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT is dated as of December 1, 2026, among THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, a Tennessee local governmental entity (the *"Metropolitan Government"*), the ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "*Board*") and TD BANK, N.A. (together with is successors and assigns, the *"Bank"*).

RECITALS:

WHEREAS, the Board has control and jurisdiction over the electric light and power plant and distribution system (hereinafter sometimes referred to as the "*System*") of the Metropolitan Government;

WHEREAS, the Board adopted a resolution on October 28, 2026 (as may be further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof, the "*Board Resolution*") requesting that the Metropolitan Government issue electric system revenue bond anticipation notes;

WHEREAS, at the request of the Board, the Metropolitan Government proposes to issue its Electric System Revenue Commercial Paper Notes, Series 2026A in an aggregate principal amount not to exceed $100,000,000 (the *"Commercial Paper Notes"*) pursuant to the Enabling Act (as herein defined) and the Resolution (as hereinafter defined), and to use the proceeds of the sale of the Commercial Paper Notes as permitted by the Resolution;

WHEREAS, to enhance the marketability of the Commercial Paper Notes, the Metropolitan Government and the Board have requested that the Bank issue its Irrevocable Transferable Direct-Pay Letter of Credit to support certain payments to be made with respect to the Commercial Paper Notes in the amount of $109,000,000, of which $100,000,000 will be available to pay principal of the Commercial Paper Notes upon maturity thereof, and of which $9,000,000 (270 days of interest on the principal amount of Commercial Paper Notes calculated at the rate of 12% and computed on the basis of a year of 360 days) will be available to pay accrued interest on the Commercial Paper Notes on their respective maturity dates;

WHEREAS, the parties hereto agree that this Agreement, the hereinafter defined Fee Letter and the Letter of Credit constitute(s) a Facility as defined in the Resolution;

WHEREAS, in reliance upon the provisions hereof, the Bank, the Metropolitan Government and the Board are willing to enter into this Agreement.

NOW, THEREFORE, for valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to other terms defined herein, unless the context shall indicate a contrary meaning or intent, the following terms shall have the respective meanings indicated below, such meanings to be applicable equally to both the singular and plural forms of such terms:

"Accreted Value" shall mean with respect to any Capital Appreciation Debt (i) as of any Valuation Date, the amount set forth for such date in the resolution authorizing such Capital Appreciation Debt and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

"Accrued Aggregate Debt Service" shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Special Revenue Debt, calculating the accrued Debt Service (notwithstanding the assumption concerning Variable Interest Rate Debt set forth in the definition of "Debt Service" contained in this Agreement) with respect to Special Revenue Debt at an amount equal to the sum of (i) interest on the Special Revenue Debt accrued and unpaid and to accrue to the end of the then current Month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Special Revenue Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such Month; *provided, however,* that if such calculation is made as of any date when Refunding Bonds issued pursuant to clause (ii) of subsection 1 of Section 205 of the Electric System Bond Resolution are payable solely from the proceeds of such Refunding Bonds and the interest earnings thereon, then Debt Service estimated to accrue on such Refunding Bonds shall be assumed to be zero. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Debt and the Appreciated Value of Deferred Income Debt becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the resolution authorizing such Capital Appreciation Debt or Deferred Income Debt.

"Advance" has the meaning set forth in Section 2.03(a)(i) hereof, and shall include, without limitation, any Advance converted into a Term Loan pursuant to Section 2.03(a)(iv) hereof.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Debt Service" for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Special Revenue Debt; *provided, however,* that for the purpose of estimating Aggregate Debt Service for any future period, (A) any Option Debt outstanding during such period shall be assumed to mature on the stated maturity date or mandatory redemption date thereof, and (B) if such calculation is made during any period when Refunding Bonds issued pursuant to clause (ii) of subsection 1 of Section 205 of the Electric System Bond Resolution are payable solely from the proceeds of such Refunding Bonds and the interest earnings thereon, then the Debt Service estimated to accrue on such Refunding Bonds prior to the end of such period shall be assumed to be zero.

"Agreement" means this Reimbursement Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"Amortization Period" has the meaning set forth in Section 2.03(a)(iv) hereof.

"Anti-Terrorism Laws" means any statute, treaty, law (including common law), ordinance, regulation, rule, order, opinion, release, injunction, writ, decree or award of any Governmental Authority relating to terrorism or money laundering, including Executive Order No. 13224 and the Patriot Act.

"Appreciated Value" shall mean with respect to any Deferred Income Debt, (A) (i) as of any Valuation Date, the amount set forth for such date in the resolution authorizing such Deferred Income Debt and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (B) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"Authorized Board Representative" has the meaning set forth in the Electric System Bond Resolution.

"Bank" has the meaning set forth in the introductory paragraph hereof.

"Bank Agreement" has the meaning set forth in Section 6.02(h) hereof.

"Bank Facility" means any Bank Agreement supporting Commercial Paper Indebtedness (other than the Commercial Paper Notes), including any bank notes to be issued and delivered under such agreement, or any other document or agreement by any Person providing credit support, additional security or liquidity for the payment of Commercial Paper Indebtedness (other than the Commercial Paper Notes), and as from time to time the agreement may be amended, restated or supplemented.

"Bank Notes" means the Taxable Bank Note and the Tax-Exempt Bank Note and *"Bank Note"* shall mean each of the Taxable Bank Note and the Tax-Exempt Bank Note, as context may require.

"Bank's Office" means the Bank's address and, as appropriate, account as set forth on Schedule I attached hereto, or such other address or account as the Bank may from time to time notify the Metropolitan Government and the Board.

"Bank Rate" means the rate of interest per annum with respect to an Advance and each related Term Loan equal to: (a) for the period from and including the date the related Advance is made to and including the one hundred eightieth (180th) day next succeeding the date the related Advance is made, the Base Rate from time to time in effect; and (b) for the period from and including the one hundred eighty-first (181st) day immediately next succeeding the date the related Advance is made and thereafter, the sum of the Base Rate from time to time in effect plus one percent (1.00%); *provided* that, immediately upon the occurrence and during the continuation of an Event of Default, the Bank Rate shall be equal to the Default Rate; *provided, further* that, subject to Section 2.04(c) hereof, at no time shall the Bank Rate exceed the Maximum Interest Rate; *provided, further,* that at no time shall the Bank Rate be less than the highest rate of interest borne by any Commercial Paper Note.

"Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the greatest of (a) the Prime Rate in effect at such time plus one and one-half percent (1.50%), (b) the Federal Funds Rate in effect at such time plus two percent (2.00%), and (c) seven percent (7.00%). Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or Federal Funds Rate, as the case may be. Each determination of the Base Rate by the Bank shall be conclusive and binding absent manifest error.

"Board" has the meaning set forth in the introductory paragraph hereof.

"Board Resolution" has the meaning set forth in the recitals hereof.

"Bond Counsel" means Bradley, Arant, Boult, Cummings LLP, or any other firm or firms selected by the Metropolitan Government and the Board whose opinion concerning bond matters is nationally recognized.

"Bond" or "Bonds" has the meaning set forth in the Electric System Bond Resolution.

"Book-Entry Commercial Paper" has the meaning set forth in the Resolution.

"Business Day" means any days other than (a) a Saturday, (b) a Sunday, (c) a legal holiday of the State of Tennessee, (d) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the corporate trust office of the Issuing and Paying Agent is located, or the city in which the principal office of any Dealer is located or the city in which the office of the Bank at which Drawings are required to be presented under the Letter of Credit or the office of the Bank from which such request will be funded, are authorized or obligated by law or executive order to be closed, (e) a day on which the New York Stock Exchange is not open for

trading, or (f) with respect to the Book-Entry Commercial Paper Notes, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

"Capital Appreciation Debt" shall mean any Special Revenue Debt issued as to which interest is payable only at the maturity or prior redemption of such Special Revenue Debt. For the purposes of (i) receiving payment of the Redemption Price, if any, of a Capital Appreciation Debt that is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Debt if the principal of all Senior Lien Bonds is declared immediately due and payable following an Event of Default as provided in Section 801 of the Electric System Bond Resolution or (iii) computing the principal amount of Debt held by the holder of Capital Appreciation Debt in giving to the Metropolitan Government, the Board or any fiscal agent any notice, consent, request, or demand pursuant to the related resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Debt shall be deemed to be its Accreted Value.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption, issuance, implementation, promulgation, taking effect of, or any change in, any law, rule, treaty or regulation, or any request, policy, guideline or directive of, or any change in the interpretation, administration, implementation or application thereof by any court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over the Bank (in each case whether or not having the force of law) or the making or issuance of any request, rule, guideline or directive by any Governmental Authority, including, without limitation, any Risk Based Capital Guidelines and provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or any successor Basel accord, shall in each case be deemed to be a *"Change in Law,"* regardless of the date enacted, adopted or issued, (b) compliance by the Bank or any parent or holding company of the Bank with any law, rule, treaty or regulation, request, policy, guideline or directive of any such court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over the Bank (in each case whether or not having the force of law) or (c) any change in the application, interpretation or enforcement of any of the foregoing.

"Code" means the Internal Revenue Code of 1986, as amended, and when reference is made to a particular section thereof, the applicable Treasury Regulations from time to time promulgated or proposed thereunder.

"Commercial Paper Indebtedness" means the Commercial Paper Notes and all other commercial paper notes, debentures, obligations or similar instruments issued by the Metropolitan Government and payable from or secured by the Net Revenues (or any portion thereof).

"Commercial Paper Notes" has the meaning set forth in the recitals hereof.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. Without limitation, any director, executive officer or beneficial owner of 5% or more of the equity of a Person shall, for the purposes of this Agreement, be deemed to control the other Person. *"Controlling"* and *"Controlled"* have meanings correlative thereto.

"Conversion Date" means the earlier to occur of (i) the date that is ninety (90) days from the date the related Advance was made and (ii) the Stated Expiration Date.

"Dealer" or "Dealers" means each dealer or remarketing agent selected from time to time by the Metropolitan Government and the Board to market or remarket the Commercial Paper Notes in accordance with the Resolution. As of the Effective Date, the Dealers are BofA Securities, Inc. and J.P. Morgan Securities LLC.

"Dealer Agreement" means each dealer agreement entered into among the Metropolitan Government, the Board and a Dealer with respect to the Commercial Paper Notes, and shall initially mean each Commercial Paper Dealer Agreement dated as of December 1, 2026, among the Metropolitan Government, the Board and the Dealers named therein as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof, and any other agreement delivered in substitution or exchange for each agreement.

"Debt" of any Person means, at any date and without duplication, (a) all obligations of such Person for borrowed money, including without limitation, obligations secured by any of the revenues or assets of such Person and all obligations of such Person evidenced by bonds (including revenue bonds), debentures, notes or other similar instruments, (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (c) all obligations of such Person as lessee under capital or finance leases, (d) all indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (e) all indebtedness of others guaranteed by, or secured by any of the revenues or assets of, such Person, (f) all payment obligations of such Person under any Swap Contract and (g) all obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advanced under a Bank Agreement.

"Debt Service" for any period shall mean, as of any date of calculation and with respect to any Special Revenue Debt, an amount equal to the sum of (i) the interest accruing during such period on such Special Revenue Debt except to the extent such interest is to be paid from deposits made from Special Revenue Debt proceeds into the Debt Service Account in the Debt Service Fund, and (ii) that portion of each Principal Installment for such Special Revenue Debt which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Special Revenue Debt or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the

Special Revenue Debt, whichever is later. Except as set forth in the definition of "Accrued Aggregate Debt Service" contained herein, in the case of Variable Interest Rate Debt, with respect to a particular period and date of calculation, the interest rate thereon shall be calculated on the assumption that such Special Revenue Debt will bear interest during such period at the higher of (i) a fixed rate of interest equal to that rate, as estimated by an Authorized Board Representative, after consultation with the remarketing agent, if any, for such Variable Interest Rate Debt, on a day not more than 20 days prior to the date of initial issuance of such Variable Interest Rate Debt, which such Variable Interest Rate Debt would have had to bear to be marketed at par on such date as fixed rate obligations with the same maturity schedule as such Variable Interest Rate Debt or (ii) a rate, not less than the initial rate of interest on such Variable Interest Rate Debt, set forth in or determined pursuant to a formula set forth in the resolution authorizing such Variable Interest Rate Debt; *provided* that, if on such date of calculation the interest rate on such Variable Interest Rate Debt shall then be fixed for a specified period, the interest rate used for such specified period for the purposes of the foregoing calculation shall be such actual interest rate. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Debt and the Appreciated Value of Deferred Income Debt becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the resolution authorizing such Capital Appreciation Debt or Deferred Income Debt.

"Debt Service Account" has the meaning set forth in the Electric System Bond Resolution.

"Debt Service Fund" has the meaning set forth in the Electric System Bond Resolution.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any condition or event that, with the giving of notice or lapse of time or both, would constitute an Event of Default.

"Default Rate" means, subject to Section 2.04(c) hereof, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus four percent (4.00%); *provided* that, subject to Section 2.04(c) hereof, at no time shall the Default Rate exceed the Maximum Interest Rate; *provided, further,* that at no time shall the Default Rate be less than the highest rate of interest borne by any Commercial Paper Note.

"Deferred Income Debt" shall mean any Special Revenue Debt as to which accruing interest is not paid prior to the Interest Commencement Date specified in the resolution authorizing such Special Revenue Debt and the Appreciated Value for such Special Revenue Debt is compounded on the Valuation Date for such Deferred Income Debt.

"Depository" has the meaning set forth in the Resolution.

"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, guidelines and directions in connection therewith.

"Drawing" has the meaning set forth in the Letter of Credit.

"Effective Date" means December **[8]**, 2026, subject to the satisfaction or waiver by the Bank of all of the conditions precedent set forth in Section 4.01 hereof.

"Electric System Bond Resolution" shall mean Substitute Resolution No. R85-746 adopted by the Metropolitan County Council on November 5, 1985, as amended, restated or otherwise modified from time to time, and when used in the context of a particular series of bonds, notes or other debt obligations issued thereunder, shall include all supplements thereto adopted in connection with the issuance of such series of bonds, notes or other debt obligations, and any amendments to such supplements.

"EMMA" means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

"Enabling Act" means Title 9, Chapter 21 of Tennessee Code Annotated, as amended.

"Environmental Laws" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case relating to Hazardous Materials or to environmental, health, safety and land use matters applicable to any property.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the System directly or indirectly resulting from or based upon (a) violation of any Environmental Laws, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and, unless the context otherwise requires, the rules and regulations promulgated thereunder from time to time.

"Event of Default" has the meaning set forth in Section 7.01 hereof.

"Excess Amount" has the meaning set forth in Section 2.07(b) hereof.

"Excluded Taxes" means, with respect to the Bank or the parent or holding company of the Bank, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political

subdivision thereof) under the laws of which the Bank or such parent or holding company of the Bank is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Bank or such parent or holding company of the Bank is located.

"Facility" has the meaning set forth in the Resolution.

"Facility Fee" has the meaning set forth in the Fee Letter.

"FCPA" has the meaning set forth in Section 5.01(aa)(i) hereof.

"Federal Funds Rate" means, for any day, the then-current weighted average of the rate of overnight Federal funds transactions with members of the Federal Reserve System as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank. Notwithstanding anything herein to the contrary, if the Federal Funds Rate determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

"Fee Letter" means the Fee Letter dated as of the Effective Date among the Metropolitan Government, the Board and the Bank, and all amendments, modifications, restatements and extensions of such agreement, entered into from time to time and any other agreement delivered in substitution or exchange for such agreement.

"Final Drawing" means the drawing to be made by the Issuing and Paying Agent in the form of Annex H-2 to the Letter of Credit upon receipt of a Final Drawing Notice.

"Final Drawing Notice" has the meaning set forth in the Letter of Credit.

"Final Maturity Date" means, with respect to each Advance and each related Term Loan, the earliest to occur of: (a) the third (3rd) anniversary of the date on which the related Drawing was made, (b) the third (3rd) anniversary of the Stated Expiration Date, (c) the Substitution Date, (d) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than solely as a result of the Letter of Credit terminating on the Stated Expiration Date), including as a result of the occurrence of an Event of Default and (e) the Business Day on which Commercial Paper Notes or bonds are sold to fund such repayment.

"Fiscal Year" means with respect to the Metropolitan Government and the Board, the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter designated as the official fiscal year period of the Metropolitan

Government or the Board (as applicable), which designation shall be provided to the Bank in a certificate of the Metropolitan Government or the Board (as applicable).

"Fitch" means Fitch Ratings, Inc.

"Governmental Authority" means the United States or any state or political subdivision thereof or any foreign nation or political subdivision thereof, any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the United States (or any state, municipality or political subdivision thereof) or any foreign nation or political subdivision thereof, including, without limitation, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority or other governmental or quasi-governmental authority exercising control over Bank or other financial institutions, and any corporation or other entity or authority owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Hazardous Materials" means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, material or substances (to the extent provided under applicable Environmental Laws), and shall include any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing material, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, materials, substance, pollutant or contaminant that in each case the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

"Holder" means the Bank and any other holder of any interest in a Bank Note or any Person to which the Bank or any such other holder sells a participation in a Bank Note (whether or not the Metropolitan Government or the Board was given notice of such sale and whether or not the Holder has an interest in a Bank Note at the time amounts are payable to such Holder thereunder and under this Agreement).

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Initial Resolutions" has the meaning set forth in the Resolution.

"Interest Commencement Date" shall mean, with respect to any particular Deferred Income Debt, the date specified in the resolution authorizing such Special Revenue Debt (which date must be prior to the maturity date for such Special Revenue Debt) after which interest accruing on such Special Revenue Debt shall be payable with the first such payment date being the applicable interest payment date immediately succeeding such Interest Commencement Date.

"Investment Grade" means a rating of *"Baa3"* (or its equivalent) or higher by Moody's and *"BBB-"* (or its equivalent) or higher by S&P or Fitch.

"ISP" means, with respect to the Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc.

"Issuing and Paying Agent" means the firm serving from time to time as issuing and paying agent for the Commercial Paper Notes pursuant to Section 5.03 of the Resolution and any successor thereto. As of the Effective Date, the Issuing and Paying Agent is U.S. Bank Trust Company, National Association.

"Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement, dated as of December 1, 2026, by and among the Metropolitan Government, the Board and the Issuing and Paying Agent, approved and authorized by Section 5.03 of the Resolution, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof and any other agreement delivered in substitution or exchange for such agreement.

"L/C Charges" means and includes the facility fees, draw fees, amendment fees, consent fees, termination fees and waiver fees as set forth in the Fee Letter and other fees and expenses payable by the Metropolitan Government to the Bank hereunder.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Letter of Credit" means the Letter of Credit issued by the Bank for the account of the Metropolitan Government and the Board in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, substantially in the form of Exhibit A hereto, with appropriate insertions, as amended, supplemented, modified or restated from time to time.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Line of Credit" means the non-revolving line of credit evidenced by that certain Electric System Revenue Anticipation Note (Non-Revolving Line of Credit) dated as of January 1, 2026, in the principal amount of $25,000,000, made by the Metropolitan Government acting by and through the Board d/b/a Nashville Electric Service, payable to Pinnacle Bank, and secured by that certain Pledge and Assignment of Revenues Agreement dated January 1, 2026, between Pinnacle Bank and the Metropolitan Government acting by and through the Board d/b/a Nashville Electric Service, as such line of credit may be extended, amended, restated, supplemented or otherwise modified from time to time, and includes any subsequent line of credit or loan in addition to, substitution for, or replacement of, such line of credit or any such subsequent line of credit or loan obtained by the Metropolitan Government or the Board from time to time for the purpose of

financing the purchase of electrical power pursuant to Section 7-34-111(d), Tennessee Code Annotated, as amended.

"Maximum Interest Rate" means the maximum net effective interest rate permitted by applicable law to be paid on obligations issued or incurred by the Metropolitan Government, if any, in the exercise of its borrowing powers.

"Metropolitan Government" has the meaning set forth in the introductory paragraph hereof.

"Month" means a calendar month.

"Moody's" means Moody's Investors Service, Inc.

"Net Revenues" has the meaning set forth in the Electric System Bond Resolution, and defined terms therein used, directly or indirectly, in defining "Net Revenues" shall likewise have the meaning set forth in the Electric System Bond Resolution.

"Obligations" means, with respect to the Metropolitan Government, all advances to, and debts, liabilities, obligations, covenants and duties of, the Metropolitan Government arising under any Related Document or otherwise with respect to the Advances, the Reimbursement Obligations, the Fee Letter and each Bank Note whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and all other payment obligations of the Metropolitan Government to the Bank arising under or in relation to this Agreement, the Fee Letter, the Bank Notes and any Advance, including in each instance, all interest accrued thereon and including interest and fees that accrue after the commencement by or against the Metropolitan Government of any proceeding under any Debtor Relief Laws naming the Metropolitan Government as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, and means, with respect to the Board, all obligations, covenants and duties of the Board arising under any Related Document, but expressly excluding any obligation, covenant or duty for the payment of the Debt of the Metropolitan Government or any other Person.

"Offering Memorandum" means the Offering Memorandum dated [_____], 2026, relating to the Commercial Paper Notes, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof.

"Option Debt" shall mean Special Revenue Debt which by its terms may be tendered by and at the option of the holder thereof for payment by the Metropolitan Government prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the holder thereof.

"Other Taxes" has the meaning set forth in Section 3.01(a) hereof.

"Outstanding" (i) with respect to the Commercial Paper Notes, has the meaning set forth in the Resolution and (ii) with respect to Advances and Term Loans, means all Advances and Term

Loans made by the Bank pursuant to the terms hereof and not repaid in full to the Bank by the Metropolitan Government.

"Participant" means any Person which in accordance with Section 8.06(b) hereof shall participate in the benefits and obligations of the Bank hereunder and a Bank Note pursuant to a participation agreement between the Bank and such Person.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Person" means an individual, a corporation, a partnership, an association, a limited liability company, a partnership, a trust, or any other entity or organization, including a Governmental Authority.

"Prime Rate" means, on any day, the fluctuating rate of interest per annum equal to the "U.S. Prime Rate" listed in the "Money Rates" section of *The Wall Street Journal* as of such day or, if *The Wall Street Journal* is not published on a particular day, then the "U.S. Prime Rate" listed in the "Money Rates" section of *The Wall Street Journal* for the immediately preceding Business Day. If *The Wall Street Journal* ceases to exist or to publish a prime rate from which the Prime Rate is then determined, then the Prime Rate shall be the rate determined by the Bank as its prime commercial lending rate for such day for loans denominated in U.S. Dollars made in the United States. The Bank may make loans to its customers at, below or above such prime commercial lending rate, and the prime commercial lending rate referred to herein is not intended to be the best rate offered to customers of the Bank. Any change in the Prime Rate shall take effect on the date specified in the publication or announcement of such change. Each determination of the Prime Rate by the Bank will be conclusive and binding on the Metropolitan Government and the Board absent manifest error. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

"Principal Installment" shall mean, as of any date of calculation and with respect to any Special Revenue Debt, (i) the principal amount of such Special Revenue Debt due on a certain future date for which no Sinking Fund Installments have been established (including the principal amount of Option Debt tendered for payment and not purchased), or (ii) the unsatisfied balance (determined in a manner consistent with subsection 3 of Section 511 of the Electric System Bond Resolution) of any Sinking Fund Installments due on a certain future date for such Special Revenue Debt, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Special Revenue Debt on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different series of such Special Revenue Debt, the sum of such principal amount of Special Revenue Debt and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

"Rating Agencies" means S&P, Fitch and/or Moody's, as applicable.

"Redemption Price" shall mean, with respect to any Special Revenue Debt, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Special Revenue Debt or the related resolution.

"Refundable Principal Installment" shall mean any Principal Installment for any Special Revenue Debt which the Metropolitan Government intends to pay with moneys which are not Net Revenues, *provided* that such intent shall have been expressed in the resolution authorizing such Special Revenue Debt and provided further that such Principal Installment shall be a Refundable Principal Installment only through the penultimate day of the Fiscal Year preceding the Fiscal Year in which such Principal Installment comes due or such earlier time as the Metropolitan Government no longer intends to pay such Principal Installment with moneys which are not Net Revenues.

"Refunding Bonds" has the meaning set forth in the Electric System Bond Resolution.

"Refunding Debt" shall mean all Special Revenue Debt, whether issued in one or more series, authenticated and delivered on original issuance to refund existing Special Revenue Debt.

"Reimbursement Obligations" means any and all obligations of the Metropolitan Government to reimburse the Bank for any Drawings under the Letter of Credit and all obligations to repay the Bank for each Advance and each Term Loan, including in each instance all interest accrued thereon.

"Related Documents" means this Agreement, the Letter of Credit, the Fee Letter, the Electric System Bond Resolution, the Initial Resolutions, the Resolution, the Offering Memorandum, the Issuing and Paying Agency Agreement, each Dealer Agreement, the Commercial Paper Notes, the Tax-Exempt Bank Note, the Taxable Bank Note or any exhibit or schedule to any of the foregoing.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"Resolution" means Resolution No. 2026-[____] adopted by the Metropolitan Council of the Metropolitan Government on November 17, 2026, including such amendments, modifications or supplements permitted pursuant to its terms and the terms hereof.

"Revenues" has the meaning set forth in the Electric System Bond Resolution.

"Risk-Based Capital Guidelines" means (a) the risk-based capital guidelines in effect in the United States, including transition rules, and (b) capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations.

"Rollover Commercial Paper Notes" has the meaning set forth in the Resolution.

"S&P" means S&P Global Ratings.

"Sanctions" has the meaning set forth in Section 5.01(aa) hereof.

"Senior Lien Bonds" means all outstanding bonds, notes or other debt obligations issued under the Electric System Bond Resolution, and shall also include any other outstanding bonds, notes or other debt obligations hereafter issued on parity therewith pursuant to the terms of the Electric System Bond Resolution.

"Sinking Fund Installment" shall mean an amount so designated with respect to a series of Special Revenue Debt as a sinking fund installment established pursuant to the related resolution.

"Special Revenue Debt" means Debt of the Metropolitan Government payable from all or any portion of the Revenues or Net Revenues or secured by all or any portion of the Revenues or Net Revenues on a basis that is senior to or on parity with the Commercial Paper Notes and the Bank Notes, including, without limitation, Senior Lien Bonds and all other obligations represented by bonds, notes, indentures, certificates, debentures and similar obligations which are payable from all or any portion of the Revenues or Net Revenues or secured by all or any portion of the Revenues or Net Revenues on a basis that is senior to or on parity with the Commercial Paper Notes and the Bank Notes.

"Stated Amount" means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date.

"Stated Expiration Date" means the date set forth in the Letter of Credit as the date on which the Letter of Credit is stated to expire (*i.e.*, initially, December **[5]**, 2031), unless terminated in accordance with the terms of the Letter of Credit or as extended from time to time pursuant to the terms of the Letter of Credit and this Agreement.

"Stop Order" means the notice described in Section 4.03 hereof.

"Subordinated Debt" has the meaning set forth in the Electric System Bond Resolution.

"Substitution Date" means the date of acceptance by the Metropolitan Government or the Board of a substitute credit facility in accordance with the terms and provisions of the Resolution.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives

Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement.

"System" has the meaning set forth in the recitals hereof and is intended to have the same meaning as the term "Electric System" in the Electric System Bond Resolution, which definition shall govern in the event of any inconsistency or conflict.

"Tax-Exempt Bank Note" means the promissory note issued by the Metropolitan Government to the order of the Bank, evidencing and securing the related Reimbursement Obligations, substantially in the form of Exhibit B-1 attached hereto, with appropriate completions, and any and all renewals, amendments, restatements, extensions or modifications thereof, which shall constitute a "revenue bond" under Part 3 of the Enabling Act but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government.

"Tax-Exempt Commercial Paper Notes" means any Commercial Paper Notes the interest on which is intended by the Metropolitan Government to be excluded from gross income of the owners thereof for federal income tax purposes.

"Taxable Bank Note" means the promissory note issued by the Metropolitan Government to the order of the Bank, evidencing and securing the related Reimbursement Obligations, substantially in the form of Exhibit B-2 attached hereto, with appropriate completions, and any and all renewals, amendments, restatements, extensions or modifications thereof, which shall constitute a "revenue bond" under Part 3 of the Enabling Act but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government.

"Taxable Commercial Paper Notes" means any Commercial Paper Notes which are not Tax-Exempt Commercial Paper Notes.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"Term Loan" means each term loan made by the Bank to the Metropolitan Government pursuant to Section 2.03(a)(iv) hereof on a Conversion Date.

"Termination Date" means the date on which the Letter of Credit terminates or expires as described in the Letter of Credit.

"Tested Adjusted Aggregate Debt Service" for any period shall mean, as of any date of calculation, the Aggregate Debt Service for such period except that, if any Refundable Principal Installment for any Special Revenue Debt is included in Aggregate Debt Service for such period, Tested Adjusted Aggregate Debt Service shall mean Aggregate Debt Service determined as if each such Refundable Principal Installment had been payable over a period extending from the due date of such Refundable Principal Installment through the later of the 25th anniversary of the issuance of such Special Revenue Debt or the 10th anniversary of the due date of such Refundable Principal Installment, in installments which would have required equal annual payments of principal and

interest over such period. Interest deemed payable in any Fiscal Year after the actual due date of any Refundable Principal Installment of any Special Revenue Debt shall be calculated at the average rate of interest actually payable on such Special Revenue Debt at the time the calculation is made (using the true, actuarial method of calculation). For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Debt and the Appreciated Value of any Deferred Income Debt becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the resolution authorizing such Capital Appreciation Debt or Deferred Income Debt.

"Valuation Date" shall mean (i) with respect to any Capital Appreciation Debt the date or dates set forth in the resolution authorizing such Special Revenue Debt on which specific Accreted Values are assigned to the Capital Appreciation Debt, and (ii) with respect to any Deferred Income Debt the date or dates prior to the Interest Commencement Date set forth in the resolution authorizing such Special Revenue Debt on which specific Appreciated Values are assigned to the Deferred Income Debt.

"Variable Interest Rate" shall mean a variable interest rate or rates to be borne by Special Revenue Debt or any one or more maturities within a series of Special Revenue Debt. The method of computing such variable interest rate shall be specified in the resolution authorizing such Special Revenue Debt and shall be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) or a function of such objectively determinable interest rate or rates which may be in effect from time to time or at a particular time or times; provided that, such variable interest rate shall be subject to a maximum interest rate and may be subject to a minimum interest rate and that there may be an initial rate specified, in each case as provided in such resolution or (ii) a stated interest rate that may be changed from time to time as provided in the resolution authorizing such Special Revenue Debt, *provided* that, such interest rate shall be subject to a maximum interest rate. Such resolution shall also specify either (i) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

"Variable Interest Rate Debt" for any period of time, shall mean Special Revenue Debt which during such period bears a Variable Interest Rate, provided that Special Revenue Debt the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be Variable Interest Rate Debt.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement,

instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

Section 1.03. Accounting Terms. All accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with the financial statements of the Metropolitan Government and the Board referred to in Section 5.01(k) hereof.

Section 1.04. Interpretations. The table of contents and article and section headings of this Agreement are included herein for convenience of reference purposes only and shall not constitute a part of this Agreement or affect its interpretation in any respect. All references to time herein shall refer to local time in New York, New York.

Section 1.05. Rounding. Any financial ratios required to be maintained by the Metropolitan Government or the Board pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.06. Letter of Credit Amounts. Unless otherwise specified herein, the amount of the Letter of Credit at any time shall be deemed to be the maximum amount available to be drawn under the Letter of Credit, whether or not such maximum stated amount is in effect at such time.

Without limiting the foregoing, the determination of such maximum amount shall assume compliance with all conditions for drawing and no reduction for (a) any amount drawn by any drawing referred to in the Letter of Credit, the amount of which, in whole or in part, is subject to reinstatement (unless such amount is not reinstated under the Letter of Credit), or (b) any amount not available to be drawn because Commercial Paper Notes are held by or for the account of the Metropolitan Government or the Board.

ARTICLE II

LETTER OF CREDIT

Section 2.01. Issuance of Letter of Credit. Subject to the terms and conditions set forth herein, the Letter of Credit shall be in the original stated amount of $109,000,000 (calculated as the sum of the maximum principal amount of the Commercial Paper Notes supported by the Letter of Credit (*i.e.,* $100,000,000) plus interest thereon at a maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 360 days) (the *"Stated Amount"*).

Section 2.02. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The Metropolitan Government and the Board hereby direct the Bank to make payments under the Letter of Credit in the manner therein provided. The Metropolitan Government and the Board hereby irrevocably approve reductions and reinstatements of the Stated Amount with respect to the Letter of Credit as provided in the Letter of Credit.

Section 2.03. Reimbursement of Certain Drawings under the Letter of Credit; Mandatory Prepayment; Interest. (a)(i) Each Drawing shall be reimbursed by the Metropolitan Government in full on the date that such Drawing is made, *provided*, *however*, that if the conditions precedent set forth in Section 4.02 hereof are satisfied at the time of payment by the Bank of any Drawing, such Drawing made under the Letter of Credit shall constitute an advance (*"Advance"*) to the Metropolitan Government and shall be subject to the terms and conditions applicable to Advances under this Agreement. Unless the conditions precedent contained in Section 4.02 hereof are satisfied on the date of payment by the Bank of a Drawing, the Metropolitan Government agrees to reimburse the Bank for the full amount of such Drawing immediately upon payment by the Bank of such Drawing and on the date of each such payment. If the Metropolitan Government does not make such reimbursement, or cause such reimbursement to be made, to the Bank with respect to such Drawing on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable upon demand.

(ii) The Metropolitan Government promises to repay, or cause, to be repaid to the Bank on the date of the related Drawing the portion of each Drawing used to pay interest accrued on Commercial Paper Notes. If the Metropolitan Government does not make such reimbursement to the Bank with respect to the interest portion of such Drawing on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable upon demand.

(iii) To the extent not required to be paid earlier as set forth above, the Metropolitan Government promises to pay, or cause to be paid to the Bank the principal portion of each Advance on the earliest of (A) the related Conversion Date, (B) the Substitution Date, (C) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than solely as a result of the Letter of Credit terminating on the Stated Expiration Date), including as a result of the occurrence of an Event of Default and (D) the Business Day on which Commercial Paper Notes or bonds are sold to fund such repayment; *provided*, that if the conditions precedent set forth in Section 4.04 hereof are satisfied on the Conversion Date, the unpaid principal amount of the related Advance shall convert into a Term Loan and shall be payable by the Metropolitan Government pursuant to Section 2.03(a)(iv) hereof and the interest accrued on the related Advance to the Conversion Date shall be payable by the Metropolitan Government on the related Conversion Date.

(iv) Unless otherwise required to be paid in full on one of the dates provided above, the principal portion of each Term Loan shall be payable by the Metropolitan Government in equal semiannual installments (*"Semiannual Principal Payments"*) commencing on the date that is ninety (90) days after the Conversion Date immediately succeeding the date the related Advance was made, and every six months thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the Final Maturity Date (the period commencing on the Conversion Date and ending on the Final Maturity Date is referred to as the *"Amortization Period"*). Each Semiannual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Semiannual Principal Payments over the applicable Amortization Period.

(b) Upon the Bank's receipt of any payment or prepayment of any Advance or Term Loan, the amount of such Advance or Term Loan shall be reduced by the amount of such payment or prepayment, with the Bank crediting any prepayment received, first to the payment of any outstanding interest accrued on the related Advance or Term Loan, and second to the payment of the principal of such Advance or Term Loan. Any such payment or prepayment to be applied to principal of Advances or Term Loans hereunder shall be applied to the prepayment of related Advances or Term Loans in chronological order of their issuance hereunder, and within each Advance, shall be applied *pro rata* to principal installments payable thereon. Following the occurrence of an Event of Default, any payments received by the Bank hereunder shall be applied by the Bank to the payment of the Obligations in such order as the Bank shall in its sole discretion determine.

(c) Each unreimbursed Drawing, Advance and Term Loan made by the Bank with respect to the Tax-Exempt Commercial Paper Notes shall be evidenced by the Tax-Exempt Bank Note, payable to the Bank and in the principal amount equal to the Stated Amount. Each unreimbursed Drawing, Advance and Term Loan made by the Bank with respect to the Taxable Commercial Paper Notes shall be evidenced by the Taxable Bank Note, payable to the Bank and in the principal amount equal to the Stated Amount. Each Bank Note shall bear interest and shall be due and payable on the dates, in the amounts, and under the circumstances applicable to the related Reimbursement Obligations as set forth herein. Each Bank Note shall mature on the later of the Final Maturity Date and the date of payment in full of all Obligations. Each Bank Note shall be executed on behalf of the Metropolitan Government with the manual or facsimile signatures of the

Metropolitan Mayor, of the Metropolitan Treasurer and of the Metropolitan Clerk, shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Metropolitan Government, and shall be approved as to form and legality by the Director of Law by the manual or facsimile signature of the Director of Law. In case any officer of the Metropolitan Government whose signature or whose facsimile signature shall appear on a Bank Note shall cease to be such officer before the delivery of such Bank Note, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. Bank Notes are not required to be countersigned for authentication by the Issuing and Paying Agent to be valid and obligatory. The payment of the principal of and interest on the related Bank Note shall constitute payment of the principal of and interest on the related Reimbursement Obligations and the payment of the principal of and interest on the Reimbursement Obligations shall constitute the payment of and principal and interest on the related Bank Note and the failure to make any payment on any Reimbursement Obligation when due shall be a failure to make a payment on the related Bank Note and the failure to make any payment on the related Bank Note when due shall be a failure to make a payment on the related Reimbursement Obligation. The Metropolitan Government shall repay the related Bank Note, or cause the related Bank Note to be repaid, on each date on which the Metropolitan Government is required to make a principal payment on the corresponding Reimbursement Obligation in a principal amount equal to the amount of such Reimbursement Obligation so payable due on such date. The Metropolitan Government shall pay interest on the related Bank Note, or cause interest to be paid on the related Bank Note, on each date on which the Metropolitan Government is required to make an interest payment with respect to the corresponding Reimbursement Obligation.

(d) The Bank shall record, and prior to any transfer of a Bank Note shall endorse on the schedules forming a part thereof, appropriate notations to evidence the date, amount, type and maturity of each Advance and/or Term Loan made by it and the date and amount of each payment of principal made by or for the Metropolitan Government with respect thereto; *provided, however,* that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Metropolitan Government hereunder or under either Bank Note. In any legal action or proceeding in respect of this Agreement or any Bank Note, the notations made on such Bank Note or as provided by the Bank's accounting records shall be presumptive evidence of the existence and amount due thereunder, absent manifest error. The Bank is hereby authorized by the Metropolitan Government to endorse each Bank Note and to attach to and make a part of each Bank Note a continuation or substitution of any such schedule as and when required.

Section 2.04. Interest. (a) Subject to the provisions of subsection (b) below, the Metropolitan Government shall pay, or cause to be paid, interest on the unpaid principal amount of each Advance and Term Loan, from and including the date of each such related Advance until the principal amount of such Advance and/or Term Loan shall be paid in full, at the Bank Rate, payable by the Metropolitan Government monthly in arrears on the first Business Day of each month (commencing on the first such date to occur after the making of such Advance), on the Final Maturity Date and on the date any Advance and/or Term Loan shall be paid or prepaid in whole or in part.

(b) (i) From and after the occurrence of an Event of Default and during the continuance of any such Event of Default, all Obligations (including, without limitation, Advances and Term Loans) hereunder and under the Fee Letter shall thereafter bear interest at the Default Rate.

(ii) If any amount payable by the Metropolitan Government hereunder, under the Fee Letter or under any other Related Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter and immediately bear interest at the Default Rate; *provided,* that, for the purposes of clarity, a failure to pay the amounts described in Section 7.01(a)(ii) hereof shall only constitute an Event of Default in accordance with the terms of Section 7.01(a)(ii) hereof.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest, to the extent permitted by law) shall be due and payable by the Metropolitan Government upon demand.

(c) To the extent permitted by applicable law, if the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Interest Rate for any period for which interest is payable, then (i) interest at the Maximum Interest Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof or under the Fee Letter, as applicable, without regard to the limitation of the Maximum Interest Rate and (B) the Maximum Interest Rate (the *"Excess Interest"*), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or under the Fee Letter, as applicable, without regard to the limitation of the Maximum Interest Rate ceases to exceed the Maximum Interest Rate, at which time the Metropolitan Government shall pay, or cause to be paid, to the Bank with respect to amounts then payable to the Bank that are accruing interest hereunder or under the Fee Letter, as applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Interest Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. To the extent permitted by applicable law, upon the termination of this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Metropolitan Government shall pay, or cause to be paid, to the Bank a fee equal to the amount of all unpaid deferred Excess Interest. In determining whether or not any interest payable under this Agreement or under the Fee Letter exceeds the Maximum Interest Rate, any non-principal payment (except payments specifically stated in this agreement to be *"interest"*) shall be deemed, to the extent permitted by applicable law, to be an expense, fee, premium or penalty rather than interest. On the Final Maturity Date, to the extent permitted by applicable law, the Metropolitan Government shall pay, or cause to be paid, to the Bank a fee equal to the amount of accrued and unpaid interest as a result of the provisions of this Section 2.04(c)

(d) All computations of interest, fees and other amounts due and owing hereunder shall be made by the Bank on the basis of a year of 365 or 366 days, in each case, for the actual number of days (including the first day but excluding the last day in the case of interest) occurring in the period for which such interest or fee is payable. Interest shall accrue on each Advance from and after the date on which such Advance was made to and including the date on which such Advance is paid in full, *provided* that any Advance that is repaid on the date on which it is made shall bear

interest for one day. Each determination by the Bank of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent demonstrable error. In addition, any calculation made pursuant to this Section 2.04(d) that would cause the interest paid, payable or accruing on the indebtedness of the Metropolitan Government under this Agreement, the Fee Letter and the Bank Notes to exceed the Maximum Interest Rate shall be adjusted so as to reduce the interest paid, payable and accruing hereunder and thereunder to such Maximum Interest Rate, as more fully set forth in Section 2.04(c) hereof. All sums paid or agreed to be paid to the Bank for the use, forbearance or detention of the indebtedness evidenced by the Reimbursement Obligations shall, to the extent permitted by law, be amortized, prorated, allocated and spread throughout the full term of such Reimbursement Obligations.

Section 2.05. Fees. The Metropolitan Government agrees to pay, or cause to be paid, to the Bank the fees set forth in the Fee Letter at the times and in the amounts set forth therein, and the Metropolitan Government and the Board each, respectively, agree to perform their other obligations provided for in the Fee Letter, the provisions of which are incorporated herein by reference as if fully set forth herein. The Fee Letter and this Agreement shall be construed as one agreement among the Metropolitan Government, the Board and the Bank and any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter, and any reference to this Agreement shall be deemed to include a reference to the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Termination or Reduction of Stated Amount of Letter of Credit "Section 2.06. Termination or Reduction of Stated Amount of Letter of Credit" \l 2 . (a) (i) Notwithstanding any provision of this Agreement or the Fee Letter to the contrary, the Metropolitan Government and the Board agree not to terminate or replace the Letter of Credit (in whole or in part), except (A) upon the payment to the Bank of all Obligations payable hereunder and under this Agreement and the Fee Letter and (B) the Metropolitan Government and the Board providing the Bank with thirty (30) days' prior written notice of its intent to terminate or replace the Letter of Credit; *provided* that all Obligations to the Bank shall be paid to the Bank at or prior to the time of termination and any such termination of the Letter of Credit shall be in compliance with the terms of the Related Documents; and *provided further* that the Stated Amount shall not be reduced below the sum of the outstanding Advances and Term Loans plus the principal amount of Commercial Paper Notes outstanding plus interest on such principal amount computed at twelve percent (12%) per annum for a period of two hundred seventy (270) days.

(ii) Notwithstanding any provision of this Agreement or the Fee Letter to the contrary, the Metropolitan Government and the Board agree not to permanently reduce the Stated Amount, except upon the Metropolitan Government or the Board providing the Bank with thirty (30) days' prior written notice of its intent to permanently reduce the Stated Amount at any time on any Business Day for any reason, including as the result of: (A) a reduction of any two of the Bank's senior unsecured short term debt ratings below "P-1" by Moody's (or its equivalent), "A-1" by S&P or "F-1" by Fitch (*provided*, that for the avoidance of doubt, the ratings referenced in this clause (A) shall mean those ratings assigned to TD Bank, N.A. and not ratings assigned to the

Bank's parent or holding company or any other affiliate of the Bank), or (B) the Bank imposing increased costs on the Metropolitan Government pursuant to Section 3.02 of the Agreement.

(b) The Metropolitan Government and the Board may at any time at their option deliver to the Issuing and Paying Agent a substitute credit or liquidity facility in full and complete substitution and replacement for the Letter of Credit upon the occurrence of each of the following: (i) the payment to the Bank of all amount due and payable hereunder and under the Fee Letter as of the Substitution Date, and (ii) the payment to the Bank by or for the Metropolitan Government or by the provider of such substitute credit or liquidity facility of all fees, expenses and other Obligations payable hereunder and under the Fee Letter, including, without limitation, all principal and accrued interest due and owing on any Drawing or Advances (including any Term Loans) and any amount due under the Bank Notes. The Metropolitan Government and the Board shall give the Bank and the Issuing and Paying Agent at least thirty (30) days' prior written notice of any such proposed delivery of a substitute credit or liquidity facility in substitution of the Letter of Credit and on the Substitution Date (and assuming the payment to the Bank of the amounts described in clauses (i) and (ii) above), the Letter of Credit shall expire and terminate on the earlier of (A) the Business Day immediately succeeding the date of such delivery of a substitute credit or liquidity facility in substitution of the Letter of Credit and (B) the date on which the Bank honors any properly presented and conforming Drawing in connection with such substitution, and thereafter the Bank shall no longer be obligated to honor Drawings under the Letter of Credit.

(c) The Letter of Credit shall terminate on the Termination Date. All Obligations then outstanding (together with accrued interest thereon) shall be due and payable on the Termination Date, unless Advances shall be subject to the amortization provisions beyond the Termination Date as set forth in Section 2.03(a)(iv) hereof.

(d) If the Letter of Credit is terminated or expires, all accrued Facility Fees and all other amounts due and owing hereunder shall be payable on the effective date of such termination or expiration, as applicable. If the amount of the Stated Amount is permanently reduced, the Facility Fee that has accrued on the amount of such reduction shall be payable on the effective date of such reduction.

Section 2.07. Prepayments.

(a) *Optional Prepayments*. The Metropolitan Government may, upon three (3) Business Days' notice to the Bank at any time or from time to time, voluntarily prepay any Advance or Term Loan, or cause any Advance or Term Loan to be prepaid, in whole or in part, without penalty or premium, each such prepayment to be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid, *provided* that each partial prepayment shall be in a principal amount equal to at least $100,000 and integral multiples thereof. Each notice of prepayment shall be irrevocable and shall specify the date and the amount of the prepayment and identify the Advance or Term Loan to be prepaid.

(b) *Mandatory Prepayments*. (i) If on any date (A) the aggregate principal amount of all Advances, Term Loans and Commercial Paper Notes Outstanding on any day exceeds the Stated Amount (without giving effect to such Advances and Term Loans), the Metropolitan Government

shall immediately prepay the Outstanding Advances and Term Loans, or cause the Outstanding Advances and Term Loans to be prepaid, in an amount equal to such excess, and (B) any Commercial Paper Notes or bonds are sold to finance the repayment of Advances or Term Loans, the Metropolitan Government shall immediately prepay any Outstanding Advances or Term Loans (if any), or cause any such Outstanding Advances and Term Loans to be prepaid, in an amount equal to the sum of the proceeds from such sale. If the Metropolitan Government executes and delivers Commercial Paper Notes on any date on which any Advance or Term Loan is outstanding and the sum of (1) the proceeds of such issuance and (2) any funds made available by the Metropolitan Government to pay the principal amount of such Commercial Paper Notes, exceeds (any such excess being referred to as the *"Excess Amount"*) the amount (if any) required to pay the principal amount of related Commercial Paper Notes maturing on such date, the Metropolitan Government shall (or shall cause the Issuing and Paying Agent to) repay or prepay Advances or Term Loans in an aggregate principal amount such that the aggregate principal amount so paid or prepaid, as the case may be (together with interest accrued thereon to but excluding the date of prepayment), shall equal the Excess Amount, by paying such aggregate principal amount together with such accrued interest to the Bank.

(ii) Each such prepayment shall be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid.

(c) Upon the Bank's receipt of any payment or prepayment of any Advance or Term Loan, the amount of such Advance or Term Loan shall be reduced by the amount of such payment or prepayment, with the Bank crediting any prepayment received, first to the payment of any outstanding interest accrued on the related Advance or Term Loan, and second to the payment of the principal of such Advance or Term Loan. Any such payment or prepayment to be applied to principal of Advances or Term Loan hereunder shall be applied to the prepayment of related Advances or Term Loans in chronological order of their issuance hereunder, and within each Advance or Term Loan, shall be applied *pro rata* to principal installments payable thereon. Following the occurrence of an Event of Default, any payments received by the Bank hereunder shall be applied by the Bank to the payment of the Obligations in such order as the Bank shall in its sole discretion determine.

Section 2.08. General Provisions as to Payment. The following general provisions shall apply to all payments of Facility Fees, payments on the Advances, Term Loans and all other payment Obligations under this Agreement:

(a) The Bank shall calculate and notify the Metropolitan Government and the Board in writing of the amounts payable by the Metropolitan Government hereunder; *provided, however,* that the failure of the Bank to provide such notice shall not affect the obligations of the Metropolitan Government to make any payments owed to the Bank hereunder. All payments required to be made by the Metropolitan Government shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by or for the Metropolitan Government hereunder shall be made to the Bank, at the Bank's Office in Dollars and in immediately available funds not later than 3:00 p.m. (New York City time) on the date specified herein. All payments received by the Bank after 3:00 p.m. (New York City time)

shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment required to be made by the Metropolitan Government shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) *Funding Source*. Nothing herein shall be deemed to obligate the Bank to obtain the funds for the making of any Drawing in any particular place or manner or to constitute a representation by the Bank that it has obtained or will obtain the funds for the making of any Drawing in any particular place or manner.

Section 2.09. Security. The Resolution creates, for the benefit of the Commercial Paper Notes and the Bank Notes, a legally valid and binding Lien on and irrevocable pledge of the Net Revenues. As of the Effective Date, there are no Liens on all or any portion of the Net Revenues other than the Liens on Net Revenues securing the Senior Lien Bonds, the Commercial Paper Notes, the Bank Notes and the Line of Credit. The Lien on Net Revenues securing the Commercial Paper Notes and the Bank Notes is subordinate only to the Lien on Net Revenues securing the Senior Lien Bonds ,and such Lien is not subordinate to any other payment obligation of the Metropolitan Government and/or the Board secured by a Lien on the Net Revenues. Each Bank Note constitutes Subordinated Debt under and for purposes of the Electric System Bond Resolution. The Lien on Net Revenues securing the Commercial Paper Notes and the Bank Notes is on parity with the Lien securing any other Commercial Paper Indebtedness (and any related bank notes) and the Line of Credit. No filing, registering, recording of this Agreement or the Resolution or any other instrument is required to establish the pledge or to maintain the Lien created thereby on the Net Revenues. Pursuant to the Resolution, all other Obligations owed to the Bank (other than the payment of principal and interest on the Bank Notes) are payable from the Net Revenues of the System, subject to the provisions of the Electric System Bond Resolution and, if and to the extent permitted by the Enabling Act, secured by a pledge of Net Revenues of the System on parity with the Commercial Paper Notes and the Bank Notes. Neither the Commercial Paper Notes, the Bank Notes nor any other Obligation hereunder constitutes a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government.

Unless the payment of the Commercial Paper Notes, the Bank Notes and all amounts owed to the Bank under this Agreement (including, without limitation, amounts owed to the Bank under the Fee Letter) otherwise shall be provided for by or on behalf of the Metropolitan Government from proceeds of other Commercial Paper Notes or other available moneys, on or before the respective due dates thereof, the Board shall request, and the Metropolitan Government shall, pursuant to and only to the extent it is authorized to do so on behalf the Board and only to the extent as permitted by law, provide for the issuance, sale and delivery of bonds or other obligations of the Metropolitan Government (or otherwise obtain governmental financing) in an amount sufficient to provide for the payment of and interest on the outstanding Commercial Paper Notes at maturity, the Bank Notes and all amounts owed to the Bank under this Agreement (including, without limitation, amounts owed to the Bank under the Fee Letter).

Section 2.10. Extension of Stated Expiration Date. (a) Not less than ninety (90) days prior to the Stated Expiration Date (the *"Deadline"*), the Metropolitan Government or the Board may request in writing to the Bank an extension of the Stated Expiration Date. If the Metropolitan Government or the Board shall make such a request prior to the Deadline, the Bank shall, within sixty (60) days of such request, notify the Metropolitan Government and the Board in writing whether or not the Bank consents to such request and the terms and conditions upon which the Bank will consent to such request (including conditions relating to pricing and legal documentation). The Bank shall have no obligation whatsoever to consent to any request for an extension of the Stated Expiration Date, and any such extension shall be subject to approval by the Bank. If the Bank shall fail to notify the Metropolitan Government or the Board of its consent to such extension, the Bank shall be deemed to have rejected the Metropolitan Government's or the Board's request for an extension. If the Bank (in its sole and absolute discretion) shall agree to extend the Stated Expiration Date, the Bank, the Metropolitan Government and the Board shall enter into an amendment to this Agreement and deliver a copy of any such amendment, executed by the parties thereto, to the Issuing and Paying Agent, each Dealer and each Rating Agency then rating the Commercial Paper Notes.

(b) Any such extension of the Stated Expiration Date shall be subject to such additional terms, including payment of extension fees to the Bank, as shall be agreed to by the Metropolitan Government, the Board and the Bank.

Section 2.11. Obligations Absolute. Subject to the provisions of Section 2.09 hereof, and only to the extent permitted by applicable law, the respective obligations of the Metropolitan Government and the Board under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances: (i) any lack of validity, legality or enforceability of this Agreement, the Letter of Credit, any Bank Note or any other Related Document, or any other instrument, agreement or other document executed and delivered by the Metropolitan Government or the Board in connection with any of the foregoing; (ii) any amendment or waiver of or any consent to departure from all or any of the Related Documents, or any other instrument, agreement or other document executed and delivered by the Metropolitan Government or the Board in connection with any of the foregoing; (iii) any statement or other document pursuant hereto or pursuant to the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; (iv) the honoring of any Drawing that does not comply with the terms of the Letter of Credit; (v) the existence of any claim, set-off, defense or other rights which the Metropolitan Government or the Board, as applicable, may have at any time against the Issuing and Paying Agent (or any Person for whom the Issuing and Paying Agent may be acting), any Holder, any Dealer, the Bank or any other Person, whether in connection with this Agreement, the transactions contemplated herein or in the Related Documents or any unrelated transaction; (vi) the use to which amounts disbursed by the Bank pursuant to a Drawing or the proceeds of any Commercial Paper Notes or Bank Notes may be put; (vii) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement or the Letter of Credit; (viii) the Bank or any of its branches or affiliates being the beneficiary of the Letter of Credit; (ix) the Bank or any correspondent honoring a drawing up to

the Stated Amount of the Letter of Credit even if such drawing claims an amount in excess of the Stated Amount of the Letter of Credit; (x) the Bank or any correspondent having previously paid against fraudulently signed or presented documents under the Letter of Credit (whether or not the Metropolitan Government shall have reimbursed the Bank for such Drawing); or (xi) any other circumstance which might constitute a legal or equitable discharge of any obligations hereunder (whether or not similar to any of the foregoing), it being agreed that the obligations hereunder shall not be discharged except by the performance thereof strictly in accordance with the terms of this Agreement including, without limitation, the payment in full as herein provided of all amounts owing hereunder.

Section 2.12. Interest and L/C Charges. Notwithstanding anything in this Agreement, the Bank Notes or any of the other Related Documents to the contrary, in no event whatsoever (including, without limitation, the acceleration of any obligations due and owing hereunder) shall the interest and L/C Charges agreed to be paid to the Bank by the Metropolitan Government hereunder exceed the maximum amounts collectible under applicable laws in effect from time to time. It is understood and agreed by the parties hereto that, if for any reason whatsoever, the interest or L/C Charges paid or contracted to be paid by the Metropolitan Government in respect of Advances or any other Obligation hereunder shall exceed the maximum amounts collectible under applicable Laws in effect from time to time, then the obligation to pay such interest and/or L/C Charges shall be reduced to the maximum amounts collectible under applicable Laws in effect from time to time and any amounts collected by the Bank hereunder in respect of Advances or other Obligations due and owing hereunder and under the Fee Letter and Advances that exceed such maximum amounts shall be applied to the reduction of the principal amount of any Outstanding Advances and Term Loans and, to the extent that no Advances or Term Loans are outstanding, refunded to the Board so that at no time shall the interest or L/C Charges paid or payable in respect of the Bank Notes exceed the maximum amounts permitted from time to time by applicable law.

Section 2.13. Rights of the Bank. At any time any Obligation is outstanding hereunder, the Bank shall be entitled to and shall be deemed to have all rights, privileges and security accorded owners of Commercial Paper Notes as provided in the Commercial Paper Notes and the Resolution.

Section 2.14. Applicability of ISP. The rules of ISP shall apply to the Letter of Credit.

Section 2.15. Issuance Generally. The Metropolitan Government may issue Commercial Paper Notes only in accordance with the terms of and subject to the conditions set forth in the Resolution and the Issuing and Paying Agency Agreement.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01. Net of Taxes, Etc.

(a) *Taxes*. Any and all payments to the Bank by or for the Metropolitan Government hereunder and under the Fee Letter shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Metropolitan Government shall be required by law to withhold or deduct any Indemnified Taxes imposed by the United States or any political subdivision thereof or any other taxing jurisdiction from which or through which payments are made from or in respect of any sum payable hereunder or under the Fee Letter or any Bank Note to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.01), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Metropolitan Government shall make such deductions and (iii) the Metropolitan Government shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Metropolitan Government or the Board shall make any payment under this Section 3.01 to or for the benefit of the Bank with respect to Indemnified Taxes and if the Bank in its sole discretion determines that it shall receive a refund or claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Bank to any taxing jurisdiction then the Bank shall pay to such payor an amount equal to the amount by which such other taxes are actually reduced to the extent attributable, as determined by the Bank in its sole discretion, to such payment by the Metropolitan Government or the Board; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Metropolitan Government or the Board to the applicable party with respect to such Indemnified Taxes. In addition, the Metropolitan Government agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, any state of the United States or any other taxing jurisdiction from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as *"Other Taxes"*). The Bank shall provide to the Metropolitan Government and the Board within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Metropolitan Government to the Bank hereunder *provided* that the Bank's failure to send such notice shall not relieve the Metropolitan Government of its obligation to pay such amounts hereunder.

(b) *Reimbursement.* The Metropolitan Government shall, to the fullest extent permitted by law and subject to the provisions hereof, reimburse the Bank, or cause the Bank to be reimbursed, for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.01 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided* that the Metropolitan Government shall not be obligated to reimburse the Bank for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice

to the Metropolitan Government and the Board of the assertion of any claim against the Bank relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the Metropolitan Government and the Board promptly of such assertion shall not relieve the Metropolitan Government of its obligation under this Section 3.01. Payments by the Metropolitan Government pursuant to this Section 3.01(b) shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Metropolitan Government or the Board any refund actually received by the Bank (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by or for the Metropolitan Government pursuant to this Section 3.01 received by the Bank for Indemnified Taxes or Other Taxes that were paid by the Metropolitan Government pursuant to this Section 3.01 and to contest, with the cooperation of the Metropolitan Government and the Board and at the expense of the Metropolitan Government, any such Indemnified Taxes or Other Taxes which the Bank, the Metropolitan Government or the Board reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Indemnified Taxes by or for the Metropolitan Government, the Metropolitan Government or the Board shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

Section 3.02. Increased Costs. (a) If the Bank shall have determined that any Change in Law shall (A) change the basis of taxation of payments to the Bank of any amounts payable under this Agreement, the Fee Letter or any Bank Note (except for taxes on the overall net income of the Bank), (B) impose, modify or deem applicable any reserve, special deposit, capital or liquidity ratio, compulsory loan, insurance charge or similar requirement against making or maintaining its obligations under the Letter of Credit or this Agreement or assets held by, or deposit with or for the account of, the Bank or the parent or holding company of the Bank or (C) impose on the Bank or the parent or holding company of the Bank any other condition regarding the Letter of Credit or this Agreement or the obligations of the Bank hereunder, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to the Bank or the parent or holding company of the Bank of making or maintaining its obligations under the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank hereunder, under any Bank Note or under the Fee Letter, then, the Metropolitan Government shall pay to the Bank at such time and in such amount as is set forth in paragraph (c) of this Section 3.02, such additional amount or amounts as will compensate the Bank or the parent or holding company of the Bank for such increased costs or reductions in amount.

(b) If the Bank shall have determined that any Change in Law either (A) affects or would affect the amount of capital to be maintained by the Bank or the parent or holding company of the Bank or (B) reduces or would reduce the rate of return on the Bank's or such parent's or holding companies' capital or liquidity to a level below that which the Bank or the parent or holding company of the Bank could have achieved but for such circumstances (taking into consideration the Bank's or such parent's or holding companies' policies with respect to capital adequacy or liquidity) then, the Metropolitan Government shall pay to the Bank at such time and in such amount as is set forth in paragraph (c) of this Section, such additional amount or amounts as will compensate the Bank or the parent or holding company of the Bank for such cost of maintaining

such increased capital or liquidity or such reduction in the rate of return on the Bank's or such parent's or holding companies' capital or liquidity.

(c) All payments of amounts referred to in paragraphs (a) and (b) of this Section shall be due thirty (30) days following the Metropolitan Government's receipt of written notice thereof. Interest on the sums due as described in paragraphs (a) and (b) of this Section, and in the preceding sentence, shall begin to accrue from the date which is thirty (30) days following the Metropolitan Government's receipt of notice thereof and shall otherwise be payable in accordance with Section 2.04 hereof; *provided* that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraph (a) or (b) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Metropolitan Government and shall be deemed conclusive unless the Metropolitan Government provides written notice to the Bank within five (5) Business Days after receipt of such certificate stating that it disputes, in good faith, any of the information set forth in the certificate; *provided*, such dispute shall not, in and of itself, affect the Metropolitan Government's obligation to pay such amounts upon the Bank's reasonable resolution of such dispute. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate. The Metropolitan Government shall not be required to compensate the Bank pursuant to this Section 3.02 for any increased costs incurred or reductions suffered more than six (6) months prior to the date that the Bank notifies the Metropolitan Government of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor (except that, if such Change in Law is retroactive, such six-month period shall be extended to include the period of retroactive effect thereof), and if it shall later be determined that any amount paid pursuant to this Section 3.02 exceeded the amount payable hereunder, the Bank shall promptly refund such excess to the Metropolitan Government

Notwithstanding the foregoing, for purposes of this Section 3.02, (i) all requests, rules, guidelines or directives in connection with the Dodd Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

Section 3.03. Survival. All of the Metropolitan Government's and the Board's obligations under this Article III shall survive termination of the Letter of Credit, repayment of all other Obligations hereunder, and termination of this Agreement.

ARTICLE IV

CONDITIONS

Section 4.01. Conditions to Issuance of the Letter of Credit. The Bank's obligation to issue the Letter of Credit in accordance with Section 2.01 hereof and enter into this Agreement shall become effective on the Effective Date subject to the satisfaction of conditions in this Section 4.01.

(a) The Bank shall have received on or before the Effective Date (except with respect to paragraph (ii) of this Section 4.01(a), which such evidence shall be provided by the close of business on the Effective Date), the following, each in form and substance satisfactory to it and its counsel and, unless otherwise indicated, dated the Effective Date:

(i) (A) a certified copy of (1) the Electric System Bond Resolution and the Original Initial Resolution (as defined in the Resolution), each as amended and in full force and effect on the Effective Date, (2) the Resolution authorizing the Metropolitan Government's commercial paper program, the terms and conditions of the Commercial Paper Notes and the Bank Notes, authorizing the issuance of the Commercial Paper Notes and the Bank Notes and approving the Metropolitan Government's execution, delivery and performance of this Agreement and the Related Documents, and (3) the Board Resolution, (B) a certificate of the Metropolitan Government stating that the Electric System Bond Resolution has not been further amended since [_____] and has not been rescinded or repealed, that the Original Initial Resolution has not been amended, repealed or rescinded and that the Resolution has not been amended, repealed or rescinded, and that the Electric System Bond Resolution, the Original Initial Resolution and the Resolution are in full force and effect on the Effective Date, and (C) a certificate of the Board stating that the Board Resolution has not been amended, repealed or rescinded and the Board Resolution is in full force and effect on the Effective Date;

(ii) a fully executed copy of (A) this Agreement, (B) the Fee Letter and (C) the Bank Notes;

(iii) executed copies of each of the Related Documents and a final form of the Offering Memorandum;

(iv) (A) a certificate of the Metropolitan Government, certifying that all conditions precedent set forth in the Resolution with respect to issuance of the Commercial Paper Notes and the Bank Notes shall have been satisfied and (B) a certificate of the Board, certifying that all conditions precedent set forth in the Board Resolution with respect to issuance of the Commercial Paper Notes and the Bank Notes by the Metropolitan Government shall have been satisfied;

(v) a certificate from each of the Metropolitan Government and the Board, which shall certify, among other things, (A) as to the matters described in

paragraph (b) below and (B) that all conditions in this Section 4.01 have been satisfied;

(vi) (A) opinions of Bond Counsel (or reliance letters thereto), addressed to the Bank and the Issuing and Paying Agent in form and substance satisfactory to the Bank and the Issuing and Paying Agent and their counsel, including, without limitation, (x) that all necessary action on the part of the Metropolitan Government and the Board shall have been taken to assign and pledge the Net Revenues for the benefit of the Bank and the holders of interests in the Bank Notes and such pledge is valid, binding and enforceable against the Metropolitan Government and the Board and (y) this Agreement, the Fee Letter and the other Related Documents are valid and binding agreements of the Metropolitan Government and the Board enforceable in accordance with their respective terms, subject to standard exceptions, (B) opinion of Director of Law or Acting Director of Law for the Metropolitan Government addressed to the Bank or stating that the Bank is entitled to rely thereon and in form and substance satisfactory to the Bank, and (C) opinion of the general counsel for the Board addressed to the Bank or stating that the Bank is entitled to rely thereon and in form and substance satisfactory to the Bank;

(vii) certified copies of all approvals or authorizations by, or consents of, or notices to or registrations with, any Governmental Authority required for the Metropolitan Government and the Board to enter into this Agreement, the Fee Letter and the other Related Documents to which each is a party and of all such approvals, authorizations, consents, notices, or registrations required to be obtained or made prior to the Effective Date in connection with the transactions contemplated hereby and by the Related Documents;

(viii) (A) a certificate of the Metropolitan Government, certifying the names and true signatures of the officers of the Metropolitan Government authorized to sign this Agreement, each Bank Note, the Fee Letter and the other Related Documents, and (B) a certificate of the Board, certifying the names and true signatures of the officers of the Board authorized to sign this Agreement, the the Fee Letter and the other Related Documents;

(ix) the most recent financial statements of the System for the Fiscal Year ended June 30, 2026, and unaudited quarterly financial statements of the System through fiscal quarter ended September 30, 2026 and such other financial information, budgets, projections, investment policies, guidelines for permitted investments and swap policies of each of the Metropolitan Government and the Board as the Bank may reasonably request;

(x) such other documents, opinions, or certificates reasonably requested by the Bank;

(xi) payment to the Bank of the fees referred to in the Fee Letter and in Section 8.18 hereof;

(xii) written confirmation that the Commercial Paper Notes have been rated at least "P-1" by Moody's and "F-1" by Fitch; and

(xiii) written evidence satisfactory to the Bank that (i) a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for each Bank Note and (ii) each Bank Note has been assigned a long-term unenhanced rating of at least Investment Grade from one of Moody's, Fitch or S&P. The Metropolitan Government and the Board will (at the expense of the Metropolitan Government) ensure that each CUSIP Number and each Bank Note rating is available on an electronic registry acceptable to the Bank.

(b) (i) The representations and warranties of the Metropolitan Government and the Board (as applicable) contained in Article V of this Agreement and in each other Related Document to which each is a party on or prior to the Effective Date shall be true and correct in all material respects on and as of the Effective Date as though made on and as of such date, *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects; (ii) no Default or Event of Default shall have occurred and be continuing on the Effective Date or would result from the execution, delivery or performance of this Agreement or the Fee Letter; (iii) since June 30, 2026, there has been no material adverse change in (A) the laws, rules, regulations or guidelines (or the interpretation or administration thereof) applicable to the System's ability to satisfy its obligations under this Agreement and the other Related Documents or (B) the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System; and (iv) the Metropolitan Government and the Board (as applicable) are in compliance with the covenants set forth in Article VI hereof.

(c) The effectiveness of this Agreement, the issuance of the Bank Notes, the making of any Advance and the consummation of the other transactions contemplated by this Agreement and the Resolution shall not contravene any law, rule or regulation applicable to the Metropolitan Government, the Board or the Bank or any request, guideline or directive (or the interpretation or administration of any of the foregoing) of any Governmental Authority with jurisdiction over either the Metropolitan Government, the Board or the Bank.

(d) All proceedings in connection with this Agreement and the Fee Letter, and all documents incidental thereto, shall be satisfactory to the Bank and its counsel.

(e) The Issuing and Paying Agent and the Dealers have been appointed, which appointment shall be satisfactory to the Bank. The Bank shall have received copies of the Dealer Agreements and Issuing and Paying Agency Agreement, duly executed by the parties thereto, which agreements shall be in full force and effect.

Section 4.02. Conditions to Making Advances. Following any payment by the Bank under the Letter of Credit pursuant to a Drawing, an Advance shall be made available to the Metropolitan Government and the Board *only if* on the date of payment of such Drawing (i) the representations

and warranties contained in Article V hereof and in each other Related Document shall be true and correct in all material respects on and as of the date of such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct in all material respects as of such date), *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects; (ii) no Default or Event of Default shall have occurred and be continuing on the date of such Drawing.

Unless the Metropolitan Government or the Board shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Article V of this Agreement are not true and correct in all material respects on and as of the date the Bank honors such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct in all material respects as of such date), *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects, or (ii) any event has occurred and is continuing, or would result from the Bank honoring such Drawing or making such Advance, which constitutes a Default or Event of Default, then the Metropolitan Government and the Board shall be deemed to have represented and warranted on the date the Bank honors such Drawing and/or makes such Advance that (i) the representations and warranties of the Metropolitan Government and the Board (as applicable) contained in Article V hereof and in each other Related Document shall be true and correct in all material respects on and as of the date of such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct in all material respects as of such date), *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects, and (ii) no event has occurred and is continuing, or would result from the Bank honoring such Drawing and/or making such Advance, which constitutes a Default or Event of Default.

In addition, the Bank shall have no obligation to honor any Drawing under the Letter of Credit the proceeds of which shall be used to pay the principal of and interest on maturing Commercial Paper Notes that were issued by the Metropolitan Government after receipt by the Issuing and Paying Agent and each Dealer of a Stop Order or Final Drawing Notice.

Section 4.03. Conditions Precedent to Each Commercial Paper Note Issuance. No Commercial Paper Note shall be issued unless on the date of such issuance, each of the following conditions precedent shall have been fulfilled in a manner satisfactory to the Bank (or waived by the Bank in writing):

(a) *Representations and Warranties, No Event of Default*. The representations and warranties of the Metropolitan Government and the Board (as applicable) contained in Article V of this Agreement and in each other Related Document and each certificate or other writing delivered to the Bank pursuant hereto or thereto on or prior to the date of such issuance shall be true and correct in all material respects on and as of such date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true

and correct in all material respects as of such date), *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects, and no Event of Default or Default shall have occurred and be continuing on such date or would result from such issuance.

(b) *Commercial Paper Notes*. All conditions precedent for the issuance of the Commercial Paper Notes hereunder and under the Resolution and the Issuing and Paying Agency Agreement shall have been satisfied.

(c) *Resolution*. The Resolution shall be in full force and effect.

(d) *Governmental Approvals*. No registration, notice, qualification or other filing is required to be made with any Governmental Authority in connection with the issuance of the Commercial Paper Notes or, if required to be made, has been or will be made prior to the date of such issuance.

(e) *Certain Notices*. The Bank shall not have given a Stop Order or Final Drawing Notice.

(f) *Stated Amount.* After the issuance of the Commercial Paper Notes, the aggregate principal amount of all Commercial Paper Notes that will be outstanding immediately after such issuance and interest to accrue thereon will not exceed the Stated Amount.

(g) *Maturity*. The maturity date of any such Commercial Paper Notes will not occur later than the Business Day immediately preceding the Stated Expiration Date.

Unless the Metropolitan Government or the Board shall have previously advised the Bank in writing that one or more conditions set forth in subsections (a), (b), (c), (d), (f) and (g) of this Section 4.03 have not been satisfied, the Metropolitan Government shall be deemed to have represented and warranted that on the date of such issuance or authentication of any Commercial Paper Note the above conditions have been satisfied. The Bank may deliver a notice to the Issuing and Paying Agent in the form of Exhibit C hereto and to the Metropolitan Government and the Board, directing the Metropolitan Government and the Board not to issue and the Issuing and Paying Agent not to authenticate any Commercial Paper Note (a *"Stop Order"*), at any time that an Event of Default has occurred and is continuing. The Bank may deliver the Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. The Stop Order and Final Drawing Notice may be delivered by mail, messenger, facsimile or email transmission, and may also be given by telephone if promptly confirmed in writing, *provided* that the failure to confirm such Stop Order and/or Final Drawing Notice promptly in writing shall not render any telephonic notice ineffective or invalid in any respect. Upon receipt of such Stop Order and/or Final Drawing Notice, the Metropolitan Government and the Board shall not issue and the Issuing and Paying Agent shall not authenticate any Commercial Paper Note, in each case, unless and until, in the case of a Stop Order, such Stop Order is rescinded by the Bank. A Stop Order or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent and each Dealer; *provided, however,* that a Stop Order or the Final Drawing Notice received by the

Issuing and Paying Agent and each Dealer after 12:00 noon New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. Each of the Metropolitan Government and the Board shall use its best efforts to cause the Issuing and Paying Agent to comply immediately with any such Stop Order and/or Final Drawing Notice. The Bank shall not incur any liability as a result of the Bank's giving any Stop Order that, in its good faith judgment, the Bank determines to be in accordance with this Section 4.03. The Bank agrees that if, after the delivery of a Stop Order, the Bank determines that the conditions to the issuance of any Commercial Paper Note have been satisfied and the Bank has received a notice from the Metropolitan Government or the Board to such effect, then the Bank shall promptly deliver a notice (a copy of which shall be delivered by the Bank to the Metropolitan Government, the Board and each Dealer) to the Issuing and Paying Agent, rescinding such Stop Order. The Bank will furnish a copy of any Stop Order or the Final Drawing Notice to the Metropolitan Government and the Board promptly following delivery thereof to the Issuing and Paying Agent and each Dealer, but the failure to furnish any such copy shall not render ineffective such Stop Order or the Final Drawing Notice.

Section 4.04. Conditions to Term Loan. The obligation of the Bank to convert any Advance to a Term Loan on any Conversion Date pursuant to Section 2.03(a)(iv) hereof is subject to satisfaction of the following conditions: (i) the representations and warranties contained in Article V hereof and in each other Related Document shall be true and correct in all material respects on and as of the Conversion Date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct in all material respects as of such date), *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects; (ii) no Default or Event of Default shall have occurred and be continuing on the Conversion Date; and (iii) the Bank shall have received a certificate, signed by the Metropolitan Government and the Board and dated the applicable Conversion Date, confirming that all of the foregoing conditions have been satisfied.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties. The Metropolitan Government and the Board respectively represent and warrant to the Bank as follows, with the Metropolitan Government making such representations and warranties as to matters pertaining to the Metropolitan Government and, with respect to matters of the Board or the System solely within the jurisdiction of the Board, in reliance upon the corresponding representations and warranties made by the Board herein pertaining to the Board and the System:

(a) *Legal Existence.* (i) The Metropolitan Government is a Tennessee local governmental entity, duly organized and validly existing under the laws of the State of Tennessee, and has the full legal right, power, and authority to (A) execute and deliver this Agreement and the other Related Documents to which it is a party, (B) perform all its obligations and liabilities under this Agreement and the other Related Documents to which it is a party, and (C) incur Debt in accordance with this Agreement, the Resolution and the Electric System Bond Resolution, and

(subject to the terms of the Electric System Bond Resolution) collect the Revenues and apply the Net Revenues for the purposes described herein, including, without limitation, to pay the principal of and interest on the Commercial Paper Notes and all of its Obligations hereunder and under the Fee Letter (including, without limitation, the obligation to repay all Advances and amounts owing under the Bank Notes, to pay all interest thereon, and to pay all fees and other amounts payable hereunder).

(ii) The Board is duly created pursuant to the provisions of the Charter of the Metropolitan Government and has the full legal right, power, and authority to (A) execute and deliver this Agreement and the other Related Documents to which it is a party, (B) perform all its obligations and liabilities under this Agreement and the other Related Documents to which it is a party, and (C) (subject to the terms of the Electric System Bond Resolution) collect the Revenues and apply the Net Revenues for the purposes described herein, including, without limitation, to pay the principal of and interest on the Commercial Paper Notes and all of the Metropolitan Government's Obligations hereunder and under the Fee Letter (including, without limitation, the obligation to repay all Advances and amounts owing under the Bank Notes, to pay all interest thereon, and to pay all fees and other amounts payable hereunder).

(b) *Authorization; Compliance with Law and Contracts.* (i) The issuance of the Commercial Paper Notes and the Bank Notes, the making of Advances hereunder, honoring of Drawings under the Letter of Credit and the execution, delivery and performance by the Metropolitan Government of this Agreement and the other Related Documents to which it is a party in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of the Metropolitan Government, and do not and will not (i) conflict with, violate, or contravene, in any material respect, any provision of existing law or regulation (including, without limitation, ERISA (if and to the extent applicable), the Metropolitan Government's investment policy and the Enabling Act) or any order or decree of any Governmental Authority or (ii) conflict with, or violate, in any material respect, or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the Metropolitan Government is a party or that is binding upon it or any of its properties; and no consent of any Person and no license, approval, or authorization of, or notice to or registration, filing, or declaration with, any Governmental Authority is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement or any of the Related Documents or for the Metropolitan Government to beneficially receive the proceeds of a Drawing under the Letter of Credit or otherwise incur indebtedness in accordance with this Agreement or, if required, the same has been obtained and is in full force and effect and true and complete copies thereof have been delivered to the Bank.

(ii) The making of Advances hereunder, honoring of Drawings under the Letter of Credit and the execution, delivery and performance by the Board of this Agreement and the other Related Documents to which it is a party in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of the Board, and do not and will not (i) conflict with, violate, or contravene, in any material respect, any provision of existing law or regulation (including, without limitation, ERISA (if and to the

extent applicable), the Board's investment policy and the Enabling Act) or any order or decree of any Governmental Authority or (ii) conflict with, or violate, in any material respect, or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the Board is a party or that is binding upon it or any of its properties; and no consent of any Person and no license, approval, or authorization of, or notice to or registration, filing, or declaration with, any Governmental Authority is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement or any of the Related Documents or for the Board to beneficially receive the proceeds of a Drawing under the Letter of Credit or, if required, the same has been obtained and is in full force and effect and true and complete copies thereof have been delivered to the Bank.

(c) *Validity*. Each of this Agreement and the Related Documents (other than the Letter of Credit) constitutes a legal, valid, and binding agreement or obligation, as the case may be, of the Metropolitan Government and the Board (as applicable), enforceable in accordance with its respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability. The Letter of Credit, this Agreement, the Bank Notes and the Fee Letter, collectively, constitute a "Facility," as such term is defined in the Resolution.

(d) *Litigation*. There is no action or investigation pending or, to the best knowledge of the Metropolitan Government or the Board (as applicable), threatened against the Metropolitan Government, the Board or the System before any court or administrative agency which questions the existence or powers of the Metropolitan Government or the Board, in any material respect, or which, if adversely determined, could reasonably be expected to result in any material adverse change in the financial condition, operations or prospects of the System, or which questions the validity of any proceeding held or action taken by the Metropolitan Government or the Board in connection with the execution and delivery of this Agreement or any of the other Related Documents, or wherein an unfavorable decision, ruling or finding would in any way materially adversely affect the transactions contemplated by this Agreement or any of the other Related Documents or which in any way would adversely affect the validity or enforceability of the Agreement or any of the other Related Documents (or of any other instrument required or anticipated for use in consummating the transactions contemplated hereby).

(e) *No Defaults.* None of the Metropolitan Government, the Board or the System is in default under (i) any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to it, or (ii) any law or regulation applicable to it, or (iii) any of its Debt, or (iv) any contract, agreement or instrument to which it is a party or by which it or its property is bound, in each case, which default could have a material adverse effect on the properties, business, revenues, condition (financial or other), results of operations or prospects of the System or an adverse effect on the validity or enforceability of, or the authority or ability of the Metropolitan Government or the Board to perform it respective obligations under, this Agreement and the other Related Documents; and no event has occurred which with the giving of

notice or the passage of time or both, would constitute such a default. No Default or Event of Default has occurred or is continuing hereunder.

(f) *Related Documents.* The representations and warranties of the Metropolitan Government and the Board (as applicable) contained in the other Related Documents to which it is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Metropolitan Government and the Board (as applicable) in such Sections are hereby made for the benefit of the Bank. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein unless amended in accordance with the terms of this Agreement.

(g) *Regulation U.* Neither the Metropolitan Government nor the Board is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and neither the Metropolitan Government nor the Board will use the proceeds of any Commercial Paper Notes, any Drawing under the Letter of Credit or any Advance or Term Loan so as to violate Regulation U as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

(h) *Information*. No representation, warranty or other statement made by the Metropolitan Government or the Board (as applicable) in or pursuant to this Agreement or any other Related Document, in the Offering Memorandum or in any document or financial statement provided by the Metropolitan Government or the Board to the Bank in connection with this Agreement or any other Related Document contains any untrue statement of a material fact or omits (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they are made. There is no fact known to the Metropolitan Government or the Board which the Metropolitan Government or the Board has not disclosed to the Bank (in writing) and which adversely affects or, so far as the Metropolitan Government and the Board can now reasonably foresee, is likely to adversely affect, the validity or enforceability of, or the authority or ability of the Metropolitan Government or the Board to perform its respective obligations under, this Agreement and the other Related Documents to which it is a party, or which materially adversely affects, or so far as the Metropolitan Government and the Board can now reasonably foresee, is likely to materially adversely affect, the properties, business, revenues, condition (financial or otherwise), results of operations or prospects of the System.

(i) *Net Revenues.* The Resolution creates, for the benefit of the Commercial Paper Notes and the Bank Notes, a legally valid and binding Lien on and irrevocable pledge of the Net Revenues. As of the Effective Date, there are no Liens on all or any portion of the Net Revenues other than the Liens on Net Revenues securing the Commercial Paper Notes, the Bank Notes, the Senior Lien Bonds and the Line of Credit. As of the Effective Date, the Lien on Net Revenues securing the Commercial Paper Notes and the Bank Notes is subordinate only to the Lien on Net Revenues securing the Senior Lien Bonds and is not subordinate to any other payment obligation

of the Metropolitan Government secured by a Lien on all or any portion of the Net Revenues. The Lien on Net Revenues securing the Commercial Paper Notes and the Bank Notes is on parity with the Lien securing any other Commercial Paper Indebtedness (and any related bank notes) and the Line of Credit. No filing, registering or recording of this Agreement or the Resolution or any other instrument is required to establish the pledge or to maintain the Lien created by the Resolution on the Net Revenues. Each Bank Note constitutes Subordinated Debt under and for purposes of the Electric System Bond Resolution. Pursuant to the Resolution, all other Obligations owed to the Bank (other than the payment of principal and interest on the Bank Notes) are payable from the Net Revenues of the System, subject to the provisions of the Electric System Bond Resolution and, if and to the extent permitted by the Enabling Act, secured by a pledge of Net Revenues of the System on parity with the Commercial Paper Notes and the Bank Notes.

(j) *Legislation.* There is no amendment or, to the knowledge of the Metropolitan Government or the Board, proposed amendment to the Constitution or any law of the State of Tennessee or any administrative interpretation of the Constitution or any law of the State of Tennessee, or any legislation that has passed either house of the legislature of the State of Tennessee, or any judicial decision interpreting any of the foregoing, which in any way materially adversely affects or which prohibits (i) the issuance or delivery of the Commercial Paper Notes or the Bank Notes, a Drawing under the Letter of Credit or the making of any Advance hereunder, (ii) the adoption of the Resolution or the Board Resolution, (iii) the execution and delivery of this Agreement or any of the other Related Documents to which the Metropolitan Government or the Board is a party, as applicable, (iv) the creation, organization or existence of the Metropolitan Government or the Board or the titles to office of any officers thereof, (v) the power of the Metropolitan Government or the Board to perform its respective obligations under the Enabling Act, or under this Agreement or any of the other Related Documents to which the Metropolitan Government or the Board is a party, as applicable, or (vi) the Lien on Net Revenues securing the Commercial Paper Notes and the Bank Notes.

(k) *Accuracy of Financial Reports.* The most recent financial statements of the System for the Fiscal Year ended June 30, 2026, copies of which have been furnished to the Bank, fairly present the financial position and results of operations of the System, as of the dates and for the periods set forth therein. Since June 30, 2026, there has been no material adverse change in the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System.

(l) *No Tax or Fee.* None of the execution or delivery of this Agreement or the other Related Documents, the issuance of the Bank Notes, the honoring of any Drawing under the Letter of Credit or the making any Advance as contemplated hereunder will give rise to any tax or fee imposed by any local or state agency or governmental body of the State of Tennessee, except for those which have been paid.

(m) *Issuance of Commercial Paper Notes.* Each issuance of Commercial Paper Notes and Drawing under the Letter of Credit shall be deemed a representation by the Metropolitan Government that (i) the Metropolitan Government has complied in all material respects with all of the terms and provisions of this Agreement, (ii) on such date, and after giving effect to the issuance of the Commercial Paper Notes, no Default or Event of Default has occurred or is continuing, (iii)

the representations and warranties of the Metropolitan Government contained in this Agreement and the other Related Documents to which it is a party are true and correct in all material respects on and as of the date of issuance of the Commercial Paper Notes or the date of such Drawing, as applicable, in question as though made on and as of such date, *provided*, that representations and warranties that are qualified by "material", "materiality" or similar qualifier, shall be true and correct in all respects, and (iv) after the issuance of such Commercial Paper Notes, the principal amount of all Commercial Paper Notes that will be outstanding immediately after such issuance (and after giving effect to the application of proceeds of such issuance and the Reimbursement Obligations) and the interest thereon will not exceed the Stated Amount.

(n) *Tax-Exempt Status.* Neither the Metropolitan Government nor the Board has taken any action or omitted to take any action, or knows of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Tax-Exempt Commercial Paper Notes (as defined in the Resolution) from gross income for Federal income tax purposes.

(o) *Environmental Matters.* Except as otherwise disclosed in the Offering Memorandum, neither Metropolitan Government nor the Board has received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable Environmental Laws or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the assets, financial condition, or operations of the Metropolitan Government, the Board or the System or on the ability of either the Metropolitan Government or the Board to perform its obligations hereunder and under the other Related Documents or could cause the Metropolitan Government, the Board or the System to become subject to any material Environmental Liability.

(p) *Commercial Paper Notes*. Each Commercial Paper Note and each Bank Note has been and will be duly and validly issued under the Resolution and is entitled to the benefits thereof.

(q) *Usury*. The terms of this Agreement and the Related Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(r) *ERISA; Pension Obligations*. The Metropolitan Government and the Board do not maintain or contribute to, and have not maintained or contributed to, any employee benefit plan that is subject to Title IV of ERISA.

(s) *Governmental Consent or Approval*. The execution, delivery and performance of this Agreement and the other Related Documents to which the Metropolitan Government or the Board is a party, as applicable, and the validity and enforceability of this Agreement and the other Related Documents to which the Metropolitan Government or the Board is a party, as applicable, to the extent not obtained prior to the Effective Date, do not and will not require registration with, or the consent or approval of, or any other action by, any Governmental Authority or regulatory body; *provided, however*, that the Metropolitan Government and the Board have taken no action with respect to any filings or registration required by any state securities or *"blue sky"* laws and makes no representations with respect thereto.

(t) *Immunity from Jurisdiction.* Neither the Metropolitan Government nor the Board is entitled to claim the defense of sovereign immunity, statutory immunity or governmental immunity, to the extent any such immunity has been or may be waived in accordance with the Constitution and laws of the State of Tennessee, in any action appropriately asserted by the Bank in a state or Federal court located in Davidson County, Tennessee and arising out of its contractual obligations as set forth in this Agreement and the other Related Documents to which it is a party.

(u) *Offering Memorandum.* The information contained in the Offering Memorandum is correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, *provided* that the Metropolitan Government and the Board make no representation as to information in the Offering Memorandum relating to the Bank and provided by the Bank for inclusion therein or the Book-Entry Only System.

(v) *Investment Company Act*. Neither the Metropolitan Government nor the Board is an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

(w) *Issuing and Paying Agent and Dealer.* As of the Effective Date, U.S. Bank Trust Company, National Association is the duly appointed and acting Issuing and Paying Agent and BofA Securities, Inc. and J.P. Morgan Securities LLC (or a successor meeting the requirements of Section 6.01(p) hereof) is each a duly appointed and acting Dealer for the Commercial Paper Notes.

(x) *Bank Note Issuance.* Each Bank Note has been validly issued as a "revenue bond" under Part 3 of the Enabling Act (but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government), and the Metropolitan Government has complied with all statutory requirements of the Enabling Act and any other applicable Laws necessary to cause each Bank Note to constitute a "revenue bond" under Part 3 of the Enabling Act (but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government).

(y) *Regarding the Resolution.* The Letter of Credit, together with this Agreement, the Bank Notes and the Fee Letter, constitutes a Facility as defined in the Resolution. The Letter of Credit is the Initial Facility as defined in the Resolution.

(z) *Anti-Terrorism Laws.*

(i) *General*. Neither the Metropolitan Government nor the Board is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(ii) *Executive Order No. 13224*. Neither Metropolitan Government, the Board nor any of their respective Affiliates, or to the Metropolitan Government's or the Board's knowledge, any of their respective agents acting or benefiting in any capacity in connection

with the Advances or other transactions hereunder, is any of the following (each a *"Blocked Person"*):

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;

(E) a Person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(F) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;

(G) a Person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(H) a Person who is affiliated with a Person listed above.

(aa) *Sanctions; Anti-Corruption.* (i) Neither the Metropolitan Government, the Board nor any of their respective Affiliates, nor to each of the Metropolitan Government's and the Board's knowledge, as applicable, any director, officer, employee, agent, or affiliate of the Metropolitan Government, the Board or any of their respective Affiliates, is an individual or entity ("*person*") that is, or is owned or controlled by persons that are: (A) the subject or target of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authority (collectively, "*Sanctions*"); or (B) located, organized, or resident in a country or territory that is the subject or target of Sanctions.

(ii) The Metropolitan Government, the Board and each respective Affiliate thereof, and to the Metropolitan Government's and the Board's knowledge, as applicable, each director, officer, employee, agent, and affiliate of the Metropolitan Government and the Board and any respective Affiliate thereof, are in compliance in all material respects with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as

amended, and the rules and regulations thereunder (the "*FCPA*") and any other applicable anti-corruption law.

ARTICLE VI

COVENANTS OF THE METROPOLITAN GOVERNMENT

Section 6.01. Affirmative Covenants. The Metropolitan Government and the Board (as applicable) respectively covenant and agree, from the date hereof and until the Final Maturity Date and the payment in full of all Obligations, unless the Bank shall otherwise consent in writing:

(a) *Performance of This and Other Agreements*. The Metropolitan Government shall punctually pay, or cause to be paid, all amounts payable under this Agreement, the Bank Notes and the other Related Documents, and the Metropolitan Government and the Board shall observe and perform all of the other non-payment covenants and requirements set forth in this Agreement, the Bank Notes and the other Related Documents.

(b) *Further Assurances*. The Metropolitan Government and the Board shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Bank all such instruments and documents as in the reasonable judgment of the Bank are necessary or advisable to carry out the intent and purpose of this Agreement, the Bank Notes and the other Related Documents. The Metropolitan Government and the Board shall take all necessary action to maintain and preserve the lien on and security interest in the Net Revenues securing the Commercial Paper Notes and the Bank Notes.

(c) *Books and Records; Inspection Rights*. The Metropolitan Government and the Board shall keep adequate records and books of account, in which complete entries will be made, reflecting all financial transactions of the System; and shall upon reasonable prior notice and during normal business hours, permit the Bank or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the System and to discuss the affairs, finances and accounts of the System with any of the System's officers, trustees and independent auditors (and by this provision, the System authorizes said auditors to discuss with the Bank or its agents or representatives or any Participant hereto, the affairs, finances and accounts of the System).

(d) *Existence; Maintenance of Approvals; Filings, Etc.* (i) The Metropolitan Government at all times maintain its status as a Tennessee local governmental entity, duly organized and validly existing under the laws of the State of Tennessee. The Board shall at all times maintain its status as an agency of the Metropolitan Government, duly organized and validly existing under the laws of the State of Tennessee and the Charter of the Metropolitan Government.

(ii) Each of the Metropolitan Government and the Board shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any

applicable law or regulation for its execution, delivery and performance of this Agreement and the other Related Documents.

(e) *Compliance with Laws, Etc.* The Metropolitan Government and the Board shall comply with all applicable Laws, rules, regulations and orders of any Governmental Authority, except that this Section 6.01(e) shall not apply to noncompliance that, singly or in the aggregate, would not have a materially adverse effect on (i) the financial condition or operations of the System or (ii) the ability of the Metropolitan Government and the Board to perform their respective obligations hereunder including, but not limited to, with respect to the Metropolitan Government, the timely payments of the Commercial Paper Notes, the Advances, the Bank Notes or other Obligations.

(f) *Net Revenues.* The Metropolitan Government and the Board shall at all times keep the Net Revenues and every part thereof free and clear of all pledges and security interests except the pledges granted in or permitted by the Resolution, the Electric System Bond Resolution or the other Related Documents, the pledges granted to secure any other Commercial Paper Indebtedness, the pledges granted to secure the Line of Credit or the pledges granted to secure any other Debt which is on parity with, or subordinate to, the Commercial Paper Notes and the Bank Notes, and shall maintain the pledge of, lien on and security interest in the Net Revenues securing the Commercial Paper Notes and the Bank Notes as a pledge of all right, title and interest of the Metropolitan Government in the Net Revenues and all rights of the Metropolitan Government to receive any amount of the Net Revenues, subordinate only to the rights of the owners of the Senior Lien Bonds and on parity with the rights of holders of any other Commercial Paper Indebtedness, the Line of Credit and any other Subordinated Debt that is not also expressly subordinated to the Commercial Paper Notes and the Bank Notes.

(g) *Accuracy of Information.* All data, certificates, reports, opinions of counsel, documents and other information furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement shall, at the time the same are so furnished, (i) be complete and correct in all material respects to the extent necessary to give the Bank true and accurate knowledge of the subject matter thereof, and (ii) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and the furnishing of the same to the Bank shall constitute a representation and warranty by the Metropolitan Government and the Board to that effect. Each financial statement furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement, shall, at the time the same is so furnished, fairly present the financial condition and results of operations of the System.

(h) *Additional Documents.* The Metropolitan Government and the Board shall furnish to the Bank from time to time no expense of the Bank, all further instruments and documents, duly executed and delivered by the Metropolitan Government and the Board, as applicable, and take all further action that may be reasonably necessary, or that the Bank may reasonably request, in order to (i) protect any security interest or other right or interest assigned, or purported to be assigned, to the Bank under or in connection with this Agreement, the Electric System Bond Resolution, the Resolution, the Board Resolution or any other Related Document, or (ii) enable the Bank to

exercise or enforce its rights or remedies under or in connection with this Agreement, the Electric System Bond Resolution, the Resolution, the Board Resolution or any other Related Document.

(i) *Financial and Other Reports.* The Metropolitan Government and the Board (as applicable) shall furnish the following reports to the Bank:

(i) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of the Metropolitan Government, the Bank shall have received (A) the audited financial statements of the System, consisting of a balance sheet and a statement of revenues, expenditures and changes in fund balances and a cash flow statement of the System setting forth in comparative form to the budget for such Fiscal Year and the corresponding figures (if any) for the preceding Fiscal Year, all in reasonable detail and prepared in accordance with generally accepted accounting principles for state and local governments consistently applied and (B) a report of the nationally recognized auditors of the Metropolitan Government with respect to the internal control over the financial reporting of the Metropolitan Government;

(ii) As soon as available and in any event within seventy-five (75) days of the end of the first three quarters of each Fiscal Year, the unaudited financial statements of the System, consisting of a statement of revenues, expenditures, transfers and changes in fund balances and a cash flow statement of the System setting forth in comparative form to the then current fiscal year budget, all in reasonable detail and prepared in accordance with generally accepted accounting principles consistently applied;

(iii) A copy of any current investment policy applicable to the System as well as any amendment thereto;

(iv) From time to time such additional information regarding the financial position or business of the System as the Bank may reasonably request;

(v) Promptly following approval thereof and in any event within sixty (60) days of the beginning of each Fiscal Year, a copy of the annual budget of the System; and

(vi) Concurrently with the delivery of the financial statements referred to in paragraph (i) of this Section, a duly completed certificate signed by a responsible officer of the Metropolitan Government and the Board stating that there exists on the date of such certificate no Default or Event of Default or if any Default or Event of Default then exists, setting forth the details thereof and the action which either the Metropolitan Government or the Board is taking or proposes to take with respect thereto.

provided, however, that delivery of any such financial information set forth in clauses (i) and (ii) of this Section 6.01(i) shall be deemed satisfied upon the Bank's receipt of written notice that the same are available on EMMA.

(j) *Notices.* The Metropolitan Government and the Board will promptly (and in any event within ten (10) Business Days) notify the Bank of (i) the occurrence of any Default or Event

of Default known to the Metropolitan Government or the Board or which, with the exercise of reasonable diligence by the Metropolitan Government and/or the Board, as applicable, should have become known to the Metropolitan Government and/or the Board, as applicable, specifying the details of such Default or Event of Default and the action that the Metropolitan Government and/or the Board, as applicable, proposes to take with respect thereto; (ii) to the knowledge of the Metropolitan Government and/or the Board, as applicable, the failure by the Issuing and Paying Agent or by any Dealer to perform in any material respect any of their respective obligations under the Issuing and Paying Agency Agreement or a Dealer Agreement; (iii) the (x) existence and status of any litigation or environmental proceeding which individually or in the aggregate could, in the event of any unfavorable outcome, have a material adverse effect on or (y) passage of any state or local ordinance, law or rule not of general applicability to all Persons, either of which could reasonably be expected to have a material adverse effect on (A) the financial condition or operations of the System, (B) the Commercial Paper Notes or (C) the enforceability or validity of any of this Agreement or the other Related Documents; (iv) any change in any material fact or circumstance represented or warranted in this Agreement or in any of the other Related Documents; (v) any communications, reports or financial statements delivered or received by it from any taxing authority, securities commission or department or Rating Agency or any Dealer or the Issuing and Paying Agent with respect to the transactions contemplated hereby (together with a copy of such communication, report, or statement); and (vi) notice of any proposed substitution of this Agreement; *provided, however,* that delivery of any such information set forth in this Section 6.01(j) shall be deemed satisfied upon the Bank's receipt of written notice that the same are available on EMMA.

(k) *Other Obligations.* Each of the Metropolitan Government and the Board will comply with and observe all of its other obligations and requirements set forth in the Resolution, the Electric System Bond Resolution and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank), as applicable, in all statutes and regulations binding upon it relating to the Commercial Paper Notes, this Agreement or any of the other Related Documents, and in the Metropolitan Government's and the Board's investment policies as approved by the Metropolitan Government and the Board, as applicable, and as amended from time to time.

(l) *Documents Related to Other Securities.* Prior to the issuance thereof, the Metropolitan Government shall notify the Bank of the sale or placement of any securities (other than with respect to the Commercial Paper Notes) of which the Metropolitan Government is the issuer, or which are issued for its direct benefit, and which are payable from or secured by all or any portion of the Net Revenues, and as soon as practicable but in any event within five (5) days after the issuance thereof, furnish to the Bank copies of any prospectus, official statement, offering circular or placement memorandum, and any supplements thereto, that the Metropolitan Government makes available in connection with the offering for sale of any securities of which it is the issuer, or which are issued for its direct benefit, and which are payable from or secured by all or any portion of the Net Revenues; *provided, however,* that delivery of any such information set forth in this Section 6.01(l) shall be deemed satisfied upon the Bank's receipt of written notice that the same are available on EMMA.

(m) *Obligations under Related Documents.* The Metropolitan Government and the Board shall take all actions as may be reasonably requested by the Bank to enforce the material obligations under the Related Documents of each of the other parties thereto.

(n) *Incorporation of Covenants by Reference.* The Metropolitan Government and the Board agree that they will each perform and comply in all material respects with each and every obligation, covenant and agreement required to be performed or observed by it in or pursuant to the Related Documents, which provisions, as well as the related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the Metropolitan Government and the Board, as applicable. To the extent any such incorporated provision permits the owners of one or more Commercial Paper Notes or any other Person or Persons to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the owners of one or more Commercial Paper Notes or any other Person or Persons, for purposes of this Agreement, such provision shall be complied with only if it is waived by the Bank and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. Except as provided in Section 6.02(a) hereof, no amendment to such obligations, covenants and agreements or defined terms made pursuant to any of the Related Documents shall be effective to amend such obligations, covenants and agreements and defined terms as incorporated by reference herein without the prior written consent of the Bank; *provided*, that any modification, amendment or waiver of any provision or term of this Agreement or any Bank Note shall be made pursuant to Section 8.01 hereof and any modification, amendment or waiver of any provision or term of the Fee Letter shall be made pursuant to the terms thereof. The Metropolitan Government or the Board shall give prior written notice to the Bank of any action referred to in this Section. Notwithstanding any termination or expiration of the Resolution or any such other Related Document to which the Metropolitan Government or the Board is a party, the Metropolitan Government and the Board, respectively, shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of the Bank Notes and all other Obligations.

(o) *Sale of Commercial Paper Notes to Repay Bank Notes*. The Metropolitan Government will issue and sell Commercial Paper Notes as promptly as practicable after the Bank makes any unreimbursed Drawing and use the proceeds of such sale solely for the repayment of such unreimbursed Drawing (and such proceeds of sale shall be deemed to be proceeds of Commercial Paper Notes for all the purposes of the Resolution, this Agreement and the Bank Notes).

(p) *Commercial Paper Dealer.* The Metropolitan Government and the Board will appoint, or cause to be appointed, at all times, one or more Dealers, each of which shall be acceptable to the Bank. The Bank hereby consents to the appointment of each of BofA Securities, Inc. and J.P. Morgan Securities LLC as a Dealer for the Commercial Paper Notes. The Metropolitan Government and the Board agree to cause each Dealer to use its best efforts to sell Commercial Paper Notes up to the maximum rate applicable to Commercial Paper Notes in order to repay maturing Commercial Paper Notes. If a Dealer fails to perform its material duties and

obligations under its Dealer Agreement (including, without limitation, an inability or failure to sell Commercial Paper Notes to pay maturing Commercial Paper Notes), then the Metropolitan Government and the Board agree, at the written request of the Bank, to cause such Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. The Metropolitan Government and the Board agree to obtain the written consent of the Bank prior to the appointment of a successor Dealer, which consent shall not be unreasonably withheld. If any Advance remains outstanding for a period of thirty (30) consecutive calendar days, at the written direction of the Bank, the Metropolitan Government and the Board shall cause the related Dealer (that has been unable to sell Rollover Commercial Paper Notes) to be replaced with a Dealer reasonably satisfactory to the Bank. The Metropolitan Government and the Board shall at all times cause each Dealer Agreement entered into after the date hereof, to contain satisfactory third-party beneficiary provisions in favor of the Bank. Each Dealer Agreement shall provide that the related Dealer may not resign until the earlier of (i) the appointment of a successor Dealer which is acceptable to the Bank and such Dealer's acceptance of such appointment and (ii) the date which is at least sixty (60) days following the receipt by the Metropolitan Government, the Board, the Issuing and Paying Agent and the Bank of prior written notice of such resignation.

(q) *Replacement of Certain Entities.* The Metropolitan Government and the Board shall obtain the prior written consent of the Bank prior to the replacement of the Issuing and Paying Agent or any Dealer, which consent shall not be unreasonably withheld.

(r) *Alternate Facility.* (i) In the event that (A) the long-term unenhanced rating by Moody's or Fitch (in each case to the extent such Rating Agency is then providing a rating) on any Senior Lien Bonds is reduced below "A3" (or its equivalent) or "A-" (or its equivalent), respectively, (B) a Stop Order has been delivered and has not been rescinded within 5 days of its delivery or (C) the Bank shall decide not to extend the Stated Expiration Date, the Metropolitan Government and the Board shall use their best efforts to obtain a substitute credit or liquidity facility to replace this Agreement or shall take such other action as will result in the payment of all amounts owed to the Bank upon termination of this Agreement.

(ii) The Metropolitan Government and the Board agree that any alternate facility will require, as a condition to the effectiveness of the substitute credit or liquidity facility, that the provider of the substitute credit or liquidity facility will provide funds, on the Substitution Date, for the payment of all principal and accrued interest (at the applicable rate pursuant to Article II hereof) on all Advances then outstanding. On such Substitution Date, any and all amounts due hereunder and under the Fee Letter, the Bank Notes, the Resolution and the Commercial Paper Notes due to the Bank shall be payable in full to the Bank.

(s) *Waiver of Immunity.* To the extent permitted by law (as to which no representation is made as to applicability under existing law by the Metropolitan Government or the Board), the Metropolitan Government and the Board each hereby agree not to assert the defense of any right of immunity (sovereign, governmental or otherwise) in any action or proceeding to enforce or collect upon the contractual obligations of the Metropolitan Government under this Agreement or any other Related Document or otherwise arising under or relating to this Agreement or any other Related Document.

(t) *Maintenance of Ratings on Commercial Paper Notes and Bank Notes*. The Metropolitan Government shall at all times (i) maintain, or cause to be maintained, two short-term credit ratings on the Commercial Paper Notes by any of Fitch, Moody's or S&P, (ii) maintain, or cause to be maintained, long-term credit ratings on unenhanced Senior Lien Bonds from any two of Moody's, Fitch or S&P, (iii) maintain, or cause to be maintained, a long-term credit rating by any one of Moody's, Fitch or S&P applicable to each Bank Note and (iv) ensure (at the expense of the Metropolitan Government) that the CUSIP Number and the Bank Note rating (described in sub-clause (iii) of this Section 6.01(t)) are available on an electronic registry acceptable to the Bank).

(u) *Reserved Capacity.* At all times, the Metropolitan Government shall have the capacity to issue bonds or other indebtedness to enable it to repay an amount at least equal to the sum of (i) the aggregate principal amount of the Commercial Paper Notes authorized under the Resolution and any other Commercial Paper Indebtedness, plus (ii) the Obligations hereunder and under the Fee Letter, plus (iii) any other obligations (other than with respect to principal and interest on Commercial Paper Notes) owing to any credit enhancer or liquidity provider on the other Debt payable from all or any portion of the Net Revenues or secured by all or any portion of the Net Revenues.

(v) *Budget*. The Board, and the Metropolitan Government to the extent it has authority to direct or require the Board to do so, shall include in each annual budget of the System all amounts reasonably anticipated to be necessary to pay all principal of and interest on the Commercial Paper Notes and all amounts necessary to pay all Obligations due to the Bank hereunder and under the Fee Letter (including, without limitation, the Bank Notes). If the amounts so budgeted are not adequate for the payment of the Obligations due hereunder and under the Fee Letter and in connection with the Bank Notes, the Board and the Metropolitan Government (as applicable) will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be paid to the Bank during the course of the Fiscal Year to which such annual budget applies.

(w) *Reserved.*

(x) *Reserved.*

(y) *Maintenance of System.* (i) The Board, and the Metropolitan Government to the extent it has authority to direct or require the Board to do so, shall, in all material respects, maintain, preserve and keep the System in good repair, working order and condition (ordinary wear and tear excepted), except to the extent that the failure to do so could not reasonably be expected to result in a material adverse change in the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System or impair or impede the rights, security, interests or remedies of the Bank hereunder or under any other Related Document. The Board, and the Metropolitan Government to the extent it has the authority to direct or require the Board to do so, shall, operate and maintain the System in an efficient and economical manner and in accordance with applicable law and the Related Documents.

(ii) Neither the Metropolitan Government nor the Board shall (A) combine, consolidate with or merge the System into any other entity, (B) sell or otherwise dispose of any property essential or material to the proper operation of the System; *provided, however,* that this provision shall not prevent the Metropolitan Government and the Board from disposing of any portion of the System which is being replaced or is deemed by the Metropolitan Government and the Board to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Net proceeds from any such disposition shall be used only for such purposes provided in the Related Documents. Neither the Metropolitan Government nor the Board shall enter into any lease or agreement which impairs or impedes the operation of the System or which could reasonably be expected to result in a material adverse change in the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System or impair or impede the rights, security, interests or remedies of the Bank hereunder or under any other Related Document.

(z) *Maintenance of Commercial Paper Notes.* The Metropolitan Government shall cause the Commercial Paper Notes to be extended or renewed for not more than two additional periods not exceeding two years each with the approval of the Director of State and Local Finance, in each such instance, in accordance with Section 9-21-505 of the Enabling Act.

(aa) *Rates, Fees and Charges.* The Board, and the Metropolitan Government to the extent it has authority to direct or require the Board to do so, shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to produce Net Revenues in each Fiscal Year as provided in the Electric System Bond Resolution as the Electric System Bond Resolution is in effect on the Effective Date, and without regard to any amendment, supplement, waiver, or modification thereto entered into after the Effective Date, unless otherwise made in accordance with Section 6.02(a) hereof. Additionally, the Board, and the Metropolitan Government to the extent it has authority to direct or require the Board to do so, shall at all times establish and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System as shall be required in order that in each Fiscal Year the Net Revenues shall be sufficient to pay, as the same shall become due, the principal of and redemption premium, if any, and interest on all Special Revenue Debt (excluding the principal of Commercial Paper Notes that is paid from the proceeds of Rollover Commercial Paper Notes), in addition to paying, as the same shall become due, the necessary expenses of operating and maintaining the System and all other obligations and Debt payable from or secured by all or any portion of Revenues and/or Net Revenues.

(aa) *Notice of Proposed Termination*. The Metropolitan Government and the Board shall provide each Rating Agency, the Dealers, the Issuing and Paying Agent and the Bank with ten (10) Business Days prior written notice of any proposed termination of the Commercial Paper Program (as defined in the Resolution).

(bb) *Access to Commercial Paper Reporting System*. The Metropolitan Government or the Board shall cause the Issuing and Paying Agent to provide the Bank daily reporting on commercial paper trades with respect to the Commercial Paper Notes to fulfill the Bank's regulatory reporting needs with respect to the Commercial Paper Notes.

Section 6.02. Negative Covenants. The Metropolitan Government and the Board respectively covenant and agree, from the date hereof and until the Termination Date and the payment in full of all Obligations, unless the Bank shall otherwise consent in writing:

(a) *Amendments to Related Documents.* Except to cure an ambiguity or inconsistency, to cure any defective provisions contained in a Related Document for the purpose of more clearly expressing the intent of such Related Document, to adopt a supplemental resolution solely for the purpose of authorizing the issuance of Special Revenue Debt permitted hereunder or to enter into an amendment which would not have an adverse effect on the rights, interests, security, remedies or obligations of the Bank or the holders of the Commercial Paper Notes or the holder of any interest in any Bank Note, neither the Metropolitan Government nor the Board shall enter into or consent to any amendments of or supplements to any Related Document or any waiver of the requirements thereof without the prior written consent of the Bank; *provided*, that any modification, amendment or waiver of any provision or term of this Agreement or any Bank Note shall be made pursuant to Section 8.01 hereof and any modification, amendment or waiver of any provision or term of the Fee Letter shall be made pursuant to the terms thereof. In connection with any such amendment, modification or waiver, the Metropolitan Government and the Board agree to deliver to the Bank copies of all such amendments, modifications or waivers at least fifteen (15) calendar days prior to the effective date thereof. The Bank shall, within fifteen (15) calendar days after receiving such copies, inform the Metropolitan Government and the Board in writing if, in the Bank's reasonable discretion, the Bank determines that such amendment, modification or waiver requires the prior written consent of the Bank in accordance with this Section 6.02(a).

(b) *Voluntary Liens.* Neither the Metropolitan Government nor the Board shall create or grant any Lien on all or any portion of the Revenues, the Net Revenues or the System, except the Liens created pursuant to the terms of the Electric System Bond Resolution for Senior Lien Bonds and Subordinated Debt, Liens pursuant to the terms of the Resolution securing the Commercial Paper Notes and the Bank Notes, and Liens permitted by the terms of the Resolution to secure the Line of Credit and/or other Commercial Paper Indebtedness which are on parity with the Liens securing the Commercial Paper Notes and the Bank Notes and Liens to secure any other Special Revenue Debt which is subordinate to the Commercial Paper Notes and the Bank Notes. Notwithstanding anything set forth in the Line of Credit to the contrary, (i) neither the Metropolitan Government nor the Board shall permit any party to a Line of Credit to take possession or control of, or instruct any agent to otherwise dispose all or any part of the Net Revenues as set forth therein and (ii) in all cases, the Metropolitan Government and the Board shall not permit any party to a Line of Credit to have a superior Lien on all or any portion of the Revenues, the Net Revenues and/or the System or take such actions that would in effect cause any party to a Line of Credit to be treated as a secured on a senior basis to the holders of the Commercial Paper Notes and the Bank Notes.

(c) *Total Outstanding; Stop Order; Final Drawing Notice.* At no time shall the Metropolitan Government or the Board permit the aggregate amount of the principal of and interest on Commercial Paper Notes Outstanding to exceed the Stated Amount. Neither the Metropolitan Government nor the Board shall instruct the Issuing and Paying Agent to authenticate or deliver, or cause the authentication or delivery of, any Commercial Paper Note if the Metropolitan Government or the Board have received a Stop Order or Final Drawing Notice, unless and until

such Stop Order or Final Drawing Notice is rescinded, in each case, regardless of any time deadlines for the effectiveness of such Stop Order or Final Drawing Notice, as applicable.

(d) *Exempt Status.* Neither the Metropolitan Government nor the Board shall take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Tax-Exempt Commercial Paper Notes from the gross income of the owners thereof for purposes of federal income taxation.

(e) *ERISA.* Within its respective lawful authority, neither the Metropolitan Government nor the Board shall, and each shall not permit a member of the Controlled Group to be, subject to ERISA, and shall not maintain, nor permit a member of the Controlled Group to maintain, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the Metropolitan Government or the Board is a part, and (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Metropolitan Government or the Board is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions. The Metropolitan Government and the Board and each employee benefit plan shall remain in compliance in all material respects with the terms of any such plan and applicable law related thereto. For purposes of this section, *"Controlled Group"* means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Metropolitan Government or the Board, are treated as a single employer under Section 414 of the Code.

(f) *Use of Proceeds.* Neither the Metropolitan Government nor the Board shall use the proceeds of any credit extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System. Neither the Metropolitan Government nor the Board shall use the proceeds of the Commercial Paper Notes, any Drawing or any Bank Note for any purpose other than as provided for in the Resolution or in contravention of applicable law.

(g) *Offering Memorandum and Other Documents*. Other than the information contained in the Offering Memorandum under the caption ["**DESCRIPTION OF THE INITIAL BANK**"], neither the Metropolitan Government nor the Board shall include, or permit to be included, any material or reference relating to the Bank in any offering memorandum or any other document or any tombstone, unless such material or reference is approved in writing by the Bank prior to its inclusion therein.

(h) *Other Documents*. Neither the Metropolitan Government nor the Board shall enter into any agreement containing any provision which would be violated or breached by the

performance by the Metropolitan Government or the Board of its obligations hereunder or under the other Related Documents. In the event that the Metropolitan Government or the Board shall enter into or has already entered into, or otherwise consent to any amendment, supplement or other modification of, any credit agreement, reimbursement agreement, standby bond purchase agreement, liquidity agreement, standby note purchase agreement, bond purchase agreement, continuing covenant agreement, supplemental bondholder agreement or other contract agreement or instrument (each of the foregoing being referred to herein as a "*Bank Agreement*") under which, directly or indirectly, any Person or Persons undertake to make loans, to make or provide funds to make payment of, or to purchase or provide credit or liquidity enhancement for any Debt secured by or payable from all or any portion of the Net Revenues and which includes (i) financial covenants not included in this Agreement, (ii) any other terms more favorable to any such Person or Persons or more restrictive to the Metropolitan Government and/or the Board (including, without limitation, events of default and remedies, but subject to any applicable cure periods related thereto) granted to any such Person or Persons, (iii) covenants that are more restrictive as to the Metropolitan Government and/or the Board or (iv) a more favorable bank note or bank bond amortization period or more accelerated schedule of bank note or bank bond amortization payments or any other rights to otherwise accelerate, in each case, than those contained in this Agreement (the provisions in clauses (i), (ii), (iii) and (iv) being referred to herein as "*More Favorable Provisions*"), the Metropolitan Government and the Board shall provide the Bank with a copy of each such Bank Agreement and this Agreement shall be deemed to be amended to include such More Favorable Provision or Provisions so long as such More Favorable Provision or Provisions remain in effect under the other Bank Agreement. If requested by the Bank, the Metropolitan Government and the Board shall promptly enter into an amendment to this Agreement to include such covenants, events of default and remedies, and/or greater rights and remedies. Any amendment entered into pursuant to this Section 6.02(h) shall provide that each More Favorable Provision incorporated herein shall automatically cease to be effective, without further action, upon the termination, expiration or waiver of such provision under the applicable Bank Agreement, and the Bank shall, upon written request therefor, confirm such cessation in writing within a commercially reasonable period of time. Failure to amend this Agreement in writing shall not deprive the Bank of the benefit of such covenants, events of default and remedies, and/or greater rights and remedies. Notwithstanding the foregoing, no such covenant, event of default, right or remedy described in this Section shall be incorporated herein if such incorporation would constitute an event of taxability with respect to the Tax-Exempt Commercial Paper Notes. For the avoidance of doubt, this Section 6.02(h) shall not apply to any agreement, instrument or document entered into by the Metropolitan Government (including any credit, reimbursement, liquidity, loan or similar agreement) in connection with any Debt of the Metropolitan Government that is not secured by or payable from the Revenues or Net Revenues of the System, including, without limitation, Debt of the water and sewer system of the Metropolitan Government and general obligation Debt of the Metropolitan Government (each an *"Excluded Agreement"*), and no covenant, event of default, right or remedy contained in any such Excluded Agreement shall be deemed incorporated herein.

(i) *Swap Termination Payments*. Neither the Metropolitan Government nor the Board shall permit any Lien on all or any portion of the Net Revenues securing any termination payments with respect to any Swap Contract to be payable senior in terms of priority of payment to the

payment of the principal of and interest on the Commercial Paper Notes and the Bank Notes and the other Obligations hereunder and under the Fee Letter.

(j) *Accounting Methods and Fiscal Year*. Unless otherwise required by an applicable Governmental Authority, neither the Metropolitan Government nor the Board shall adopt, permit or consent to any change in accounting practices other than as required by generally accepted accounting principles and will not adopt, permit or consent to any change in its Fiscal Year without the prior written consent of the Bank.

(k) *Defeasance*. Notwithstanding anything in the Resolution to the contrary, without the prior written consent of the Bank, neither the Metropolitan Government nor the Board shall affect a defeasance of the Commercial Paper Notes or any Bank Note and shall not permit the Issuing and Paying Agent to process any request for defeasance; *provided* that no such consent shall be required for (i) the payment of maturing Commercial Paper Notes from the proceeds of Commercial Paper Notes, Bonds or other available moneys or (ii) the defeasance of any Commercial Paper Notes pursuant to Section 8.01 of the Resolution by the irrevocable deposit with the Issuing and Paying Agent or another escrow agent of moneys and/or Government Obligations (as defined in the Resolution) sufficient to pay the principal of and interest on such Commercial Paper Notes on their respective maturity dates, so long as (A) no Event of Default has occurred and is continuing, (B) the Metropolitan Government or the Board has given the Bank not less than five (5) Business Days' prior written notice and (C) upon such deposit such Commercial Paper Notes shall no longer be Outstanding and the Bank shall have no obligation to honor any Drawing in respect thereof. No such defeasance shall require a reduction of the Stated Amount, and the Stated Amount shall remain available to support Commercial Paper Notes issued after such defeasance.

(l) *Sanctions; Anti-Corruption Use of Proceeds*. Neither the Metropolitan Government nor the Board shall, directly or indirectly, use the proceeds of any Drawing, Advance, Commercial Paper Notes or any Bank Note, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner, or other person, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of the FCPA or any other applicable anti-corruption law; or (ii) (A) to fund any activities or business of or with any person, or in any country or territory, that, is the subject or target of Sanctions, or (B) in any other manner that would result in a violation of Sanctions by any person (including, without limitation, any person in connection with any Drawing, Advance, Commercial Paper Notes or the Bank Notes, whether as an agent, arranger, lender, issuing bank, underwriter, advisor, investor, or otherwise).

(m) *No Intervening Liens*. Neither the Metropolitan Government nor the Board shall, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the Net Revenues that is senior to the Lien securing the Commercial Paper Notes and the Bank Notes other than the Lien created for the benefit of the Senior Lien Bonds under the Electric System Bond Resolution.

(n) *Additional Indebtedness*. In addition to the requirements set forth in the Related Documents, neither the Metropolitan Government nor the Board shall issue any additional Special Revenue Debt unless either (i) Net Revenues in any twelve consecutive months out of the most

recent eighteen months preceding the issuance or incurrence of such Special Revenue Debt then proposed to be issued or incurred, were not less than one hundred percent (100%) of the greatest amount of debt service scheduled to occur in any future Fiscal Year, with such debt service to be calculated to be the sum of (A) Adjusted Aggregate Debt Service in any future Fiscal Year on the then Outstanding (as defined in the Electric System Bond Resolution) Senior Lien Bonds then proposed to be issued, and (B) Tested Adjusted Aggregate Debt Service in any future Fiscal Year on the Special Revenue Debt then proposed to be issued or incurred (*provided*, that, in the event that any adjustment in the rates, fees and charges collected by the Board for the services of the System shall be effective at any time on or prior to the date of authentication and delivery of the Special Revenue Debt then proposed to be issued or incurred, the Net Revenues shall be the estimates that would have been collected in such twelve month period if such new rates, fees and charges had been in effect for the entire twelve month period), or (ii) for each of the full Fiscal Years in the period specified in the next sentence, Net Revenues are estimated by the Consulting Engineer (as defined in the Electric System Bond Resolution) to be at least equal to one hundred percent (100%) of the sum of the Adjusted Aggregate Debt Service (as defined in the Electric System Bond Resolution) and the Tested Adjusted Aggregate Debt Service for each such Fiscal Year, as estimated by the Consulting Engineer in accordance with Section 206 of the Electric System Bond Resolution and the terms hereof. The period to be covered by the Consulting Engineer shall be the period beginning with the Fiscal Year in which the Special Revenue Debt is issued or incurred and ending with the later of (a) the fifth (5th) full Fiscal Year after such date of issuance and/or incurrence or (b) the first full Fiscal Year in which less than 10% of the interest coming due on Special Revenue Debt estimated by the Consulting Engineer to be outstanding is to be paid from deposits made from Special Revenue Debt proceeds in the Debt Service Account in the Debt Service Fund (including amounts, if any, to be transferred thereto from the Construction Fund (as defined in the Electric System Bond Resolution)).

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. The occurrence of any of the following events (including the expiration of any specified time) shall constitute an "Event of Default," unless waived by the Bank in writing:

(a) the Metropolitan Government shall fail to pay (i) any principal of or interest on any Reimbursement Obligations or any Bank Note when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); (ii) any Facility Fee or any other amount payable hereunder or under the Fee Letter and, in the case of such Facility Fee or other amount, such failure shall continue for a period of five (5) Business Days from the date such obligation was due; (iii) interest on any Commercial Paper Notes when due; or (iv) the principal of any Commercial Paper Indebtedness (other than the Commercial Paper Notes) when due;

(b) any representation, warranty, certification, or statement made by the Metropolitan Government or the Board (as applicable) in this Agreement, any other Related Document or in any certificate, financial statement, or other document delivered pursuant to this Agreement or any

Related Documents shall have been incorrect or untrue in any material respect when made or deemed to have been made;

(c) the Metropolitan Government shall fail to perform or observe any covenant, agreement or condition contained in Section 6.01(a) (including the failure by the Metropolitan Government to pay any amount payable under the first clause of Section 6.01(a) hereof), (o), (u), (w) or (x), or the Metropolitan Government or the Board shall fail to perform or observe any covenant, agreement or condition contained in Section 6.01 (b), (c), (f), (j), (p), (q), (r), (s), (t), (y), (aa) or 6.02 hereof (excluding Section 6.02(j) hereof);

(d) the Metropolitan Government or the Board shall respectively fail to perform or observe any other of their respective covenants, agreements, or conditions contained in this Agreement, any Bank Note or any other Related Document (other than as addressed by any other Event of Default under this Section 7.01) and such failure, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier to occur of (i) the date on which the Metropolitan Government or the Board, as applicable, has actual knowledge thereof or (ii) written notice thereof shall have been given to the Metropolitan Government and the Board by the Bank; *provided, however,* such breach shall not constitute an Event of Default after such thirty (30) day period for such period of time as, in the judgment of the Bank, the Metropolitan Government or the Board is diligently pursuing a cure or correction of such failure and has provided the Bank with a written plan for curing or correcting such failure, but in no event shall such period extend more than ninety (90) days after the occurrence of such default;

(e) one or more final unappealable judgments or orders, issued or rendered by a Government Authority of competent jurisdiction, for the payment of money in excess of $25,000,000, individually or in the aggregate, shall be issued or rendered against the Metropolitan Government, the Board or the System and payable from all or any portion of the Net Revenues, and such judgment or order shall continue unsatisfied, unbonded, undismissed and unstayed for a period of sixty (60) days;

(f) (i) the Metropolitan Government shall fail to pay when due and payable any principal of or interest on any Special Revenue Debt (other than as referred to in Section 7.01(a) hereof) (including, in each case, without limitation, any principal or sinking fund installments) and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Special Revenue Debt or any other default under any indenture, contract or instrument providing for the creation of or concerning such Special Revenue Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such indenture, contract or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Special Revenue Debt or to cause the mandatory redemption or mandatory tender thereof, or (ii) the Metropolitan Government shall fail to pay when due and payable any principal of or interest on any other Debt (other than as referred to in Section 7.01(a) or Section 7.01(f)(i) hereof) of the Metropolitan Government having a principal amount in excess of $5,000,000 and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation thereof or concerning such other Debt or any other default under any indenture, contract or instrument providing for the creation of or concerning such other

Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such indenture, contract or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such other Debt or to cause the mandatory redemption or mandatory tender thereof;

(g) (i) the Metropolitan Government or the Board shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Metropolitan Government or the Board shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Metropolitan Government or the Board any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Metropolitan Government or the Board, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Metropolitan Government or the Board shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Metropolitan Government or the Board shall admit in writing its inability to pay its debts generally as they become due, or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code;

(h) (i) any material provision of this Agreement or any of the other Related Documents shall at any time for any reason cease to be valid and binding or enforceable against the Metropolitan Government or the Board or shall be declared to be null and void as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment, or (ii) the validity or enforceability of any material provision of this Agreement or any of the other Related Documents shall be contested or repudiated in writing by the Metropolitan Government or the Board or the Metropolitan Government or the Board shall deny that it has any or further liability or obligation under this Agreement, the Resolution, the Issuing and Paying Agency Agreement, the Commercial Paper Notes or any Bank Note or (iii) any Governmental Authority having appropriate jurisdiction over the Metropolitan Government or the Board shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which contests the validity or enforceability of any provision of this Agreement or any of the other Related Documents;

(i) (i) (A) the Metropolitan Government or the Board shall impose or the Metropolitan Government or the Board shall declare a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Special Revenue Debt or (B) any Governmental Authority with jurisdiction over the Metropolitan Government or the Board shall impose a debt moratorium, debt restructuring,

debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on all Debt of the Metropolitan Government secured by or payable from all or any portion of the Net Revenues that ranks senior to or on a parity with the Commercial Paper Notes and the Bank Notes; or (ii) any Governmental Authority having appropriate jurisdiction over the Metropolitan Government or the Board shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Commercial Paper Notes or the Bank Notes or on all indebtedness of the Metropolitan Government secured by or payable from all or any portion of the Net Revenues.

(j) any long-term unenhanced rating by Moody's, Fitch or S&P (in each case to the extent such Rating Agency is then providing a rating) on Senior Lien Bonds or any other Debt of the Metropolitan Government secured by or payable from all or any portion of the Net Revenues that ranks senior to or on a parity with the Commercial Paper Notes and the Bank Notes is reduced below "Baa3" (or its equivalent), "BBB-" (or its equivalent) or "BBB-" (or its equivalent), respectively, or withdrawn or suspended or otherwise unavailable for credit-related reasons,, respectively;

(k) (i) an *"event of default"* as defined in any Related Document (other than this Agreement, any Bank Note or the Fee Letter) shall occur and be continuing beyond any applicable notice and/or cure period; (ii) the Metropolitan Government or the Board shall default in the due performance or observance of any material term, covenant or agreement contained in the Resolution, the Issuing and Paying Agency Agreement or any other Related Document (other than this Agreement, any Bank Note or the Fee Letter) and the same shall not have been cured within any applicable notice and/or cure period; or (iii) an "event of default" shall occur under any other agreement between the Metropolitan Government and/or the Board and the Bank relating to Debt of the Metropolitan Government secured by or payable from all or any portion of the Net Revenues (other than a Related Document) shall occur and be continuing beyond any applicable notice and/or cure period;

(l) a ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered to the effect that interest on the Tax-Exempt Commercial Paper Notes is includable in the gross income of the holder(s) or owner(s) of such Tax-Exempt Commercial Paper Notes and either (i) the Metropolitan Government, after it has been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice or advice in a court of law during the period within which such challenge is permitted, or (ii) the Metropolitan Government shall challenge such ruling, assessment, notice or advice and a court of law shall make a determination, not subject to appeal or review by another court of law, that such ruling, assessment, notice or advice is correctly rendered; or

(m) the Metropolitan Government or the Board shall cease to exist, dissolve or terminate.

Section 7.02. Rights and Remedies. Upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) upon prior written notice to the Metropolitan Government and the Board, declare the Bank Notes, all accrued interest thereon, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Bank Notes and such interest and all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Metropolitan Government; *provided, however,* if any Event of Default specified in Section 7.01(g) or (i) shall occur, without any notice to the Metropolitan Government or the Board or any other act by the Bank, the Bank Notes, together with accrued interest thereon, and all other amounts payable under this Agreement, shall become forthwith due and payable, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Metropolitan Government and the Board;

(b) deliver a Stop Order to the Issuing and Paying Agent and each Dealer which shall (i) prohibit, until such time, if any, as the Bank shall withdraw (in writing) such notice, the issuance of additional Commercial Paper Notes and (ii) reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the tenth (10th) day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Related Documents; or

(e) pursue any other action available at law or in equity.

Failure to take action in regard to one or more Events of Default shall not constitute a waiver of, or the right to take action in the future in regard to, such or subsequent Events of Default.

Section 7.03. Suits at Law or in Equity and Mandamus. If any Event of Default shall occur, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in this Agreement, in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the Bank by this Agreement, any Bank Note or by law. The provisions of this Agreement shall be a contract with each and every Holder and the duties of the Metropolitan Government and the Board shall be enforceable by any Holder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by any Holder.

Section 7.05. Application of Funds. After the exercise of remedies provided for in Section 7.02 hereof (or after the Bank Notes have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Bank in the following order:

FIRST, to payment of that portion of the Obligations which are not described in the following paragraphs SECOND, THIRD or LAST payable to the Bank in its capacity as such;

SECOND, to payment of that portion of the Obligations constituting accrued and unpaid Facility Fees and interest on the Bank Notes and other Obligations;

THIRD, to payment of that portion of the Obligations constituting unpaid principal of the Bank Notes; and

LAST, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Board or as otherwise required by Law.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments, Etc. No amendment, modification or waiver of any provision or term of this Agreement or any Bank Note, and no consent to any departure by the Metropolitan Government, the Board or any other party therefrom, shall be effective unless in writing signed by the Bank (unless otherwise specifically provided herein), the Metropolitan Government and the Board and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that no amendment to or waiver of any term or provision of any Related Document incorporated herein by reference shall have the effect of amending or otherwise modifying any corresponding term or provision incorporated into this Agreement unless the Bank has consented to such amendment or waiver, as applicable, in writing.

Section 8.02. Notices; Effectiveness; Electronic Communication.

(a) *Notices Generally*. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule I hereto, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number,

for such Person on Schedule I hereto. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given by 5:00 p.m. (New York City time,) shall be deemed to have been given at the opening of business on the next Business Day). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) *Electronic Communications*. Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Bank, *provided* that the foregoing shall not apply to Drawings or other notices under the Letter of Credit. The Bank, the Metropolitan Government or the Board may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Bank otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), *provided* that if such notice or other communication is not sent by 5:00 p.m. (New York City time), such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc*. The Metropolitan Government, the Board or the Bank may change its address, telecopier or telephone number or e-mail address for notices and other communications hereunder by notice to the other party hereto.

(d) *Reliance by Bank*. The Bank shall be entitled to rely and act upon any notices (including without limitation, telephonic or electronic notices) purportedly given by or on behalf of the Metropolitan Government or the Board even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Metropolitan Government shall, to the extent permitted by applicable law, reimburse the Bank and the Related Parties of the Bank from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Metropolitan Government or the Board, as applicable, except to the extent caused by the gross negligence or willful misconduct of the Bank. All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and the Metropolitan Government and the Board hereby consent to such recording.

Section 8.03. No Waiver; Cumulative Remedies; Enforcement. No failure by the Bank to exercise, and no delay by the Bank in exercising, any right, remedy, power or privilege hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Related Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Related Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04. Liability of the Bank; Indemnification.

(a) *Liability of Bank.* To the extent permitted by applicable law, the Metropolitan Government shall assume all risks of the acts or omissions of the Issuing and Paying Agent, any Dealer or any agent of the Issuing and Paying Agent and any Dealer, as applicable, with respect to the use of this Agreement and the use of proceeds hereunder; *provided* that this assumption with respect to the Bank is not intended to and shall not preclude the Metropolitan Government or the Board from pursuing such rights and remedies as it may have against the Issuing and Paying Agent or any Dealer under any other agreements. No Indemnitee (as hereinafter defined) shall be liable or responsible for (i) the use of this Agreement or the Drawings made under the Letter of Credit, the proceeds of the Commercial Paper Notes, the Drawings or any Bank Note or the transactions contemplated hereby and by the Related Documents or for any acts or omissions of the Issuing and Paying Agent or any Dealer, (ii) the validity, sufficiency, or genuineness of any documents determined in good faith by the Bank to be valid, sufficient or genuine, even if such documents shall, in fact, prove to be in any or all respects invalid, fraudulent, forged or insufficient, (iii) the honoring by the Bank of a Drawing under the Letter of Credit or requests for which the Bank in good faith has determined to be valid, sufficient or genuine and which subsequently are found not to comply with the terms of this Agreement, or (iv) any other circumstances whatsoever in making or failing to make payment hereunder; *provided* that the Metropolitan Government shall not be required to indemnify the Bank for any claims, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the gross negligence or willful misconduct of the Bank.

(b) *Indemnification by the Metropolitan Government*. The Metropolitan Government shall indemnify the Bank and the Related Parties of the Bank (each such Person being called an *"Indemnitee"*) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Metropolitan Government, the Board or any other party arising out of, in connection with, or as a result of (i) the execution, delivery or performance of this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the Letter of Credit, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, (ii) the use or proposed use of the proceeds from the honoring by the Bank of a Drawing under the Letter of Credit (including any refusal by the Bank to honor a demand for payment thereunder if the documents presented in connection with such demand do not strictly comply with the terms hereof), (iii) any action or

proceeding arising out of or in connection with this Agreement or any Related Document (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under this Agreement, or for the wrongful dishonor of or honoring a presentation under this Agreement; (iv) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an *"Instruction"*) regarding this Agreement or error in computer transmission related to this Agreement; (v) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of proceeds of this Agreement; (vi) the fraud, forgery or illegal action of parties other than the Indemnitee; (vii) the enforcement of this Agreement or any rights or remedies under or in connection with this Agreement, or a Related Document; (viii) the acts or omissions, whether rightful or wrongful, of any present or future *de jure* or *de facto* governmental or regulatory authority or cause or event beyond control of such Indemnified Person; or (ix) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Metropolitan Government, the Board or any other party, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined pursuant to a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. The obligation of the Metropolitan Government to provide indemnification pursuant to this subsection (b) shall be effective only to the fullest extent permitted by applicable law, as to which no representation is made by the Metropolitan Government or the Board.

(c) *Waiver of Consequential Damages, Etc*. To the fullest extent permitted by applicable law (as to which no representation is made as to applicability under existing law by the Metropolitan Government or the Board), the Metropolitan Government and the Board shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby or the use of the proceeds of Drawings made by the Bank hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(d) *Payments*. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(e) *Survival*. The agreements in this Section shall survive the termination of this Agreement and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.05. Payments Set Aside. To the extent that any payment by or on behalf of the Metropolitan Government or the Board is made to the Bank, or the Bank exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 8.06. Successors and Assigns.

(a) *Successors and Assigns Generally*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither party may assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the other party hereto; *provided, however,* that any assignment or transfer by the Bank of its obligations to purchase Commercial Paper Notes hereunder shall require prior written confirmation from each Rating Agency then rating the Commercial Paper Notes that the short-term rating thereon will not be withdrawn or reduced as a result of such assignment or transfer. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (b) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Bank) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Participations*. Notwithstanding anything set forth in Section 8.06(a) hereof to the contrary, the Bank shall have the right to grant participations in this Agreement, the Fee Letter and the Bank Notes to one or more banking institutions (each a *"Participant"*), and such Participants shall be entitled to the benefits of this Agreement, the Fee Letter and the Bank Notes, including, without limitation, Sections 3.01, 3.02 and 8.04 hereof, to the same extent as if they were a direct party hereto; *provided, however,* that (i) no such participation by any such Participant shall in any way affect the obligation of the Bank under this Agreement and (ii) that the Metropolitan Government and the Board shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement, the Fee Letter and the Bank Notes.

Section 8.07. Treatment of Certain Information; Confidentiality. The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required by any regulatory authority having jurisdiction over it, (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same

as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Metropolitan Government, the Board and their respective obligations, (g) with the consent of the Metropolitan Government and the Board or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Bank or any of its Affiliates on a nonconfidential basis from a source other than the Metropolitan Government or the Board.

For purposes of this Section, "Information" means all information received directly from the Metropolitan Government or the Board after the date hereof that is clearly identified at the time of delivery as confidential. As of the Effective Date, the Metropolitan Government and the Board have not provided any confidential information to the Bank. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Bank acknowledges that (a) the Information may include material non-public information concerning the Metropolitan Government and/or the Board, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

This Section 8.07 shall only be effective for a period of three (3) years after receipt of Information, unless a longer period is required by applicable law.

Section 8.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, the Bank and its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law (as to which no representation is made as to applicability under existing law by the Metropolitan Government or the Board), to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held (subject to the rights of any prior lien holders with respect to the Net Revenues and not to include accounts or other funds for which such setoff rights have been restricted as agreed to by the Bank and its Affiliates) and other obligations (in whatever currency) at any time owing by the Bank or any such Affiliate to or for the credit or the account of the Metropolitan Government, the Board or the System or any other party, as applicable, against any and all of the obligations of the Metropolitan Government, the Board or the System or such other party, as applicable, now or hereafter existing under this Agreement or any other Related Document to the Bank, irrespective of whether or not the Bank shall have made any demand under this Agreement or any other Related Document and although such obligations of the Metropolitan Government, the Board or the System or such other party, as applicable, may be contingent or unmatured or are owed to a branch or office of the Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Bank and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Bank or its Affiliates may have. The Bank agrees to notify the Metropolitan Government, the Board and such other party, as applicable,

promptly after any such setoff and application, *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 8.09. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Related Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Related Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Related Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.10. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or Event of Default at the time of any payment under this Agreement, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.11. Severability. If any provision of this Agreement or any other Related Document is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and or such Related Document shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.12. Governing Law. (a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TENNESSEE WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; *PROVIDED, HOWEVER,* THAT THE OBLIGATIONS OF THE BANK HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) *SUBMISSION TO JURISDICTION*. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF THE STATE OF TENNESSEE, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TENNESSEE STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER RELATED DOCUMENT SHALL AFFECT ANY RIGHT THAT THE BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT AGAINST THE METROPOLITAN GOVERNMENT, THE BOARD OR ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) *WAIVER OF VENUE*. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) *SERVICE OF PROCESS*. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 8.13. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW (AS TO WHICH NO REPRESENTATION IS MADE BY THE METROPOLITAN GOVERNMENT OR THE BOARD), ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.14. Statutory Certifications. (a) Pursuant to Section 12-4-119(b), Tennessee Code Annotated, as amended, the Bank hereby certifies that neither it nor any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Bank (i) is

currently engaged in a boycott of Israel and (ii) will engage in a boycott of Israel during the duration of this Agreement. For purposes of this section: (A) "boycott of Israel" means engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (1) in compliance with, or adherence to, calls for a boycott of Israel, or (2) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason; and (B) "Israel" means the State of Israel and Israeli-controlled territories.

(b) *Iran Divestment Act Certification.* Pursuant to Title 12, Chapter 12 of the Tennessee Code Annotated, as amended, the Bank certifies that neither it nor any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates is included on the list created under Section 12-12-106, Tennessee Code Annotated, identifying persons engaging in investment activities in Iran as described in Tennessee Code Annotated Section 12-12-105.

Section 8.15. Electronic Execution of Assignments and Certain Other Documents. The Metropolitan Government, the Board and the Bank acknowledge and agree that this Agreement and any Related Documents, and any amendments or waivers hereto or thereto, may be executed and delivered by facsimile, electronic copies in portable document format ("PDF") or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means or by any digital or electronic signature process or program, and that any signature so delivered shall be treated as and have the same force and effect as an original signature, and copies of the same may be used and introduced as evidence at any legal proceedings including, without limitation, trials and arbitrations, relating to or arising under this document. Notwithstanding the foregoing, Bank also requires delivery of this Agreement and the other Related Documents, and any amendments or waivers hereto or thereto, with an original signature for its records and two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument.

Section 8.16. Government Regulations. The Bank hereby notifies the Metropolitan Government and the Board that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Metropolitan Government and the Board, which information includes the name and address of the Metropolitan Government and the Board and other information that will allow the Bank to identify the Metropolitan Government and the Board in accordance with the Patriot Act. The Metropolitan Government and the Board shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, and shall comply, and cause any of its Affiliates, if any, to comply, with all applicable Bank Secrecy Act (*"BSA"*) laws and regulations, as amended.

The Metropolitan Government and the Board shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Metropolitan Government or the Board is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists

maintained by the Office of Foreign Assets Control (*"OFAC"*), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Metropolitan Government or the Board or from otherwise conducting business with the Metropolitan Government or the Board and (b) ensure that the proceeds of the Commercial Paper Notes, the proceeds of Drawings and the Bank Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.17. Assignment to Federal Reserve Bank. The Bank may assign, pledge or grant a security interest in all or any portion of its rights, interests and the Obligations owing to it under each Bank Note, this Agreement and/or the Related Documents to secure obligations of the Bank or an Affiliate of the Bank, including any pledge or assignment to secure obligations to any Federal Reserve Bank or the United States Treasury or to any state or local governmental entity or with respect to public deposits, *provided* that any payment in respect of such assigned Obligations made by or for the Metropolitan Government to the Bank in accordance with the terms of this Agreement shall satisfy the Metropolitan Government's Obligations hereunder in respect of such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.18. Expenses and Taxes. The Metropolitan Government will promptly pay, or cause the prompt payment of, (i) the reasonable fees, expenses and disbursements of domestic and foreign counsel to the Bank incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Related Documents in the amount set forth in the Fee Letter, (ii) the reasonable out-of-pocket expenses of the Bank incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Related Documents, (iii) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of an Event of Default and enforcement of its rights hereunder and with respect to the Bank Notes, and (iv) all reasonable costs and expenses, if any, in connection with any amendment, modifications or waivers of the provisions hereof or the enforcement of this Agreement and the other Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Bank. In addition, the Metropolitan Government shall pay, or cause the prompt payment of, any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Related Documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the Metropolitan Government agrees to pay, or cause the prompt payment of, after the occurrence of an Event of Default, and only to the extent permitted by applicable law, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Metropolitan Government hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the Metropolitan Government under this Section 8.18 shall survive the termination of this Agreement.

Section 8.19. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Metropolitan Government and the Board each acknowledge and agree that: (a)(i) any arranging, structuring and other services regarding this Agreement provided by the Bank and any of its Affiliates are arm's length commercial transactions between the Metropolitan Government, the Board and their respective Affiliates, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the Metropolitan Government and the Board have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (iii) the Metropolitan Government and the Board are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b)(i) the Bank and each of its Affiliates are and have been acting solely as a principal and have not been, are not, and will not be acting as an advisor, agent or fiduciary for the Metropolitan Government, the Board or any of their respective Affiliates, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the Metropolitan Government, the Board or any of their respective Affiliates with respect to the transactions contemplated hereby, except those obligations expressly set forth herein; and (c) the Bank and each of its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Metropolitan Government, the Board and their respective Affiliates, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Metropolitan Government, the Board or their respective Affiliates. To the fullest extent permitted by applicable law, the Metropolitan Government and the Board each hereby waive and release any claims that it may have against the Bank and each of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 8.20. Dealing with the Metropolitan Government, the Board, the Issuing and Paying Agent, and/or the Dealers. The Bank and its Affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Metropolitan Government, the Board, the Issuing and Paying Agent, and/or the Dealers regardless of the capacity of the Bank hereunder.

Section 8.21. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.22. Arm's Length Transaction. The transaction described in this Agreement and the Letter of Credit is an arm's length, commercial transaction among the Metropolitan Government, the Board and the Bank in which: (i) the Bank is acting solely as a principal (*i.e.*, as a lender) and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Metropolitan Government or the Board; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Metropolitan Government or the Board with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its Affiliates has provided other services or is currently providing other services to the Metropolitan Government or the Board on other matters); (iv) the only obligations the Bank has to the Metropolitan Government and the Board with respect to this transaction are set forth in this Agreement and the Letter of Credit; and (v) the Bank is not

recommending that the Metropolitan Government or the Board take an action with respect to the transaction described in this Agreement, the Letter of Credit and the other Related Documents, and before taking any action with respect to the this transaction, the Metropolitan Government and the Board should discuss the information contained herein with the Metropolitan Government's and the Board's own legal, accounting, tax, financial and other advisors, as the Metropolitan Government and the Board deem appropriate.

Section 8.23. Acknowledgement Regarding Any Supported QFCs. To the extent that the Letter of Credit provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, *"QFC Credit Support"* and each such QFC a *"Supported QFC"*), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the *"U.S. Special Resolution Regimes"*) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a *"Covered Party"*) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 8.24. Redaction. In the event the Metropolitan Government or the Board delivers or permits, authorizes or consents to the delivery of this Agreement or the Letter of Credit (including without limitation any amendments hereto) to any Dealer or any other Person for delivery to the Municipal Securities Rulemaking Board pursuant to Rule G-34 (*"CUSIP Numbers, New Issue, and Market Information Requirements*") or any other Law, the Metropolitan Government and the Board shall cooperate with the Bank to provide for the redaction of information permitted to be redacted under Rule G-34 or such other applicable Law. Without the written consent of the Bank, neither the Metropolitan Government nor the Board will make available the Fee Letter for filing pursuant to Rule G-34 or any other Law.

Section 8.25. Standard Terms and Conditions . The Bank acknowledges the standard terms and conditions of Metropolitan Government of Nashville and Davidson County, acting by and through its duly created Electric Power Board operating under the name of Nashville Electric Service, in the form attached hereto as Exhibit D.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By:_____
Name: Freddie O'Connell
Title: Metropolitan Mayor

By:_____
Name: Austin Kyle
Title: Metropolitan Clerk

Approved As to Form and Legality:

By:_____
Name: Tyler Chance Yarbro
Title: Director of Law

ELECTRIC POWER BOARD OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY

By:_____
Name: _____
Title: Chair

By:_____
Name: _____
Title: Secretary

APPROVED AS TO FORM AND LEGALITY:

By:_____
Name: _____
Title: General Counsel

TD BANK, N.A.

By:_____
Name: Gary Martz
Title: Director

EXHIBIT A

FORM OF LETTER OF CREDIT

IRREVOCABLE TRANSFERABLE DIRECT-PAY LETTER OF CREDIT

December [8], 2026

No. _____

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent100 Wall Street, Suite 1600
New York, New York 10005
Attention: Global Corporate Trust – IPA Administration
Telephone No.: (779) 225-8163
Email: maria.cepedaholly@usbank.com

Ladies and Gentlemen:

1. At the request and for the account of our customers, The Metropolitan Government of Nashville and Davidson County (the *"Metropolitan Government"*) and the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "*Board*"), which have or will cause the issuance of The Metropolitan Government of Nashville and Davidson County Electric System Revenue Commercial Paper Notes, Series 2026A (the *"Commercial Paper Notes"*), TD Bank, N.A. (the *"Bank"*), hereby establishes, in favor of U.S. Bank Trust Company, National Association, as Issuing and Paying Agent (the *"Issuing and Paying Agent"*) acting for the benefit of the holders of the Commercial Paper Notes pursuant to that certain Issuing and Paying Agency Agreement dated as of December 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Issuing and Paying Agency Agreement"*), among the Metropolitan Government, the Board and the Issuing and Paying Agent and the Resolution (as defined in the hereinafter defined Reimbursement Agreement), each pursuant to which the Commercial Paper Notes have been or will be issued from time to time, and pursuant to that certain Reimbursement Agreement dated as of December 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Reimbursement Agreement"*), among the Metropolitan Government, the Board and the Bank, relating to the Commercial Paper Notes, this Irrevocable Transferable Direct-Pay Letter of Credit (as amended, restated, supplemented or otherwise modified from time to time, this *"Letter of Credit"*) in the maximum available amount of One Hundred Nine Million Dollars ($109,000,000) (calculated as the sum of the maximum principal amount of the Commercial Paper Notes, in an amount equal to $100,000,000, *plus* interest thereon in an amount equal to $9,000,000 (calculated at the maximum rate of twelve percent (12%) per annum for a period of two hundred and seventy (270) days and based upon a year of three hundred sixty (360) days), hereinafter, as reduced or reinstated from time to time in accordance with the provisions hereof, the *"Stated Amount"*), which may be drawn upon by the Issuing and Paying Agent to pay the unpaid principal amount of the Commercial Paper Notes on their respective stated maturity dates, together with accrued and unpaid interest thereon. The Stated Amount may be permanently reduced from time to time in accordance with paragraph 6 hereof. The Stated Amount

of this Letter of Credit will be permanently reduced to the amount set forth on an Annex (Permanent Reduction of the Stated Amount of Letter of Credit) in the form of Annex B hereto from time to time delivered by you to the Bank; *provided, however,* that in no event shall the Stated Amount of this Letter of Credit be reduced to an amount less than the then outstanding principal amount of all Commercial Paper Notes outstanding plus all interest due (up to the assumed rate described above) on the stated maturity date thereof. Drawings (as herein defined) may be made on or prior to the date any sum is due on the Commercial Paper Notes; *provided* that the Bank is not obligated to honor such Drawings until the respective stated maturity dates of such Commercial Paper Notes.

2. This Letter of Credit shall expire at 5:00 p.m. New York City time on the date (the *"Termination Date"*) which is the earliest to occur of: (a) [**December 5, 2031]**, as such date may be extended in a Notice of Extension from the Bank to the Issuing and Paying Agent, the Metropolitan Government and the Board in the form attached hereto as Annex F (the *"Stated Expiration Date"*); (b) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored hereunder which were not subject to reinstatement as provided herein, in the aggregate equals the principal component of the Stated Amount on the date of issuance hereof as adjusted pursuant to the terms and conditions of this Letter of Credit; (c) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex C attached hereto appropriately completed (after we honor any properly presented and conforming Drawing, if any, on such date); (d) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex D attached hereto appropriately completed; or (e) the earlier of (i) the tenth (10th) calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which you receive notice from us in the form of Annex H-1 hereto (the *"Final Drawing Notice"*), and (ii) the date on which the Drawing (in the form of Annex H-2 hereto) resulting from the delivery of the Final Drawing Notice is honored hereunder. All Drawings hereunder shall be paid from immediately available funds of the Bank.

3. Funds under this Letter of Credit are available to you against your presentation of a drawing certificate in the form of Annex A or Annex H-2 hereto (each, a *"Drawing"*) to the Bank at the Bank's office at the following address or by email transmission to the following email, as applicable: TD Bank, N.A., Global Trade Finance, 6000 Atrium Way, Mount Laurel, New Jersey 08054, Attention: Standby Letter of Credit Department, Email: STANDBYLC.AccountTDBankUS@td.com, in each case, or at such other address or email address as may be designated by the Bank by written notice delivered to you, it being understood that each Drawing so submitted is to be the sole operative instrument of a Drawing, *provided* that each Drawing shall make specific reference to this Letter of Credit by number and shall be to the attention of "Standby Letter of Credit Department." You shall use your best efforts to give telephonic notice of a Drawing to the Bank at 856-533-6530 on the Business Day of such Drawing (but such notice shall not be a condition to a Drawing hereunder and you shall have no liability for not doing so). Each Drawing so presented shall have all blanks appropriately filled in and shall be signed by a person who purports to be an authorized officer of the Issuing and Paying Agent and each of the aforesaid certificates shall be either in the form of a letter on the letterhead of the Issuing and Paying Agent or a communication by email delivered or transmitted to the Bank.

4. The Bank hereby agrees with you that, to the extent of its liability as provided herein, all demands for payment made under and in strict compliance with the terms of this Letter of Credit will be duly honored upon delivery or transmission of the certificate as specified in paragraph 3 hereof and if presented at the aforesaid office on or before the Termination Date. If a Drawing is made by you hereunder at or prior to 11:30 a.m., New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made in the amount specified in such Drawing in immediately available funds, no later than 2:00 p.m., New York City time, on the same Business Day. If a Drawing is made by you hereunder after 11:30 a.m., New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made of the amount specified in such Drawing, in immediately available funds, not later than 2:00 p.m., New York City time, on the next succeeding Business Day. Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds, to U.S. Bank Trust Company, National Association, **[ABA: 091 000 022; Account Name: U.S. Bank Trust New York MMI Central Cash A/C; Account Number: _____; Reference: Nashville and Davidson Electric System]**[1]. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent and authenticated to our satisfaction. As used in this Letter of Credit, *"Business Day"* means any days other than (a) a Saturday, (b) a Sunday, (c) a legal holiday of the State of Tennessee, (d) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the corporate trust office of the Issuing and Paying Agent is located, or the city in which the principal office of any Dealer is located or the city in which the office of the Bank at which Drawings are required to be presented hereunder or the office of the Bank from which such request will be funded, are authorized or obligated by law or executive order to be closed, (e) a day on which the New York Stock Exchange is not open for trading, or (f) with respect to the Book-Entry Commercial Paper Notes, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

5. Demands for payment honored hereunder shall not at the time of any Drawing exceed the Stated Amount, as the Stated Amount may have been reduced or reinstated by the Bank as hereinafter provided. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce, by the amount of such Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing, except to the extent the Stated Amount has been reinstated in accordance with the provisions of paragraph 7 of this Letter of Credit.

6. Upon receipt by the Bank of a certificate in the form of Annex B (a *"Stated Amount Reduction Certificate"*) attached hereto appropriately completed and signed by your duly authorized officer, the Stated Amount shall be permanently reduced to the amount set forth therein.

7. After any Drawing, unless you shall have received notice from the Bank in substantially the form of Annex G or Annex H-1 attached hereto that an Event of Default under the Reimbursement Agreement has occurred and is continuing, the Stated Amount will be

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[1] **U.S. Bank team – Please confirm.**

reinstated (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) but only when and to the extent amounts are received by the Bank for reimbursement of the amount of such Drawing, and such reinstatement shall also be subject to any reduction in said Stated Amount as above provided in paragraph 6.

8. Only you in your capacity as the Issuing and Paying Agent or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit and Drawings shall not be negotiated to or by any third party. Upon the payment to you or to your account of the amount specified in a Drawing certificate hereunder, the Bank shall be fully discharged of its obligation under this Letter of Credit with respect to such demand for payment and shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of or interest on any Commercial Paper Note. By paying to you an amount demanded in accordance herewith, the Bank makes no representations as to the correctness of the amount demanded.

9. (a) Upon our receipt of a termination certificate in the form of Annex D hereto indicating that all Commercial Paper Notes are wholly defeased or otherwise no longer outstanding and that the Metropolitan Government does not intend to issue any additional Commercial Paper Notes, this Letter of Credit shall expire as provided in paragraph 2(d) hereof. In connection with the termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled".

(b) Upon our receipt of a termination certificate in the form of Annex C hereto, this Letter of Credit shall terminate as provided in paragraph 2(c) hereof. In connection with any termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled".

10. Subject to the terms hereof with respect to a Final Drawing Notice, this Letter of Credit is intended to apply only to the payment of the principal amount of the Commercial Paper Notes and accrued interest thereon upon the maturity thereof.

11. Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the *"ISP98"*). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, the Uniform Commercial Code, including, without limitation, Article 5 thereof, as in effect in the State of New York, without regard to conflict of laws.

12. Communications with respect to this Letter of Credit shall be addressed to the Bank at TD Bank, N.A., 6000 Atrium Way, Mount Laurel, New Jersey 08054, by email to STANDBYLC.AccountTDBankUS@td.com, Attention: Standby Letter of Credit Department (or such other address(es) as we may specify in writing), specifically referring to the number of this Letter of Credit. Any communication (other than in connection with any demand for payment) to the Bank which is made by email as permitted hereby shall be immediately confirmed in writing delivered to the Bank at the address of the Bank set forth above, provided that failure to provide such written confirmation shall not affect the validity of such notice by email.

13. This Letter of Credit is transferable in whole only to your successor as Issuing and Paying Agent. Any such transfer (including any successive transfer) shall be subject to the Bank's receipt of a signed transfer request signed by the transferor and by the transferee in the form of Annex E hereto together with the original Letter of Credit. Transfers to designated foreign nationals and/or specifically designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon our endorsement of such transfer, the transferee instead of the transferor shall, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided* that, in such case, any certificates of the Issuing and Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer of the transferee.

14. This Letter of Credit sets forth in full our undertaking with respect to Drawings but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the Drawings referred to herein, the ISP98 and the Uniform Commercial Code of the State of New York; and any such reference shall not be deemed to incorporate herein by reference any such document, instrument or agreement except for such Drawings.

Very truly yours,

TD BANK, N.A.

By:_____
Name: _____
Title: _____

ANNEX A TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

TD Bank, N.A. (the "*Bank*")
Global Trade Finance
6000 Atrium Way
Mount Laurel, New Jersey 08054
Attention: Standby Letter of Credit Department
Email: STANDBYLC.AccountTDBankUS@td.com

Re: Drawing Certificate

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association, (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*); any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be, issued by the Bank in favor of the Issuing and Paying Agent pursuant to the Reimbursement Agreement that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, and is acting as agent for the owners of Commercial Paper Notes.

2. The Issuing and Paying Agent is making a drawing under the Letter of Credit with respect to payment of the principal amount of, and accrued interest on, the Commercial Paper Notes due on _____.

3. The amount demanded hereby is $_____ (of which $_____ represents the principal amount of Commercial Paper Notes and $_____ represents the accrued interest amount on such Commercial Paper Notes), to be used for payment of principal of, and interest on, the Commercial Paper Notes. Said amount does not exceed the amounts permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit.

4. The amount demanded hereunder was computed in accordance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agency Agreement and the Resolution.

5. The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the Metropolitan Government, the Board or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Commercial Paper Notes for the benefit of the Metropolitan Government or the Board.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal of and accrued interest on the Commercial Paper Notes upon the stated maturity thereof, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) such amount will be deposited to the appropriate account of the Commercial Paper Fund (established pursuant to the Resolution), and (d) except for the other amounts on deposit in the applicable account of the Commercial Paper Fund, no portion of said amount shall be commingled with other funds held by the undersigned.

7. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

8. Payment by the Bank pursuant to this drawing shall be made to the Issuing and Paying Agent in accordance with the terms of the Letter of Credit.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex A as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX B TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

TD Bank, N.A. (the "*Bank*")
Global Trade Finance
6000 Atrium Way
Mount Laurel, New Jersey 08054
Attention: Standby Letter of Credit Department
Email: STANDBYLC.AccountTDBankUS@td.com

Re: Permanent Reduction of the Stated Amount of Letter of Credit

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, and is acting as the agent for the owners of the Commercial Paper Notes.

2. The Issuing and Paying Agent hereby notifies you that on or prior to the date hereof the Metropolitan Government and the Board have determined that the Stated Amount of the Letter of Credit shall be permanently reduced to $_____ (of which $_____ represents the principal amount and $_____ represents the assumed interest amount (calculated on the same basis as set forth in the Letter of Credit)).

3. The Issuing and Paying Agent hereby confirms that the aggregate principal amount of the Commercial Paper Notes outstanding, together with the aggregate assumed interest (calculated on the same basis as set forth in the Letter of Credit) payable on such principal amount of such Commercial Paper Notes outstanding, as of the date hereof, does not exceed the Stated Amount of the Letter of Credit as so reduced.

4. If any Commercial Paper Notes are outstanding as of the date of this Annex B, the Metropolitan Government has informed us that they will not issue additional

Commercial Paper Notes unless after the issuance of such additional Commercial Paper Notes the aggregate principal amount of Commercial Paper Notes outstanding, together with the aggregate assumed interest payable thereon (calculated on the same basis as set forth in the Letter of Credit), shall be no greater than the Stated Amount of the Letter of Credit, as so permanently reduced pursuant to this Annex B.

5. The Stated Amount of the Letter of Credit is reduced to $_____ upon receipt by the Bank of this Annex B.

6. The undersigned represents that he/she is a duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex B as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX C TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

TD Bank, N.A. (the "*Bank*")
Global Trade Finance
6000 Atrium Way
Mount Laurel, New Jersey 08054
Attention: Standby Letter of Credit Department
Email: STANDBYLC.AccountTDBankUS@td.com

Re: Termination of Letter of Credit (Alternate Credit Facility)

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution.

2. As Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, the Issuing and Paying Agent has accepted an alternate credit facility, in compliance with the Issuing and Paying Agency Agreement, the Resolution and the Reimbursement Agreement.

3. Upon receipt of this Annex C, the Letter of Credit shall terminate as provided in paragraph 2(c) of the Letter of Credit.

4. Accompanying this Annex C is the Letter of Credit, marked "cancelled".

5. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex C as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX D TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

TD Bank, N.A. (the "*Bank*")
Global Trade Finance
6000 Atrium Way
Mount Laurel, New Jersey 08054
Attention: Standby Letter of Credit Department
Email: STANDBYLC.AccountTDBankUS@td.com

Re: Termination of Letter of Credit
(No Commercial Paper Notes Outstanding)

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution.

2. All the Commercial Paper Notes are wholly defeased or no Commercial Paper Notes remain outstanding under the Issuing and Paying Agency Agreement or the Resolution.

3. The Metropolitan Government has notified us that they do not intend to issue any additional Commercial Paper Notes and desires to terminate this Letter of Credit in accordance with terms of the Reimbursement Agreement.

4. Upon receipt by the Bank of this Annex D, the Letter of Credit shall terminate as provided in paragraph 2(d) of the Letter of Credit.

5. Accompanying this Annex D is the Letter of Credit, marked "cancelled".

6. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex D as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX E TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

TD Bank, N.A. (the "*Bank*")
Global Trade Finance
6000 Atrium Way
Mount Laurel, New Jersey 08054
Attention: Standby Letter of Credit Department
Email: STANDBYLC.AccountTDBankUS@td.com

Re: Transfer of Irrevocable Transferable
Direct-Pay Letter of Credit No. [_____]
dated December [8], 2026

Ladies and Gentlemen:

For value received, we, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*) in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE _____
_____
CITY, STATE/COUNTRY ZIP _____

as successor Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, as defined in the Letter of Credit, all rights of the undersigned beneficiary to draw under the Letter of Credit in its entirety.

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in the Letter of Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of the Letter of Credit in such form and manner as you deem appropriate, and the terms and conditions of the Letter of Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor trustee under the Issuing and Paying Agency Agreement and the Resolution, (b) the enclosed Letter of Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which Transferor effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Transfer is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Sincerely yours,

_____
(Print Name of Transferor)

_____
(Transferor's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(Date)

Acknowledged:

_____
(Print Name of Transferee)

_____
(Transferee's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(Date)

Acknowledged as of _____, 20__:

TD BANK, N.A.

By: _____
Name: _____
Title:_____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX F TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Global Corporate Trust – IPA Administration
Telephone No.: (779) 225-8163
Email: maria.cepedaholly@usbank.com

Re: Notice of Extension

Ladies and Gentlemen:

We refer to the Irrevocable Transferable Direct-Pay Letter of Credit No. [_____] (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*) of TD Bank, N.A. Any capitalized term used herein and not defined herein shall have its respective meaning as set forth in the Letter of Credit.

The Letter of Credit Expiration Date is extended from _____to _____.

This Notice of Extension shall be attached to the Letter of Credit and made a part thereof.

Very truly yours,

TD BANK, N.A., as Bank

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX G TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Global Corporate Trust – IPA Administration
Telephone No.: (779) 225-8163
Email: maria.cepedaholly@usbank.com

Re: Event of Default under Reimbursement Agreement

Ladies and Gentlemen:

The undersigned, authorized officer of TD Bank, N.A. (the *"Bank"*) with reference to that certain Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of U.S. Bank Trust Company, National Association, as Issuing and Paying Agent, hereby certify that:

1. There exists an Event of Default under Section ____ of the Reimbursement Agreement and such Event of Default is continuing.

2. Upon receipt by you of this Annex G you are notified (i) that the Stated Amount of the Letter of Credit shall be permanently reduced to $_____, representing the principal amount of Commercial Paper Notes currently outstanding and assumed interest thereon (calculated on the same basis as set forth in the Letter of Credit), and shall be further permanently reduced following the maturity of any such Commercial Paper Notes on the same basis and (ii) that the Stated Amount shall no longer be reinstated following any Drawings.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex G as of the _____ day of _____, ____.

TD BANK, N.A., as Bank

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX H-1 TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Global Corporate Trust – IPA Administration
Telephone No.: (779) 225-8163
Email: maria.cepedaholly@usbank.com

Re: Final Drawing Notice

Ladies and Gentlemen:

Reference is made to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit"*; established by TD Bank, N.A. (the *"Bank"*) in your favor as Beneficiary and as Issuing and Paying Agent, and at the request of the account parties, The Metropolitan Government of Nashville and Davidson County (the *"Metropolitan Government"*) and the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "*Board*"), any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be).

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Final Drawing Notice, to cease issuing Commercial Paper Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Final Drawing Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agency Agreement which are outstanding and are maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the tenth (10th) calendar

day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

(4) In accordance with Section 6(h)(viii) of the Issuing and Paying Agency Agreement and pursuant the terms of the related Facility, you are hereby instructed to cease issuing Commercial Paper Notes from and after the date of this notice until such time as this order or notice has been rescinded.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex H-1 as of the _____ day of _____, ____.

TD BANK, N.A., as Bank

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

ANNEX H-2
TO
TD BANK, N.A.
LETTER OF CREDIT NO. [_____]

TD Bank, N.A. (the "*Bank*")
Global Trade Finance
6000 Atrium Way
Mount Laurel, New Jersey 08054
Attention: Standby Letter of Credit Department
Email: STANDBYLC.AccountTDBankUS@td.com

Re: Certificate for Drawing in connection with the Payment of Principal and Interest after Final Drawing Notice

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the *"Issuing and Paying Agent"*), hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated December [8], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Letter of Credit,"* any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution and is acting as the agent for the holders of the Commercial Paper Notes.

2. The Issuing and Paying Agent has received the Final Drawing Notice in the form of a Final Drawing Notice in the form of Annex H-1 to the Letter of Credit.

3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Commercial Paper Notes issued in accordance with the Issuing and Paying Agency Agreement and the Resolution and which mature on or after the date of the Final Drawing Notice.

4. The amount of the Drawing is equal to $_____, with $_____ being drawn in respect of the payment of principal of maturing Commercial Paper Notes and $_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agency Agreement and the Resolution. The amount of the Drawing being drawn in respect of the payment of principal of and interest payable to maturity of the Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit.

The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Commercial Paper Fund maintained by the Issuing and Paying Agent pursuant to the Resolution and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Issuing and Paying Agency Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for amounts on deposit in the Commercial Paper Fund and except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. This Annex H-2 is being presented to the Bank on a date which is no later than the tenth (10th) calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after receipt by the Issuing and Paying Agent of the Final Drawing Notice from the Bank.

7. Payment by the Bank pursuant to this drawing shall be made to the Issuing and Paying Agent in accordance with the terms of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Annex H-2 as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Issuing and Paying Agent

By:_____
Name: _____
Title: _____

cc: The Metropolitan Government of Nashville and Davidson County
Electric Power Board of The Metropolitan Government of Nashville and Davidson County

EXHIBIT B-1

FORM OF TAX-EXEMPT BANK NOTE

CUSIP: [_____]

$109,000,000 Maximum Principal Amount Dated: December [8], 2026

FOR VALUE RECEIVED, the undersigned, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the *"Metropolitan Government"*), HEREBY PROMISES TO PAY to the order of TD BANK, N.A. (the *"Bank"*), (i) the principal sum of ONE HUNDRED NINE MILLION DOLLARS ($109,000,000) or, if less, the aggregate unpaid principal amount of all Reimbursement Obligations (as such term is defined in the Reimbursement Agreement hereinafter defined) made by the Bank to the Metropolitan Government, payable at such times as are specified in the Reimbursement Agreement, and (ii) interest on the unpaid principal amount of all Reimbursement Obligations, from the date of each Drawing was honored until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Reimbursement Agreement; *provided, however*, all principal of, and all earned interest then accrued on, this Tax-Exempt Bank Note shall be fully and finally due and payable on the Termination Date (as defined in the Reimbursement Agreement).

Both principal and interest are payable in lawful money of the United States of America and in immediately available funds as specified in the Reimbursement Agreement. All payments made by the Metropolitan Government on account of principal hereof and interest hereon shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the schedule attached hereto (which is a part of this Tax-Exempt Bank Note); *provided*, that the failure of the Bank to make any recordation or endorsement shall not affect the obligations of the Metropolitan Government hereunder or under the Reimbursement Agreement. Notwithstanding any other provision of this Tax-Exempt Bank Note, interest paid or becoming due hereunder shall, subject to the terms of the Reimbursement Agreement, in no event exceed the maximum rate permitted by applicable law.

This note is the Tax-Exempt Bank Note referred to in, and is entitled to the benefits of, the Reimbursement Agreement, dated as of December 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Reimbursement Agreement"*), among the Metropolitan Government, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County and the Bank. The Reimbursement Agreement, among other things, provides for the extension of credit by the Bank to the Metropolitan Government from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Metropolitan Government to the Bank resulting from each such unreimbursed Drawing, Advance and Term Loan made by the Bank with respect to the Tax-Exempt Commercial Paper Notes being evidenced by this Tax-Exempt Bank Note.

This Tax-Exempt Bank Note is a special obligation of the Metropolitan Government, to which the funds described in Section 2.05 of the Resolution (as defined in the Reimbursement Agreement) are pledged.

This Tax-Exempt Bank Note shall constitute a "revenue bond" under Part 3 of the Enabling Act (as defined in the Reimbursement Agreement) but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government.

[SIGNATURE PAGE TO FOLLOW]

This Tax-Exempt Bank Note shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor of The Metropolitan Government of Nashville and Davidson County

Countersigned:

Attest:

_____
Metropolitan Treasurer of The Metropolitan Government of Nashville and Davidson County

_____
Metropolitan Clerk of The Metropolitan Government of Nashville and Davidson County
(SEAL)

Approved as to Form and Legality:

_____
Director of Law

SCHEDULE FOR TAX-EXEMPT BANK NOTE

DATED DECEMBER [8], 2026

BY THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PAYABLE TO TD BANK, N.A.,

AMOUNT OF CREDIT	DATES OF PAYMENT	AMOUNT OF PAYMENT	NAME AND SIGNATURE OF BANK OFFICER

EXHIBIT B-2

FORM OF TAXABLE BANK NOTE

CUSIP: [_____]

$109,000,000 Maximum Principal Amount Dated: December [8], 2026

FOR VALUE RECEIVED, the undersigned, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the *"Metropolitan Government"*), HEREBY PROMISES TO PAY to the order of TD BANK, N.A. (the *"Bank"*), (i) the principal sum of ONE HUNDRED NINE MILLION DOLLARS ($109,000,000) or, if less, the aggregate unpaid principal amount of all Reimbursement Obligations (as such term is defined in the Reimbursement Agreement hereinafter defined) made by the Bank to the Metropolitan Government, payable at such times as are specified in the Reimbursement Agreement, and (ii) interest on the unpaid principal amount of all Reimbursement Obligations, from the date of each Drawing was honored until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Reimbursement Agreement; *provided, however*, all principal of, and all earned interest then accrued on, this Taxable Bank Note shall be fully and finally due and payable on the Termination Date (as defined in the Reimbursement Agreement).

Both principal and interest are payable in lawful money of the United States of America and in immediately available funds as specified in the Reimbursement Agreement. All payments made by the Metropolitan Government on account of principal hereof and interest hereon shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the schedule attached hereto (which is a part of this Taxable Bank Note); *provided*, that the failure of the Bank to make any recordation or endorsement shall not affect the obligations of the Metropolitan Government hereunder or under the Reimbursement Agreement. Notwithstanding any other provision of this Taxable Bank Note, interest paid or becoming due hereunder shall, subject to the terms of the Reimbursement Agreement, in no event exceed the maximum rate permitted by applicable law.

This note is the Taxable Bank Note referred to in, and is entitled to the benefits of, the Reimbursement Agreement, dated as of December 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Reimbursement Agreement"*), among the Metropolitan Government, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County and the Bank. The Reimbursement Agreement, among other things, provides for the extension of credit by the Bank to the Metropolitan Government from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Metropolitan Government to the Bank resulting from each such unreimbursed Drawing, Advance and Term Loan made by the Bank with respect to the Taxable Commercial Paper Notes being evidenced by this Taxable Bank Note.

This Taxable Bank Note is a special obligation of the Metropolitan Government, to which the funds described in Section 2.05 of the Resolution (as defined in the Reimbursement Agreement) are pledged.

This Taxable Bank Note shall constitute a "revenue bond" under Part 3 of the Enabling Act (as defined in the Reimbursement Agreement) but not under Section 27 of Article 42 of Appendix Three to the Charter of the Metropolitan Government.

[SIGNATURE PAGE TO FOLLOW]

This Taxable Bank Note shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor of The Metropolitan Government of Nashville and Davidson County

Countersigned:

Attest:

_____
Metropolitan Treasurer of The Metropolitan Government of Nashville and Davidson County

_____
Metropolitan Clerk of The Metropolitan Government of Nashville and Davidson County
(SEAL)

Approved as to Form and Legality:

_____
Director of Law

SCHEDULE FOR TAXABLE BANK NOTE

DATED DECEMBER [8], 2026

BY THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PAYABLE TO TD BANK, N.A.,

AMOUNT OF CREDIT	DATES OF PAYMENT	AMOUNT OF PAYMENT	NAME AND SIGNATURE OF BANK OFFICER

EXHIBIT C

FORM OF STOP ORDER

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, SERIES 2026A

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
_____
_____
Attention: _____

[_____], as Dealer
_____
_____
Attention: _____

The Metropolitan Government of Nashville and
Davidson County
_____
_____
Attention: _____

Dear Sir or Madam:

Reference is made to (i) the Reimbursement Agreement, dated as of December 1, 2026 (the *"Agreement"*), among The Metropolitan Government of Nashville and Davidson County (the *"Metropolitan Government"*), the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "*Board*") and TD Bank, N.A. (the *"Bank"*); and (ii) the Issuing and Paying Agency Agreement, dated as of December 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the *"Issuing and Paying Agency Agreement"*), among the Metropolitan Government, the Board and U.S. Bank Trust Company, National Association, as Issuing and Paying Agent (the *"Issuing and Paying Agent"*). All capitalized terms herein having the meanings ascribed thereto in the Agreement.

You are hereby notified that (a) either (1) an "Event of Default" under Section 7.01(__) of the Agreement has occurred and is now continuing, (2) one or more of the representations and warranties of the Metropolitan Government or the Board set forth in the Agreement, is/are in the reasonable opinion of the Bank, no longer true and correct in all material respects or (3) the Bank has determined that any condition to the issuance of any Commercial Paper Note has not been satisfied and; (b) upon receipt of this notice, (i) no new Commercial Paper Notes shall be issued or authenticated (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to $_____, representing the principal amount of Commercial Paper Notes currently outstanding on the date hereof and interest thereon, and shall be further permanently reduced following the maturity of any such Commercial Paper Notes, and (iii) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings.

You are hereby instructed to cease issuing Commercial Paper Notes under the Issuing and Paying Agency Agreement and the Resolution until such time, if any, as we have notified you in writing that you may resume issuing Commercial Paper Notes.

In accordance with Section 6(h)(viii) of the Issuing and Paying Agency Agreement and pursuant the terms of the related Facility, you are hereby instructed to cease issuing Commercial Paper Notes from and after the date of this notice until such time as this order or notice has been rescinded.

This Stop Order may be delivered by mail, messenger, facsimile or email transmission, and also may be given by telephone if promptly confirmed in writing, provided that the failure to confirm this Stop Order promptly in writing shall not render any telephonic notice ineffective or invalid in any respect.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Bank has executed and delivered this Stop Order as of the ____ day of _____, ____.

Sincerely,

TD BANK, N.A.

By _____
Name: _____
Title: _____

cc: **[RATING AGENCIES]**

EXHIBIT D

FORM OF NASHVILLE ELECTRIC SERVICE SPECIFICATION NO. 2019STC
MODIFIED STANDARD TERMS AND CONDITIONS

SCHEDULE I

CERTAIN ADDRESSES FOR NOTICES

METROPOLITAN GOVERNMENT:

The Metropolitan Government of Nashville and Davidson County
700 2nd Avenue South, Suite 205
Nashville, Tennessee 37210

Attention: Office of the Treasurer
Telephone: (615) 862-6154
Telecopier: (615) 880-2810

BOARD:

Electric Power Board of The Metropolitan Government of Nashville and Davidson County
1214 Church Street
Nashville, Tennessee 37246

Attention: Office of the Chief Financial Officer
Telephone: (615) 747-3072
Telecopier: (615) 747-____

BANK:

If to the Bank regarding draws on the Letter of Credit:	TD Bank, N.A. 6000 Atrium Way Mount Laurel, New Jersey 08054 Attention: Standby Letter of Credit Department Telephone: (856) 533-6791 Facsimile: (856) 533-6545 Email: AMCBSTANDBYLC.ACCOUNT@TD.COM
Payment Account:	TD Bank, N.A. ABA Number: 031101266 Account Name: GTF Cibar Suspense Account Number: 9870336010 Reference: LC #20011151 Attention: Bill Caffyn
Bank, with respect to all credit matters:	TD Bank, N.A. State, Municipal & Utilities Lending, National Accounts 1 Vanderbilt Avenue 14th Floor New York, New York 10017 Attention: State, Municipal & Utilities Lending, National Accounts Telephone: (561) 242-1954 Email: Charles.Plush@td.com
with a copy to:	TD Bank, N.A.

State, Municipal & Utilities Lending, National Accounts
Attention: Gary Martz, Director
Telephone: (856) 404-3068
Email: gary.martz@td.com

Any notices required to be given to the Rating Agencies hereunder shall be emailed as set forth below:

Moody's Investors Service
7 World Trade Center
Public Finance Dept.
250 Greenwich St., 23rd Floor
New York, New York 10007
Attention: Municipal Supported Products Group
Email: MSPGSurveillance@moodys.com

S&P Global Ratings
55 Water St., 41st Floor
New York, New York 10041
Attention: Structured Finance LOC Surveillance Group
Email: pubfin_structured@spglobal.com

Fitch Ratings, Inc.

_____

_____

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES, [SERIES 2026A (TAX-EXEMPT)][SERIES 2026B (FEDERALLY TAXABLE)]

COMMERCIAL PAPER DEALER AGREEMENT

This Commercial Paper Dealer Agreement, dated as of December 1, 2026 (the "Agreement"), is entered into by and between The Metropolitan Government of Nashville and Davidson County (the "Issuer"), on behalf and for the benefit of the Electric Power Board of The Metropolitan Government of Nashville and Davidson County, which does business as Nashville Electric Service (the "Board"), and [BofA Securities, Inc.][J.P. Morgan Securities LLC] (the "Dealer").

WHEREAS, the Issuer proposes to issue its Electric System Revenue Commercial Paper Notes, [Series 2026A (Tax-Exempt)][Series 2026B (Federally Taxable)] (the "Notes") pursuant to that certain resolution adopted by the Metropolitan County Council of the Issuer on November 17, 2026, as may be amended, restated and supplemented from time to time (the "Commercial Paper Resolution"), as "Subordinated Debt" pursuant to Substitute Resolution No. R85-746 adopted by the Metropolitan County Council of the Issuer on November 5, 1985, as amended, restated and supplemented from time to time (the "Electric System Bond Resolution", and together with the Commercial Paper Resolution, the "Resolution"), and pursuant to an Issuing and Paying Agency Agreement, dated as of December 1, 2026 (the "Issuing and Paying Agency Agreement"), by and among U.S. Bank Trust Company, National Association (the "Issuing and Paying Agent"), the Issuer and the Board, as such agreement may be modified, amended or otherwise supplemented from time to time; and

WHEREAS, the holders of the Notes are entitled to the benefit of an Irrevocable Transferable Direct-Pay Letter of Credit (the "Letter of Credit") issued by TD Bank, N.A. (the "LOC Provider") pursuant to the terms of a Reimbursement Agreement, dated as of December 1, 2026, by and among the Issuer, the Board and the LOC Provider (as amended, restated, supplemented or otherwise modified from time to time, the "Reimbursement Agreement" and, together with the Letter of Credit, the "Facility"); and

WHEREAS, the Dealer has agreed to act as a Dealer for the Notes and to perform the duties imposed upon the Dealer with respect to the Notes by the Resolution, the Issuing and Paying Agency Agreement and this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants made herein, and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

Section 1. **Definitions**. Each capitalized term not otherwise defined herein shall have the same meaning given to that term in the Commercial Paper Resolution or, to the extent not defined in the Commercial Paper Resolution, the Electric System Bond Resolution, the Issuing and Paying Agency Agreement or the Facility.

"Authorized Representatives" shall mean the officers or employees of the Issuer or the Board authorized to act on behalf of the Issuer to effect the sale of the Notes.

"Bond Counsel" shall mean Bradley Arant Boult Cummings LLP, Nashville, Tennessee, or such other nationally recognized bond counsel.

"Business Day" shall mean a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the states in which the principal corporate offices of the Issuer, the Dealer or the Issuing and Paying Agent are located are authorized by law to close or (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed.

"DTC" shall mean The Depository Trust Company, New York, New York.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Financing Documents" shall mean this Agreement, the Resolution, the Issuing and Paying Agency Agreement, the Facility, the Bank Notes executed by the Issuer pursuant to the Reimbursement Agreement and the Notes, together with any other agreements executed and delivered by the Issuer in connection with the issuance or sale of the Notes, and the resolutions adopted by the Issuer authorizing the execution and delivery by the Issuer thereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Offering Memorandum" shall mean the Offering Memorandum, dated [_____, 2026], relating to the Notes, as may be supplemented, updated or amended.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended.

Section 2. Appointment of the Dealer.

(a) Subject to the terms and conditions set forth in this Agreement, the Issuer hereby appoints the Dealer as a non-exclusive dealer for the Notes, and the Dealer hereby accepts such appointment and agrees to perform the duties and obligations imposed upon it as a Dealer under this Agreement and the Issuing and Paying Agency Agreement, subject to the terms, conditions and limitations set forth in this Agreement. The Dealer acknowledges that the Issuer has entered into, and may from time to time enter into, agreements with other dealers in connection with the offering and sale of the Notes.

(b) The Dealer and [J.P. Morgan Securities LLC][BofA Securities, Inc.] are expected to be allocated [____]% and [____]%, respectively, of the Notes. The Issuer may change this allocation at any time by providing written notice not less than forty-five (45) days prior to the effectiveness of such change to the Dealer and the other dealer for the Notes.

Section 3. Issuance, Sale and Purchase of Notes.

(a) The Issuer shall issue the Notes in accordance with and in compliance with the terms of the Resolution and the Issuing and Paying Agency Agreement. The Issuer shall issue the Notes in an aggregate principal amount, together with all other series of Commercial Paper Notes issued under the Resolution, not to exceed $100,000,000 outstanding at any time. Each of the Notes shall: (i) be issued in the denomination of $100,000 or any integral multiple of $1,000 in excess of $100,000; (ii) mature on a Business Day not later than 270 days from the date of issue, and in no event later than the Business Day immediately preceding the stated expiration date of the Letter of Credit, without regard to any early

termination thereof; (iii) not contain any condition of redemption or right to prepay; (iv) not contain any provision for extension, renewal or automatic "rollover"; and (v) bear such interest rates, if interest-bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, as set forth in Section 4 below, computed on the basis of a year of [360][365 or 366] days and in no event at a rate in excess of the lesser of 12% per annum or the maximum rate permitted from time to time by Tennessee law.

(b) The Dealer shall use its reasonable best efforts, consistent with custom and practice in the commercial paper market, to solicit and arrange sales of the Notes at such rates (subject to any limitations set forth in the Resolution or the Issuing and Paying Agency Agreement) and maturities as may prevail from time to time in the commercial paper market; provided, however, that the foregoing is not a representation that the Dealer will be able to arrange any such sale, and the Dealer shall have no obligation to purchase Notes for its own account from the Issuer.

(c) The Dealer and the Issuer agree that any Notes for which the Dealer may arrange the sale, or which the Dealer may purchase, will be sold or purchased on the terms and conditions and in the manner provided in this Agreement, the Resolution and the Issuing and Paying Agency Agreement. The Dealer agrees that it shall not arrange the sale of or purchase any Notes following the receipt by it of written notice from the Issuer, the Issuing and Paying Agent or the LOC Provider, pursuant to the Resolution or the Issuing and Paying Agency Agreement, instructing it not to issue Notes, until such time as such instruction is revoked by written or electronic notice from the party that gave such instruction, or as otherwise provided in the Resolution or the Issuing and Paying Agency Agreement.

Section 4. Transactions in Notes.

(a) All transactions in Notes between the Dealer and the Issuer shall be in accordance with the Resolution and the Issuing and Paying Agency Agreement, and the custom and practice in the commercial paper market to the extent such custom and practice is not inconsistent with the Resolution or the Issuing and Paying Agency Agreement.

(b) As early as possible, but not later than [1:00] p.m., New York, New York time on the day on which any Notes are to be issued or sold hereunder, the Dealer shall notify the Issuer of the confirmed terms of the maturities, prices and interest rates at which the Dealer has purchased and/or will arrange the sale of the Notes, as applicable, and the Dealer shall provide the Issuer with any other information required for the Issuer or the Dealer to deliver such Notes under the terms and conditions of the Resolution and the Issuing and Paying Agency Agreement. As long as the terms of the Notes conform to the direction from the Issuer in any standing letter of instructions then in effect, the Dealer shall not be required to obtain additional direction or confirmation from the Issuer. In the absence of any standing letter of instructions, the Issuer must confirm the terms of the transactions proposed by the Dealer. Such confirmation or notification shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer's customary manner. Pursuant to Section 13 ("Dealing in Notes by the Dealer") hereof, the Dealer shall only be obligated to purchase or arrange the sale of any Notes when it has agreed to purchase or arrange the sale of such Notes and the Issuer has agreed thereto in accordance with the provisions of this Section 4(b).

(c) Not later than [1:00] p.m., New York, New York time on the day of each transaction, the Dealer shall, absent a standing letter of instructions, confirm each transaction, if any, made with or arranged by the Dealer. Such confirmation shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer's customary manner.

Section 5. **Payment and Delivery of the Notes**. The Dealer shall pay for the Notes, if any, purchased by the Dealer or sold by the Dealer in immediately available funds in the manner provided for in the Issuing and Paying Agency Agreement on the Business Day such Notes are delivered to the Dealer. All Notes will be delivered to DTC in accordance with the Issuing and Paying Agency Agreement and the customary practices of DTC.

Section 6. **Offering Memorandum**.

(a) The Issuer will prepare and distribute to investors and potential investors in the Notes the Offering Memorandum containing information about the Issuer, the Board and the System in form and substance reasonably acceptable to the Dealer. The Dealer shall not be responsible to distribute the Offering Memorandum to any prospective investors before the sale of Notes.

(b) If it is reasonably determined by the Dealer that updating or supplementing of the Offering Memorandum is necessary to ensure that the Offering Memorandum and the ongoing offer and sale of Notes thereunder comply with federal or state securities laws, the Issuer will promptly update the Offering Memorandum in form and substance reasonably satisfactory to the Dealer.

(c) Upon the request of the Dealer, the Issuer will promptly prepare and distribute an updated Offering Memorandum with respect to the Notes; provided that the Issuer shall not be required to prepare an amended Offering Memorandum more than once every 12 months unless an update to the Offering Memorandum or the offer and sale of the Notes is necessary (in the reasonable determination of the Dealer) to comply with applicable law, including, without limitation, SEC Rule 10b-5 under the Exchange Act. The Issuer agrees to give the Dealer at least ten (10) days' notice prior to any amendment, update or supplement of the Offering Memorandum, and to provide the Dealer with a draft of any such amendment, update or supplement for review at least five (5) days prior to the printing and distribution thereof, unless the Dealer agrees in writing (which may be electronic) to a shorter notice period.

(d) In connection with any amendment, update or supplement of the Offering Memorandum relating to Notes issued subsequent to the initial issuance of the Notes, the Issuer agrees to provide, on the date of the issuance and sale of the Notes to which such Offering Memorandum relates: (i) a certificate of an Authorized Representative of the Issuer and the Board (in form and substance reasonably satisfactory to the Dealer) as of the date of such amendment, update or supplement of the Offering Memorandum to the effect that the Offering Memorandum, as so amended, updated or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (ii) an opinion of Bond Counsel (in form and substance reasonably satisfactory to the Dealer), dated as of the date of such amendment, update or supplement, to the effect that (A) any descriptions of any of the Financing Documents contained in the Offering Memorandum, as so amended, updated or supplemented, are true and correct in all material respects (or words of similar import) and (B) nothing has come to the attention of such counsel that would cause such counsel to conclude that the Offering Memorandum as so amended, updated or supplemented, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading and (iii) an auditor's consent letter and/or a procedures letter to the extent audited financial statements of the Board are included in such Offering Memorandum.

(e) In addition to the information provided to the Dealer pursuant to Section 9(c) hereof, the Board agrees that it will provide to the MSRB through EMMA the information required pursuant to certain continuing disclosure agreements entered into in connection with the issuance of outstanding Senior Lien Bonds, and any other continuing disclosure undertakings made in connection with Senior Lien Bonds issued from time to time (collectively, the "Continuing Disclosure Undertakings"), for so long as the Continuing

Disclosure Undertakings are in effect. Pursuant to this Agreement, the Board agrees to continue to provide such information to EMMA so long as such Continuing Disclosure Undertakings are in effect, and the Board agrees that such information filed with EMMA shall be incorporated by reference into the Offering Memorandum as if it were set forth therein. The Offering Memorandum shall be further updated with information publicly disclosed by the Board on EMMA voluntarily or in compliance with any other continuing disclosure agreement relating to Senior Lien Bonds (including any annual, quarterly or monthly reports and listed event notices and as otherwise provided in the Offering Memorandum), which shall be deemed to be automatically incorporated by reference therein. In the event that the Continuing Disclosure Undertakings are no longer in effect and the Board is not a party to any other continuing disclosure agreements which require posting of similar information, the Board agrees it will file the information required to be provided under the Continuing Disclosure Undertakings on another nationally recognized disclosure site selected by the Issuer or on the Issuer's website (each an "Alternate Site"). The Issuer agrees that such Alternate Site shall be non-password protected and accessible to the public.

(f) If the Issuer (i) gives the Dealer notice pursuant to Section 9(a) hereof, or receives a request from the Dealer for an amendment, update or supplement to the Offering Memorandum pursuant to this Section 6, and (ii) chooses not to amend, update or supplement the Offering Memorandum in the manner described in this Section 6, or if the Issuer fails to file the information described in Section 6(e) hereof, then the Dealer may, regardless of whether the Dealer is then holding Notes in inventory, by giving notice to the Issuer, immediately suspend all solicitation and sales of Notes until such time as the Issuer has so amended, updated or supplemented the Offering Memorandum or filed such information.

Section 7. **Deliverable Obligations of Issuer and Board**. The Issuer and the Board, as applicable, agree to deliver to the Dealer the following on or prior to the date Notes are first issued:

(a) A certificate signed by a duly authorized officer of the Issuer and the Board: (i) setting forth a list of the Authorized Representatives, (ii) certifying as to the incumbency of those Authorized Representatives authorized to sign Notes on the Issuer's behalf and containing the true signatures of each of such persons (it being agreed that the Dealer may rely upon such authorization until otherwise notified in writing by the Issuer), and (iii) certifying as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer and the Board contained herein, contained in the Resolution and contained in the other Financing Documents;

(b) An opinion of Bond Counsel, addressed to the Dealer, that is in form and substance satisfactory to the Dealer;

(c) Opinions of counsel to the Issuer, the Board and the LOC Provider, addressed to the Dealer, that are in form and substance satisfactory to the Dealer;

(d) A copy of the executed or adopted, as applicable, Resolution, the Issuing and Paying Agency Agreement, the Notes, the Facility and the Bank Notes, as then in effect;

(e) A copy of the executed letter of representations among the Issuer, the Issuing and Paying Agent and DTC with respect to the Notes registered in the name of DTC or its nominee;

(f) A copy of any resolution, if any, adopted by the Issuer, other than the Resolution, satisfactory in form and substance to the Dealer and certified by an Authorized Representative, authorizing execution and delivery by the Issuer of the Financing Documents; and

(g) Such other certificates, opinions, Blue Sky surveys, letters and documents as the Dealer shall have reasonably requested.

Section 8. **Representations and Warranties of the Issuer and the Board**. The Issuer and, for any matters relating solely to the Board, the Board represent and warrant to the Dealer as of the date hereof, and as of the date of each issuance of Notes, as follows:

(a) The Issuer is a metropolitan government and a public corporation and political subdivision duly organized and validly existing under the Constitution and laws of the State of Tennessee, and the Board is duly constituted and authorized to operate the System on behalf of the Issuer.

(b) Each resolution constituting the Resolution is in full force and effect and has not been modified or amended since the adoption of the Commercial Paper Resolution, unless such amendment or modification has been delivered to and consented by the Dealer in accordance with the provisions of this Agreement; the Issuer has full power and authority to issue the Notes; and the Issuer and the Board have full power and authority to enter into, perform and observe the covenants and agreements on their respective part contained in the Financing Documents and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents.

(c) The Financing Documents have been duly authorized, executed and delivered by the Issuer and the Board, as applicable. The Financing Documents constitute legal, valid and binding obligations of the Issuer and Board, as applicable, enforceable against the Issuer and the Board in accordance with their respective terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights.

(d) The Notes have been duly authorized and executed by the Issuer and, when authenticated and delivered by the Issuing and Paying Agent, will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their terms, and the terms of the Resolution and the Issuing and Paying Agency Agreement, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights.

(e) The issuance and sale of the Notes do not require registration of the Notes under the Securities Act, and the Resolution is not required to be qualified under the Trust Indenture Act.

(f) Neither the Issuer nor the Board is an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(g) The then-current Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) There are no consents, authorizations, permits or approvals of, or filings with, any federal or state government authority (other than the Issuer or the Board) required in connection with the issuance or sale by the Issuer of the Notes, the execution and delivery of the Financing Documents and the performance of the Issuer's and Board's obligations thereunder except as may be required by state securities laws (as to which no representation is made) and those which have already been obtained or made.

(i) The adoption of the Resolution and any other resolution(s) authorizing the Financing Documents and the execution, delivery and performance by the Issuer and the Board of the Financing Documents do not and will not result in a breach or violation of, conflict with, or constitute a default under any constitutional provision, law, regulation, order, consent decree, judgment, agreement, indenture, deed

of trust, mortgage or other instrument to which the Issuer or the Board is a party or by which the Issuer, the Board or any of their property is bound.

(j) Except as may be disclosed in the Offering Memorandum, there is no action, suit proceeding, inquiry, litigation or governmental proceeding or investigation pending, or to the knowledge of the Issuer or the Board threatened, against or affecting the Issuer, the Board or their property, and to the best knowledge of the Issuer and the Board there is no basis therefor:

(i) which might reasonably be expected to result in a material adverse change in the condition (financial or otherwise), operations or business prospects of the Issuer or the Board or in any way affect adversely the ability of the Issuer or the Board, if and as applicable, to perform its obligations under the Financing Documents;

(ii) contesting the validity or enforceability of the Financing Documents; or

(iii) contesting the existence or powers of the Issuer or the Board.

(k) At the time of each delivery of Notes to the Dealer, the Issuer and the Board shall be deemed to make a representation and warranty, as of the date thereof, that (i) the Notes issued on such date have been duly authorized, validly issued and delivered and, upon payment therefor, will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their terms, the terms of the Commercial Paper Resolution, the applicable terms of the Electric System Bond Resolution and the Issuing and Paying Agency Agreement, in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, (ii) the representations and warranties of the Issuer and the Board set forth in this Section 8 are true and correct as if made as of such date, (iii) since the date of the Offering Memorandum there has been no material adverse change in the condition (financial or otherwise), operations or business prospects of the Issuer, the Board or the System which has not been disclosed to the Dealer in writing, and (iv) neither the Issuer nor the Board is in default of any of its obligations hereunder, under the Notes or under any other Financing Document.

Section 9. **Covenants and Agreements of the Issuer and the Board**. The Issuer and the Board each covenant and agree that:

(a) The Issuer and the Board will immediately notify the Dealer, in writing (which may be electronic) or by telephone (which shall promptly be confirmed in writing, which may be electronic), (i) if any event shall have occurred or information shall become known as a result of which (A) the Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (B) any representation or warranty of the Issuer or the Board under any of the Financing Documents is or would become false in any material respect, (ii) of the occurrence of any event affecting the power of the Issuer to issue the Notes or to pay the Notes as they mature, the due authorization and execution of the Notes or the legal existence of the Issuer or the Board, (iii) of any material fact that the Issuer or the Board is aware of that may affect the issuance, offering or sale of the Notes or the marketability of the Notes including, but not limited to (A) any material adverse change in the financial condition, prospects (financial or otherwise) or general affairs of the Issuer or the Board, (B) any reduction, or any written communication by any rating agency that it is considering a possible reduction, or any threatened reduction (by way of credit watch or similar rating agency action), in the ratings of the Notes, (C) [any adverse change in the tax treatment of interest on the Notes received by the holders of the Notes] or (D) any other material adverse change that may affect the issuance, offer and

sale of the Notes or any fact or circumstance which constitutes, or with the passage of time would constitute, an event of default under the Financing Documents and (iv) [any proposed action the taking of which requires an opinion of Bond Counsel as to the tax status of any Notes under any Financing Document].

(b) The Issuer and the Board, as applicable, will not permit to become effective any amendment to or modification of either resolution constituting the Resolution or any other Financing Document which could reasonably be expected to adversely affect the interest of the holder of any Notes then outstanding. The Issuer or the Board will give the Dealer notice of any proposed amendment to or modification of either resolution constituting the Resolution or any other Financing Document prior to the effective date thereof, and will provide the Dealer with a complete copy of any such amendment, supplement, waiver or modification promptly after the execution or adoption thereof and in any event prior to any subsequent issuance of Notes hereunder. The Issuer shall not, without the Dealer's prior written consent, amend either of the resolutions constituting the Resolution or the Issuing and Paying Agency Agreement to the extent such amendment affects the rights or obligations of the Dealer.

(c) The Board will provide to the Dealer as soon as the same shall be publicly available, which shall not be later than [180] days after the end of the Board's fiscal year, copies of the Board's annual audited financial statements and such additional information concerning the operations and financial condition of the Board as the Dealer may from time to time reasonably request.

(d) The Issuer and the Board shall furnish such information, execute such instruments and take such other action in cooperation with the Dealer as the Dealer may reasonably request in order (i) to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Dealer may designate and (ii) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification under clause (i) in effect so long as required for distribution of the Notes by the Dealer; provided, however, that in no event shall the Issuer be required to consent to suit or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

(e) The Issuer will not sell Notes to the Dealer in the event that legal opinions provided by Bond Counsel delivered in connection with the initial issuance of the Notes have been withdrawn, adversely modified or retracted.

(f) [The Issuer and the Board will take all actions within their control necessary to maintain the exclusion of interest on the Notes from the gross income of the holders thereof for federal income tax purposes.]

(g) The Issuer will not effect any credit or liquidity facility substitution pursuant to the Resolution on any day other than a day when all Notes mature or on a day on which no Notes are then outstanding. In addition to the foregoing sentence, if the Issuer elects to obtain an alternate or substitute credit or liquidity facility with respect to the Notes, it shall give the Dealer written notice of such election not less than sixty (60) days before the alternate or substitute facility is proposed to become effective, or such fewer number of days' notice as is acceptable to the Dealer, and the Issuer shall amend, update or supplement the Offering Memorandum to include information regarding such alternate or substitute credit or liquidity facility and the provider thereof, in each case in accordance with Section 6, prior to the effectiveness of such alternate or substitute facility.

(h) The Issuer will notify the Dealer promptly upon the occurrence of any event that would result in the Issuer being unable to issue Notes under the Resolution or the Issuing and Paying Agency Agreement.

(i) The Issuer will notify the Dealer before the issuance of any Notes the proceeds of which would be applied to the redemption or refinancing of municipal securities.

Section 10. Fees and Expenses.

(a) For the services to be performed by the Dealer under this Agreement, the Issuer agrees to pay the Dealer during each calendar year a fee equal to [____]% per annum of the principal amount of the Notes outstanding sold or placed by the Dealer calculated as follows: [0.000_] times the principal amount of the Notes outstanding sold or placed by the Dealer times the number of days from and including the date such Notes are sold to but excluding the maturity date of such Notes, divided by [360][365 or 366] days (as appropriate); payable quarterly in arrears pursuant to invoices delivered by the Dealer to the Issuer, commencing on [_____] and on the first day of each [_____], [_____], [_____] and [_____] thereafter.

(b) The Issuer will pay, or cause to be paid, all expenses of delivering Notes and reimburse the Dealer for all out-of-pocket expenses incurred by it as Dealer in connection with the provision of its services hereunder, including reasonable counsel fees and disbursements.

Section 11. Termination or Suspension. In addition to the provisions of Section 12 (entitled "Resignation and Removal of the Dealer") hereof, the Dealer shall have the right in its sole discretion to immediately terminate or suspend its obligations under this Agreement at any time by notifying the Issuer in writing or by electronic means of its election to do so if the Dealer reasonably determines that one or more of the following events has occurred:

(a) any one or more of the Issuer's or Board's representations and warranties made hereunder is not true and correct in any material respect;

(b) the Issuer or the Board has breached one or more of its covenants, agreements or obligations under this Agreement in any material respect;

(c) the Issuer or the Board shall fail to observe any of its covenants or agreements made under the Financing Documents in any material respect;

(d) any event shall occur or information shall become known, which, at any time, in the Dealer's reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the then-current Offering Memorandum relating to the Notes, as the information contained therein has been supplemented or amended, or causes such Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement or a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(e) an amendment to the Constitution of the United States or the State of Tennessee shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended (whether or not then introduced) to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have

been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Tennessee or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of Tennessee authority, with respect to [federal or] State of Tennessee taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Notes which, in the judgment of the Dealer, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Notes) or the interest thereon, or any tax exemption granted or authorized by State of Tennessee legislation;

(f) legislation shall have been enacted, proposed (whether or not then introduced), introduced or reported by any committee for passage by either house of the Congress or by any body of the State legislature of the State of Tennessee or recommended for passage by the President of the United States, or a decision rendered by any federal court or Tennessee court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Notes, other securities of the Issuer or obligations of the general character of the Notes are not exempt from registration under the Securities Act, or that the Resolution is not exempt from qualification under the Trust Indenture Act;

(g) a stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Notes, including any underlying obligations, or the execution and delivery of any document relating to the issuance, as contemplated hereby or by the Offering Memorandum, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the Securities Act, the Exchange Act or the Trust Indenture Act, each as amended and as then in effect;

(h) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Notes, or the issuance, offering or sale of the Notes, including any or all underlying obligations, as contemplated hereby or by the Offering Memorandum, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(i) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(j) any of the rating agencies then rating the Notes shall either (i) downgrade the short-term ratings assigned to the Notes below the highest short-term category of such rating agency (without regard to subcategory) or (ii) suspend or withdraw the then-current ratings assigned to the Notes;

(k) a general banking moratorium is declared by either federal, New York or Tennessee authorities;

(l) the general suspension of trading on any national securities exchange;

(m) an actual or imminent default or a moratorium in respect of payment of any United States Treasury bills, bonds or notes, the effect of which in the Dealer's judgment makes it impracticable to market the Notes or to enforce contracts for the sale of the Notes;

(n) there shall have occurred any new outbreak of hostilities or any material escalation in any present hostilities or other new national or international calamity, crisis or terrorist activity, the effect of such outbreak, escalation, calamity, crisis or terrorist activity on the operation of the government or financial markets of the United States, in the judgment of the Dealer, is to materially adversely affect the marketability of the Notes;

(o) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(p) an "event of default" shall have occurred and be continuing under any of the Financing Documents;

(q) the Issuer shall fail to pay, or cause to be paid, when due, or shall declare a moratorium on the payment of, or shall repudiate its obligations under, any Notes or any of its bonds or other evidences of indebtedness;

(r) a court of competent jurisdiction shall have entered a final, nonappealable order or judgment that any Notes or any of the Issuer's other outstanding bonds, notes or other indebtedness, or obligations securing any bonds or notes (including, without limitation, the Notes) or other indebtedness issued for the use and benefit of the Board are illegal or unenforceable;

(s) in the reasonable judgment of the Dealer, the market price or marketability of the Notes or the ability of the Dealer to enforce contracts for the sale of Notes shall have been materially adversely affected by an amendment of or supplement to the Offering Memorandum, notwithstanding the Dealer's approval or consent of such amendment or supplement prior to its distribution;

(t) there is any material adverse change in the affairs (whether financial or otherwise) of the LOC Provider, the Board or the Issuer which, in the sole judgment of the Dealer, makes it impracticable or inadvisable to proceed with the offer and sale of the Notes as contemplated by this Agreement and by the Offering Memorandum;

(u) the expiration or termination of the Facility unless it is being replaced by an alternate or substitute credit facility or liquidity facility acceptable to the Dealer;

(v) any litigation shall be instituted, pending or threatened contesting the existence or powers of the Issuer, the Board or the LOC Provider; or

(w) any governmental authority shall impose, as to the Notes or obligations of the general character of the Notes, any material restrictions not now in force, or shall materially increase those now in force.

Any suspension of the Dealer's obligations under this Section 11 shall continue for so long as the Dealer, in its reasonable judgment, determines that the applicable event continues to exist or to have a material adverse effect on the marketability of the Notes. The Dealer shall also suspend solicitations and

sales of Notes upon the direction of the Issuer in the event that the Issuer believes that such suspension is necessary or advisable in response to any of the events described in this Section 11 or events similar in nature or effect thereto. Any suspension or resumption of solicitations and sales of Notes pursuant to this Section 11 shall be confirmed in writing between the Issuer and the Dealer.

Section 12. **Resignation and Removal of the Dealer**. The Dealer may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer, the Issuing and Paying Agent and the LOC Provider with thirty (30) days' prior written notice, whether or not a successor dealer has been appointed. The Dealer may be removed at any time by the Issuer not earlier than thirty (30) days following written confirmation by the Dealer of a written notice by the Issuer exercising its right of removal. Upon resignation or removal of the Dealer, the Issuer shall promptly cause the Issuing and Paying Agent to give notice thereof to all holders of the Notes and to any rating agency which has assigned a rating to the Notes.

Section 13. **Dealing in Notes by the Dealer.**

(a) The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Notes, including, without limitation, any Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer may sell any of the Notes at prices above or below par, at any time. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depositary, account party, or agent for any committee or body of owners of the Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to characterize the Dealer as an underwriter of the Notes or to obligate the Dealer to purchase any Notes for its own account at any time.

(c) While the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer and the Board contained herein and in the Resolution or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the Resolution and the Issuing and Paying Agency Agreement.

Section 14. **No Advisory or Fiduciary Role**. The Issuer and the Board acknowledge and agree that: (i) the transactions contemplated by this Agreement are arm's length, commercial transactions between the Issuer and the Dealer (as acknowledged by the Board) in which the Dealer is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or the Board and that the Dealer has financial and other interests that differ from those of the Issuer and the Board; (ii) the Dealer has not assumed any advisory or fiduciary responsibility to the Issuer or the Board with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Dealer or any affiliate of the Dealer has provided other services or is currently providing other services to the Issuer or the Board on other matters); (iii) the only obligations the Dealer has to the Issuer or the Board with respect to the transactions contemplated hereby expressly are set forth in this Dealer Agreement; and (iv) the Issuer and the Board have consulted their own municipal, legal, accounting, tax, financial and other advisors, as applicable to the extent they have deemed appropriate.

Section 15. Indemnification and Contribution.

(a) To the extent permitted by applicable law, the Issuer and the Board will indemnify and hold harmless the Dealer, its affiliates and each of their respective directors, officers, officials, employees, counsel, consultants and agents and each person who controls the Dealer within the meaning of Section 15 of the Securities Act (each, a "Dealer Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which any such Dealer Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Dealer Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Notes should have been registered under the Securities Act or that the Resolution or any of the Financing Documents should have been qualified under the Trust Indenture Act, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Offering Memorandum, including any information incorporated therein by reference, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but neither the Issuer nor the Board will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Offering Memorandum under the caption "THE DEALERS" or "CERTAIN INFORMATION CONCERNING THE LOC PROVIDER" or with respect to information regarding DTC and DTC's book-entry-only system. This indemnity agreement will not limit any other liability to any Dealer Indemnified Party the Issuer and the Board otherwise may have; provided that in no event will the Issuer or the Board be obligated for double indemnification.

(b) A Dealer Indemnified Party shall, promptly after receipt of notice of the commencement of any action against such Dealer Indemnified Party in respect of which indemnification may be sought against the Issuer and the Board, notify the Issuer and the Board in writing of the commencement of the action. Failure of the Dealer Indemnified Party to give such notice will not relieve the Issuer or the Board from any liability it may have to such Dealer Indemnified Party. If such an action is brought against a Dealer Indemnified Party and such Dealer Indemnified Party notifies the Issuer and the Board of its commencement, the Issuer and the Board may, or if so requested by such Dealer Indemnified Party shall, participate in or assume its defense, with counsel reasonably satisfactory to the Dealer Indemnified Party and, after notice from the Issuer or the Board to such Dealer Indemnified Party of an election to assume the defense, the Issuer or the Board, as applicable, shall not be liable to the Dealer Indemnified Party under this Section for any legal or other expenses subsequently incurred by the Dealer Indemnified Party in connection with the defense other than reasonable costs of investigation. Until the Issuer or the Board, as applicable, assumes the defense of any such action at the request of such Dealer Indemnified Party, the Dealer Indemnified Party may participate at its own expense in the defense of such action. If the Issuer or the Board, as applicable, does not retain counsel to take charge of the defense or if the Dealer Indemnified Party reasonably concludes that there may be defenses available to it different from or in addition to those available to the Issuer or the Board (in which case the Issuer or the Board, as applicable, will not have the right to assume the defense of such action on behalf of such Dealer Indemnified Party), legal and other expenses reasonably incurred by the Dealer Indemnified Party shall be borne by the Issuer and the Board, as applicable. The Issuer or the Board, as applicable, shall not, without the prior written consent of the affected Dealer Indemnified Party, settle or compromise any such action, or consent to the entry of any judgment with respect thereto, unless such settlement, compromise or judgment (i) includes an unconditional release of such Dealer Indemnified Party from all liability arising out of such action and (ii) does not include any statement as to, or any admission of, fault, culpability, guilt or failure to act by or on behalf of such Dealer Indemnified Party.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in Section 15(a) hereof is due in accordance with its terms but, for any reason,

is unavailable on grounds of policy or otherwise, the Issuer and the Board, as applicable, and any Dealer Indemnified Party will contribute to the total losses, claims, damages and liabilities (including legal or other expenses of investigation or defense) to which such Dealer Indemnified Party may be subject in such proportion so that such Dealer Indemnified Party is responsible for that portion represented by the percentage that the fee to be paid to the Dealer pursuant to Section 10 ("Fees and Expenses") hereof bears to the then-outstanding principal amount of the Notes, and the Issuer and the Board, as applicable, are responsible for the balance. In no case, however, will the Dealer Indemnified Party be responsible for any amount in excess of the aggregate fee paid by the Issuer and the Board, as applicable, to the Dealer under this Agreement for the one-year period immediately preceding the application of this provision. Notwithstanding the foregoing, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Section 16. **Term of Agreement**. This Agreement shall become effective on the date hereof and shall continue in full force and effect until terminated pursuant to the terms hereof. Notwithstanding any provision of this Agreement or any other Financing Document to the contrary, the provisions of Section 10 ("Fees and Expenses") and Section 15 ("Indemnification and Contribution") hereof and the obligations of the Issuer and the Dealer thereunder shall survive any termination or expiration of this Agreement under Section 11 ("Termination or Suspension"), Section 12 ("Resignation and Removal of the Dealer") or this Section 16.

Section 17. **Governing Law**. This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the obligations of the Issuer and the Board shall be governed by, and construed and interpreted in accordance with the laws of the State of Tennessee. Any claim, action or proceeding, directly or indirectly, arising out of, or relating to this Agreement or the Notes or the offer and sale of the Notes, with respect to any claim, action or proceeding asserted against the Issuer or the Board, shall be brought solely in a state or federal court of competent jurisdiction located in the County of Davidson, Tennessee, and, with respect to the Bank or any other party, shall be brought solely in the U.S. federal courts located in the Borough of Manhattan, or the courts of the State of New York located in the Borough of Manhattan, and, in connection with any such claim, action or proceeding, submit to the exclusive jurisdiction of, and venue in, such courts as applicable.

Section 18. **Waiver of Trial by Jury**. TO THE EXTENT PERMITTED BY LAW, ANY RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM, ACTION OR PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF, OR RELATING TO, THIS AGREEMENT ARE EXPRESSLY, KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY THE PARTIES HERETO. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN MATERIALLY INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 19. **No Boycott of Israel and Iran Divestment Act Certifications**

(a) In connection with Tennessee Code Annotated Section 12-4-119, as amended, if and as applicable and not preempted by federal law, the Dealer, including any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Dealer, certifies that it is not currently engaged in nor will it engage in a boycott of Israel for the duration of this Agreement. For this purpose, (i) a "boycott of Israel" shall mean engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do

business, or persons or entities doing business in Israel, when such actions are taken (1) in compliance with, or adherence to, calls for a boycott of Israel, or (2) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason, and (ii) "Israel" means the State of Israel and Israeli-controlled territories

(b) The Dealer certifies that, to the best of its knowledge and belief, neither it nor any of its wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates is on the list created pursuant to Tennessee Code Annotated Section 12-12-106, as amended.

Section 20. Miscellaneous.

(a) The Issuer acknowledges and agrees that the Dealer shall have no obligation under this Agreement to provide any services, provide any advice or take any other action to the extent that the Dealer determines, in its sole discretion, would cause the Dealer to be considered a "municipal advisor" as defined under Section 15B of the Exchange Act and SEC Rule 15Ba1-1.

(b) Except as otherwise specifically provided herein, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid. Any such notice shall be effective when received at the address specified below for the intended recipient (or at such other address as such recipient may designate from time to time by notice to the other party).

The Issuer:

The Metropolitan Government of Nashville and Davidson County
[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Facsimile: [_____]
Email: [_____]

The Board:

Electric Power Board of the Metropolitan Government
[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Facsimile: [_____]
Email: [_____]

The Dealer:

[BofA Securities, Inc.][J.P. Morgan Securities LLC]
[One Bryant Park, Third Floor][_____]
[New York, New York 10036][_____]

Attention: [Tax Exempt Money Market Desk][_____]
Telephone: [212-449-5101][_____]
Facsimile: [646-736-6960][_____]

Email: [DG.TEMM@BOFA.COM][_____]

The Issuing and Paying Agent:
U.S. Bank Trust Company, National Association
[_____]
Attention: [Commercial Paper Notes Operations]

The LOC Provider: At the address provided therefor in the Facility

(c) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Notes merely because of such purchase. No Holder or other third party shall have any rights or privileges hereunder.

(d) The Issuer and the Dealer hereby agree that the Dealer may, without notice to the Issuer or the Board, assign its rights and obligations under this Agreement to any other wholly-owned subsidiary of [Bank of America Corporation][JPMorgan Chase & Co.] to which all or substantially all of the Dealer's municipal markets business may be transferred following the date of this Agreement. Except as provided in the foregoing sentence, this Agreement is not assignable by either party hereto without the written consent of the other party.

(e) All of the representations and warranties of the Issuer and the Board contained herein shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer; (ii) the offering and sale of and any payment for any Notes hereunder; or (iii) the termination or cancellation of this Agreement.

(f) This Agreement and each provision hereof shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by each of the parties hereto.

(g) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(h) This Agreement may be executed in several counterparts, each of which shall be regarded as an original but all of which shall constitute one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date hereof.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Freddie O'Connell, Metropolitan Mayor

APPROVED AS TO FORM AND LEGALITY:

_____
Tyler Chance Yarbro, Director of Law

ACKNOWLEDGED:

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Name: Casey Santos,
Title: Chair

[BOFA SECURITIES, INC.][J.P. MORGAN SECURITIES LLC]

By: _____
[Title]

EXHIBIT A

EXAMPLE OF WRITTEN INSTRUCTIONS

[Date]

[BofA Securities, Inc.][J.P. Morgan Securities LLC]
[One Bryant Park, Third Floor][_____]
[New York, New York 10036][_____]
Attention: [_____]

Re: The Metropolitan Government of Nashville and Davidson County
Electric System Revenue Commercial Paper Notes, [Series 2026A (Tax-Exempt)][Series 2026B (Federally Taxable)] (the "Notes")

Dear [_____]:

This letter agreement will serve to confirm the understanding of the parties hereto regarding the instructions and parameters concerning the issuance of Notes. The Metropolitan Government of Nashville and Davidson County (the "Issuer") hereby instructs [BofA Securities, Inc.][J.P. Morgan Securities LLC] (the "Dealer") to arrange for the sale of Notes without any additional confirmation from the Issuer, pursuant to the following terms: (i) the interest rates on the Notes shall be [___]% or less, and in no event in excess of the lesser of 12% per annum or the maximum rate permitted from time to time by Tennessee law; (ii) the Notes shall mature on a Business Day up to 270 days after their date of issuance, and in no event later than the Business Day immediately preceding the stated expiration date of the Letter of Credit; (iii) the aggregate par amount of Notes outstanding at any time, together with all other series of Commercial Paper Notes then outstanding, shall not exceed $100,000,000; and (iv) the Notes may be issued at a discount not to exceed [____]%.

These standing instructions shall remain in effect until terminated by either party hereto upon five (5) days' notice. If a sale of Notes does not comply with the above parameters, the Dealer shall seek the approval of the Issuer pursuant to the Dealer Agreement, between the Issuer and the Dealer.

If the foregoing is satisfactory, please execute a copy of this letter. This agreement may be executed in counterpart originals.

Very truly yours,

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Title: _____

ACKNOWLEDGED:

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____

Name: _____,
Title: _____

AGREED AND ACCEPTED:

[BOFA SECURITIES, INC.][J.P. MORGAN SECURITIES LLC]

By: _____
[Title]

52152959.4

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES,
SERIES 2026A (TAX-EXEMPT)

and

ELECTRIC SYSTEM REVENUE COMMERCIAL PAPER NOTES,
SERIES 2026B (FEDERALLY TAXABLE)

ISSUING AND PAYING AGENCY AGREEMENT

THIS ISSUING AND PAYING AGENCY AGREEMENT (the "Agreement") is entered into as of December 1, 2026, by and among U.S. Bank Trust Company, National Association, not in its individual capacity but solely as Issuing and Paying Agent (the "Issuing and Paying Agent"), with offices at 100 Wall Street, 20th Floor, New York, New York 10005, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board") regarding the program for the issuance of the Metropolitan Government's Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) and Electric System Revenue Commercial Paper Notes, Series 2026B (Federally Taxable) (hereinafter referred to as the "Program").

WITNESSETH:

WHEREAS, at the request of the Metropolitan Government and the Board, the Issuing and Paying Agent is prepared to act (a) as depositary for the safekeeping of certain notes of the series listed above (the "Commercial Paper Notes"; such Commercial Paper Notes when issued in book-entry-only form being hereinafter referred to as "Book-Entry Commercial Paper Notes" and when issued in the form of certificated promissory notes being hereinafter referred to as "Certificated Commercial Paper Notes") of the Metropolitan Government which may be issued and sold in the United States commercial paper notes market pursuant to Resolution No. RS2026-[__] adopted by the Metropolitan County Council of the Metropolitan Government on November 17, 2026 (the "Resolution") and pursuant to that certain Irrevocable Transferable Direct-Pay Letter of Credit (as amended, restated, supplemented or otherwise modified from time to time, the "Letter of Credit") issued by the hereinafter defined Bank pursuant to the terms of that certain Reimbursement Agreement, dated as of December 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the "Reimbursement Agreement" and, together with the Letter of Credit, the "Facility"), among the Metropolitan Government, the Board and the Bank, (b) as issuing agent on behalf of the Metropolitan Government in connection with the issuance of the Commercial Paper Notes, (c) as paying agent to undertake certain obligations to make payments in respect of the Commercial Paper Notes, and (d) as depositary to receive certain funds on behalf of the Metropolitan Government, as set forth herein; and

WHEREAS, this Agreement, subject to the terms and conditions of the Resolution, will govern the Issuing and Paying Agent's rights, powers and duties as such depositary, issuing agent and paying agent for the Commercial Paper Notes and the Metropolitan Government's and the Board's rights and obligations in connection therewith;

NOW THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. Definitions; References to Time. All capitalized terms used herein and not defined herein shall have the meanings specified in the Resolution. Unless otherwise specifically stated, all references to time shall be deemed to refer to prevailing time in New York, New York.

2. Appointment of Issuing and Paying Agent.

(a) The Metropolitan Government hereby appoints U.S. Bank Trust Company, National Association as the Issuing and Paying Agent, and U.S. Bank Trust Company, National Association, as Issuing and Paying Agent, hereby agrees to act, on the terms and conditions specified herein, as depositary and issuing and paying agent for the Commercial Paper Notes issued pursuant to the Resolution. The Commercial Paper Notes will be sold through such Commercial Paper Notes dealers and/or placement agents as the Metropolitan Government shall have notified the Issuing and Paying Agent in writing from time to time (each, a "Dealer"). As of the date hereof, the only Dealers of the Commercial Paper Notes are BofA Securities, Inc. and J.P. Morgan Securities LLC. The Commercial Paper Notes to which this Agreement relates are the Metropolitan Government's Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) and Electric System Revenue Commercial Paper Notes, Series 2026B (Federally Taxable). The Initial Bank for the Commercial Paper Notes is TD Bank, N.A. (as used herein, and including its successors and assigns and any bank providing a substitute Facility, the "Bank").

(b) The Issuing and Paying Agent hereby (i) acknowledges receipt of a certified copy of the Resolution and the Facility and (ii) agrees to be bound by the respective terms thereof as said terms relate to the duties of the Issuing and Paying Agent.

3. Letter of Representations. The Metropolitan Government will promptly deliver to the Issuing and Paying Agent an executed version of the form of Letter of Representations (the "Letter of Representations") provided by The Depository Trust Company ("DTC"). The Metropolitan Government understands and agrees that such Letter of Representations, when executed by the Metropolitan Government and the Issuing and Paying Agent and accepted by DTC, shall supplement the provisions of this Agreement and that the Metropolitan Government, the Issuing and Paying Agent and DTC shall be bound by the terms and provisions of the Letter of Representations, including any procedures and operational arrangements applicable thereunder. In the event of a conflict between the Letter of Representations and the Issuing and Paying Agent's obligations as a participant in DTC, including DTC's required documentation with respect to the Same-Day Funds Settlement System (collectively, with the Letter of Representations, the "DTC Documents"), the provisions of the DTC Documents shall control to the extent (but solely to the extent) of such conflict.

4. Supply of Commercial Paper Notes.

(a) On the date of execution of this Agreement and at such time thereafter as may be necessary as a result of a transfer pursuant to Section 4(b), the Metropolitan Government shall deliver to the Issuing and Paying Agent one or more executed Master Notes, evidencing the Book-Entry Commercial Paper Notes to be sold through DTC's book-entry system on or after such date.

(b) The ownership and transfer of each Master Note shall be registered on the books of the Issuing and Paying Agent, which shall be kept for that purpose at the corporate trust office of the Issuing and Paying Agent listed in Section 14, or at such other address as the Issuing and Paying Agent may designate from time to time by notice in writing to the Metropolitan Government, the Board and each Dealer.

(c) DTC may determine not to continue to act as securities depository for the Book-Entry Commercial Paper Notes. Any notice to that effect given by DTC to the Metropolitan Government or the Issuing and Paying Agent shall promptly be given by the recipient to the other parties and each Dealer. In addition, the Metropolitan Government may determine to discontinue the book-entry-only issuance of Commercial Paper Notes through DTC, and in such case shall notify the Issuing and Paying Agent and each Dealer in writing to that effect. In either case, if the Metropolitan Government determines to replace DTC with another Depository, the Metropolitan Government shall prepare or direct the preparation of one or more new, separate, fully registered Master Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the Metropolitan Government, the Board, the Issuing and Paying Agent and the replacement Depository as are not inconsistent with the terms of the Resolution.

(d) The Issuing and Paying Agent shall take all actions necessary or appropriate under this Agreement, the Resolution and the DTC Documents to ensure that all Book-Entry Commercial Paper Notes may be issued in book-entry-only form through DTC, including but not limited to obtaining all necessary CUSIP numbers. The Metropolitan Government hereby authorizes and directs the Issuing and Paying Agent to take, and the Issuing and Paying Agent agrees to take, such action as may be reasonably necessary to enter into and implement any operational arrangements with DTC (and to amend such arrangements from time to time) in order to effectuate this Agreement and to fulfill the Issuing and Paying Agent's obligations in accordance with this Agreement and any such arrangement.

(e) If the Metropolitan Government determines to discontinue the book-entry-only system of issuing Commercial Paper Notes, the Metropolitan Government shall notify DTC, the Issuing and Paying Agent, the Bank and each Dealer in writing to that effect, and upon such discontinuance the Issuing and Paying Agent shall make Certificated Commercial Paper Notes available in accordance with the Resolution and this Agreement. To effectuate the foregoing, the Metropolitan Government will from time to time furnish or cause to be furnished to the Issuing and Paying Agent an adequate supply of Certificated Commercial Paper Notes substantially in the form prescribed by the Resolution, as the same may be amended in connection therewith, such Certificated Commercial Paper Notes to be serially numbered, but not authenticated, and with the principal amount, rate of interest, date of issue and maturity date left blank, it being understood that, for purposes of administrative efficiency, the Metropolitan Government may request that the Issuing and Paying Agent arrange, on behalf of the Metropolitan Government, for the preparation and printing of such Commercial Paper Note instruments, the costs of which shall be payable by the Metropolitan Government in accordance with the provisions of Section 24. Each such instrument shall be executed on behalf of the Metropolitan Government by an Authorized Representative (as such term is defined below) of the Metropolitan Government duly authorized to take such action from time to time pursuant to the Resolution. When any Commercial Paper Note instruments are delivered to the Issuing and Paying Agent, the Issuing and Paying Agent shall

sign and return a receipt therefor to the Metropolitan Government. In the event any such Authorized Representative of the Metropolitan Government executes a Commercial Paper Notes instrument by facsimile signature, the Issuing and Paying Agent is authorized to honor such signature, regardless of by whom or by what means the purported facsimile signature thereon may have been affixed thereto if such facsimile signature resembles the facsimile specimen from time to time filed with the Issuing and Paying Agent and certified by any Authorized Representative of the Metropolitan Government.

In the event Certificated Commercial Paper Notes are issued as aforesaid, the provisions of the Resolution shall apply to, among other things, the transfer, exchange and method of payment of principal of and interest on such Certificated Commercial Paper Notes. Pending the issuance of Certificated Commercial Paper Notes as provided for herein, all Certificated Commercial Paper Notes delivered to the Issuing and Paying Agent shall be held by the Issuing and Paying Agent for the account of the Metropolitan Government, for safekeeping in accordance with the customary practice of the Issuing and Paying Agent.

5. Authorized Representatives; Authorized Board Representatives.

(a) With the delivery of this Agreement, the Metropolitan Government is furnishing to the Issuing and Paying Agent, and from time to time thereafter may furnish to the Issuing and Paying Agent, and shall furnish to the Issuing and Paying Agent upon the Issuing and Paying Agent's request, certificates ("Incumbency Certificates") of a duly authorized officer of the Metropolitan Government certifying the incumbency and specimen signatures of officers or agents of the Metropolitan Government, and, if applicable, of any Authorized Board Representative (as defined herein) with respect to those matters designated by the Metropolitan Government, authorized to execute Commercial Paper Notes on behalf of the Metropolitan Government by manual or facsimile signature and/or to take other action hereunder on behalf of the Metropolitan Government (each an "Authorized Representative"); such Incumbency Certificate shall also specify the names of employees of Dealers who are authorized to give notices and/or issuance instructions to the Issuing and Paying Agent as provided herein (a "Dealer Representative"). Until the Issuing and Paying Agent receives a subsequent Incumbency Certificate of the Metropolitan Government, the Issuing and Paying Agent is entitled to rely on the last such Incumbency Certificate delivered to the Issuing and Paying Agent for purposes of determining the Authorized Representatives and Dealer Representatives. The Issuing and Paying Agent shall not have any responsibility to the Metropolitan Government to determine by whom or by what means a facsimile signature may have been affixed on the Commercial Paper Notes, or to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with the Issuing and Paying Agent by an Authorized Representative of the Metropolitan Government. Any Commercial Paper Notes bearing the manual or facsimile signature of a person who is an Authorized Representative on the date such signature is affixed shall be binding on the Metropolitan Government after the authentication thereof by the Issuing and Paying Agent notwithstanding that such person shall have died or shall have otherwise ceased to hold such person's office on the date such Commercial Paper Notes are countersigned or delivered to the Issuing and Paying Agent. The Metropolitan Government represents and warrants that each Authorized Representative of the Metropolitan Government may appoint Dealers to give notices and/or issuances to the Issuing and Paying Agent under this Agreement; provided, that, notice of such appointment must be given to the Issuing and Paying Agent in writing. The appointment of

an Authorized Representative or Dealer Representative shall remain in effect unless and until revoked by the Metropolitan Government in a written notice to the Issuing and Paying Agent.

(b) With the delivery of this Agreement, the Board is furnishing to the Issuing and Paying Agent, and from time to time thereafter may furnish to the Issuing and Paying Agent, and shall furnish to the Issuing and Paying Agent upon the Issuing and Paying Agent's request, certificates ("Board Incumbency Certificates") of a duly authorized officer of the Board certifying the incumbency and specimen signatures of officers or agents of the Board authorized to take action hereunder on behalf of the Board (each an "Authorized Board Representative"). Until the Issuing and Paying Agent receives a subsequent Board Incumbency Certificate, the Issuing and Paying Agent is entitled to rely on the last such Board Incumbency Certificate delivered to the Issuing and Paying Agent for purposes of determining the Authorized Board Representatives. The appointment of an Authorized Board Representative shall remain in effect unless and until revoked by the Board in a written notice to the Issuing and Paying Agent. The Metropolitan Government, at its election and with respect to such specific matters as it may designate in writing, may authorize and direct the Issuing and Paying Agent to act at the written direction of the Board in accordance with and as required by such direction and the terms of this Agreement.

(c) The Issuing and Paying Agent shall advise the Metropolitan Government and the Board, from time to time upon written request, of the names of the designated officers and employees of the Issuing and Paying Agent who are authorized to act on its behalf in carrying out its duties hereunder and under the Resolution.

6. Completion, Authentication and Delivery of Commercial Paper Notes.

(a) All instructions under this Agreement are to be directed to the Issuing and Paying Agent's Commercial Paper operations department as Requests pursuant Section 3.01(c) of the Resolution and shall be accompanied by the determinations of an Authorized Board Representative required by Section 2.01(b) of the Resolution. Electronic instructions must be transmitted in accordance with the procedures furnished by the Issuing and Paying Agent to the Metropolitan Government, the Board and the Dealers. In the event that electric transmission is inoperable at any time, an Authorized Representative, an Authorized Board Representative or a Dealer Representative may deliver written, telephone or facsimile instructions to the Issuing and Paying Agent, which instructions shall be verified in accordance with any security procedures agreed upon by the parties. The Issuing and Paying Agent shall incur no liability to the Metropolitan Government or the Board in acting upon instructions believed by the Issuing and Paying Agent in good faith to have been given by an Authorized Representative, an Authorized Board Representative or a Dealer Representative, as applicable.

(b) In the case of a Book-Entry Commercial Paper Notes, the Request by an Authorized Representative to the Issuing and Paying Agent for the issuance of Book-Entry Commercial Paper Notes shall include the following information with respect to each Book-Entry Commercial Paper Note:

(i) the date of issuance of each such Book-Entry Commercial Paper Note (which shall be a Business Day);

(ii) the maturity date of each such Book-Entry Commercial Paper Note (provided that the Authorized Representative shall ensure that such date is a Business Day and that it shall not be more than 270 days from the date of issue);

(iii) the face amount (provided that the Authorized Representative shall ensure that such face amount is $100,000 or integral multiples of $1,000 in excess thereof) in figures; and

(iv) the interest rate and applicable discount or interest amount.

(c) Upon receipt of a Request pursuant to the Resolution containing issuance instructions with respect to Book-Entry Commercial Paper Notes that is delivered to the Issuing and Paying Agent prior to 1:00 p.m., New York City time, on a Business Day, the Issuing and Paying Agent shall transmit such instructions to DTC and direct DTC to cause appropriate entries of the Book-Entry Commercial Paper Notes to be made in accordance with DTC's applicable rules, regulations and procedures for book-entry Commercial Paper Programs and to take all other actions as are required by the Letter of Representations and DTC's applicable rules, regulations and procedures for book-entry commercial paper program. The Issuing and Paying Agent shall assign CUSIP numbers to the Book-Entry Commercial Paper Notes to identify the Metropolitan Government's aggregate principal amount of outstanding Book-Entry Commercial Paper Notes in DTC's system, together with the aggregate unpaid interest (if any) on such Book-Entry Commercial Paper Notes. Promptly following DTC's established settlement time on each issuance date, the Issuing and Paying Agent shall access DTC's system to verify whether settlement has occurred with respect to the Metropolitan Government's Book-Entry Commercial Paper Notes. The Issuing and Paying Agent shall have no liability to the Metropolitan Government or the Board whatsoever if any DTC participant purchasing Book-Entry Commercial Paper Notes fails to settle or delays in settling its balance with DTC or if DTC fails to perform in any respect.

(d) Upon receipt of a Request pursuant to the Resolution containing issuance instructions with respect to Commercial Paper Notes other than Book-Entry Commercial Paper Notes, the Issuing and Paying Agent shall: (i) complete each such Commercial Paper Notes instrument in accordance with such instructions and the Resolution, (ii) countersign, and (iii) deliver each such Commercial Paper Notes instrument in accordance with such instructions. Whenever the Issuing and Paying Agent is instructed to deliver any such Commercial Paper Notes instrument by mail or other method of delivery, the Issuing and Paying Agent shall effect delivery by mail or other method of delivery to such person as is specified in such instructions to receive such Commercial Paper Notes instrument. The Metropolitan Government hereby directs the Issuing and Paying Agent to effect each delivery of a Commercial Paper Note before receipt of payment in immediately available funds, and the Metropolitan Government understands that, in accordance with the custom prevailing in the commercial paper notes market, delivery of such Commercial Paper Notes shall be made before the actual receipt of payment for the same in immediately available funds, even if the Issuing and Paying Agent is instructed to deliver such Commercial Paper Notes against payment. Therefore, once the Issuing and Paying Agent has delivered such Commercial Paper Notes to the designated recipient, the Metropolitan Government shall bear the risk that such recipient may fail to remit payment of such Commercial Paper Notes or return such Commercial Paper Notes to the Issuing and Paying Agent. The Issuing and Paying shall have no liability to the Metropolitan Government or the Board for any failure or inability on

the part of the Dealer to make payment for Commercial Paper Notes, and the Issuing and Paying Agent is not obligated to credit any account of the Metropolitan Government or the Board if payment for such Commercial Paper Notes is not received. Delivery of Commercial Paper Notes shall be subject to the rules of the New York Clearing House in effect at the time of such delivery. If the Issuing and Paying Agent chooses, in its sole discretion, to credit the Metropolitan Government's account before the Issuing and Paying Agent has collected funds for delivery of Commercial Paper Notes, it is understood that such credit shall be an advance to the Metropolitan Government to be promptly repaid to the Issuing and Paying Agent from the proceeds of sale of Commercial Paper Notes or, in the absence of such proceeds, directly from the Metropolitan Government by 5:00 p.m., New York City time, on the day it is made. If any such advance is not repaid on the day it is used, the Metropolitan Government shall repay such advance on the next Business Day together with interest thereon at the rate charged by the Issuing and Paying Agent for such advance (which rate shall be no less than the "Prime Rate"). As used in this Agreement, "Prime Rate" means the rate of per annum interest which U.S. Bank National Association ("USBNA") announces publicly or otherwise makes available to the public from time to time as its "prime rate" (currently calculated on the basis of the actual number of days elapsed over a year of 365/366 days) with any change in the "prime rate" to be effective on and as of the date of any change in said "prime rate". The Prime Rate and the calculation thereof may be established by USBNA in its sole discretion and is not necessarily the lowest rate of interest offered by USBNA to its most creditworthy customers. The Prime Rate is a variable or fluctuating rate which increases or decreases from time to time. Nothing in this Agreement shall require the Issuing and Paying Agent to purchase any Commercial Paper Note or expend its own funds for the purchase price of a Commercial Paper Note or Commercial Paper Notes. To the maximum extent permitted by applicable law (as to which no representation is made by the Metropolitan Government or the Board), the Issuing and Paying Agent shall have the right of set-off upon any of the moneys of the Metropolitan Government in the Commercial Paper Fund (but expressly excluding any moneys therein resulting from any advance made or drawing honored by the Bank) for the payment of advances made in accordance with the terms of this Agreement.

(e) It is understood that DTC may request the delivery of Certificated Commercial Paper Notes in exchange for Book-Entry Commercial Paper Notes upon the termination of DTC's services pursuant to the DTC Letter of Representations. Accordingly, upon such termination, the Issuing and Paying Agent is authorized to complete and deliver Certificated Commercial Paper Notes in partial or complete substitution for Book-Entry Commercial Paper Notes of the same face amount and maturity as requested by DTC.

(f) The Metropolitan Government and the Board agree that the Issuing and Paying Agent is not under any obligation to assess or review the financial condition or creditworthiness of any person to or for whose account the Issuing and Paying Agent delivers a Commercial Paper Note pursuant to instructions from an Authorized Representative or to advise the Metropolitan Government or the Board as to the results of any such appraisal or investigation the Issuing and Paying Agent may have conducted on its own or of any adverse information concerning any such person that may in any way have come to the attention of the Issuing and Paying Agent.

(g) In the case of Certificated Commercial Paper Notes, during the term of this Agreement and subject to the terms and conditions hereof, upon the Issuing and Paying Agent's timely receipt from an Authorized Representative of a Request delivered to the Issuing and Paying

Agent prior to 1:00 p.m., New York City time, on a Business Day, on the date of issuance of any Certificated Commercial Paper Notes, the Issuing and Paying Agent shall withdraw the respective Certificated Commercial Paper Notes from safekeeping and take the following actions in accordance with such instructions:

(i) complete each such Certificated Commercial Paper Note as to the face amount, net dollar amount, payee, the date of issue and maturity date, (provided that the Authorized Representative shall ensure that such maturity date is a Business Day and that it shall not be more than 270 days from the date of issue and that such face amount is $100,000 or integral multiples of $1,000 in excess thereof in figures);

(ii) authenticate (by countersigning) each such Certificated Commercial Paper Note in the appropriate space provided thereon; and

(iii) deliver each such Certificated Commercial Paper Note to the Dealer, or the consignee, if any, designated by such Authorized Representative for the account of the Dealer.

(h) Based upon the information provided in the Request, the Issuing and Paying Agent shall verify that the following limitations set forth in the Resolution have been met:

(i) The principal amount of Commercial Paper Notes Outstanding hereunder at any time shall not exceed $100,000,000. The principal amount of Commercial Paper Notes Outstanding hereunder at any time, together with interest thereon at the Maximum Rate for 270 days, shall not exceed the Stated Amount of the Facility.

(ii) Each Commercial Paper Note shall mature on a Business Day not later than 270 days from its date of issuance and shall not bear interest at a rate in excess of the Maximum Rate.

(iii) Commercial Paper Notes shall not mature later than the times permitted by the Act for the retirement of bond anticipation notes, as may be approved by the State Director of the Division of Local Government Finance pursuant to the Act.

(iv) Commercial Paper Notes shall be sold at not less than 100% of the principal amount thereof; provided, however, that Taxable Commercial Paper Notes may be sold at a price not less than 99% of the principal amount thereof.

(v) Original Commercial Paper Notes and Rollover Commercial Paper Notes shall not be issued subsequent to the existing Termination Date with respect to the Facility unless the Metropolitan Government delivers or causes to be delivered an extension of such existing Facility or a substitute Facility to the Issuing and Paying Agent on or prior to such Termination Date.

(vi) Original Commercial Paper Notes shall not be issued unless and until the Metropolitan Government delivers or causes to be delivered to the Dealers and the Issuing and

Paying Agent an opinion of Bond Counsel regarding such Original Commercial Paper Notes in the form attached to the Offering Memorandum.

(vii) Commercial Paper Notes shall mature not later than the Business Day preceding the Termination Date of the Facility then in effect.

(viii) Commercial Paper Notes shall not be issued by the Issuing and Paying Agent if the Issuing and Paying Agent has received a Stop Order (as defined in the Facility) or Final Drawing Notice or similar cease issuance notice from the Bank providing that, pursuant to the terms of such Facility, it is to cease issuing Commercial Paper Notes from and after the date of such notice until such time as said order or notice has been rescinded (if applicable). Prior to issuing such additional Commercial Paper Notes after receipt of such order or notice, the Issuing and Paying Agent must receive notice from the Bank providing such Facility that such order or notice has been rescinded (if applicable). Any Stop Order or Final Drawing Notice (effective at the time and in the manner provided in the Facility) shall be full and complete authorization to the Issuing and Paying Agent to take action or omit to take action hereunder.

(ix) All conditions to the issuance of Commercial Paper Notes pursuant to the Facility shall be met.

Notwithstanding anything which may be to the contrary in this Agreement, no Commercial Paper Notes shall be issued, authenticated or delivered if, as independently determined by the Issuing and Paying Agent, upon the issuance of such Commercial Paper Notes any of the conditions or limitations contained in this subsection (i) shall not be complied with. The Issuing and Paying Agent shall notify the Metropolitan Government and the Board immediately of any action taken or not taken or cessation of action taken pursuant to this subsection (i).

Notwithstanding any other provision of this Agreement, the Issuing and Paying Agent shall not request a loan or advance or drawing, as applicable, with respect to the principal or interest amount of any maturing Commercial Paper Notes which is, to the knowledge of the Issuing and Paying Agent, registered in the name of the Issuing and Paying Agent for the Metropolitan Government or the Board, issued in the name of the Metropolitan Government or the Board or held for the account of the Metropolitan Government or the Board. The Metropolitan Government and the Board, as applicable, shall promptly notify the Issuing and Paying Agent in writing of any Commercial Paper Notes so held.

The Issuing and Paying Agent shall issue Commercial Paper Notes to the Metropolitan Government upon the terms and conditions set forth in the last paragraph of Section 3.01 of the Resolution.

(i) The Metropolitan Government, the Board and the Dealers, each having access to the SPANS Online system, as hereinafter defined, shall each have available to them all reports concerning Commercial Paper Notes and may arrange to obtain notices of the Commercial Paper Notes issued by making prior arrangements with the Issuing and Paying Agent's Commercial Paper Notes Department. Upon written request of the Metropolitan Government, the Board or the Bank, the Issuing and Paying Agent shall promptly provide the Metropolitan Government, the Board or the Bank, as applicable, with information with respect to any Commercial Paper Notes issued or

paid hereunder. The Issuing and Paying Agent and each Dealer also will furnish the Metropolitan Government, the Board and the Bank with such additional information relating to its respective activities hereunder as the Metropolitan Government, the Board or the Bank, as applicable, may from time to time reasonably request in writing. The Issuing and Paying Agent shall also provide the Bank with daily reporting on Commercial Paper Notes issued and paid hereunder, in the form and manner agreed with the Bank.

(j) If the Issuing and Paying Agent shall receive written instructions from the Metropolitan Government not to issue or deliver Commercial Paper Notes, until such instructions are revoked in writing or superseded by further written instructions from the Metropolitan Government, the Issuing and Paying Agent shall not issue or deliver Commercial Paper Notes, provided, however, that notwithstanding contrary instructions from the Metropolitan Government, the Issuing and Paying Agent shall deliver Commercial Paper Notes with respect to agreements for the sale of Commercial Paper Notes concluded by an Authorized Representative prior to receipt by the Authorized Representative of the Metropolitan Government's instructions not to issue or deliver such Commercial Paper Notes, which the Authorized Representative shall be required to confirm to the Issuing and Paying Agent in writing prior to the Issuing and Paying Agent's delivery of the Commercial Paper Notes. For purposes of the preceding provision, the Issuing and Paying Agent may conclusively rely on written notice given or delivered to the Issuing and Paying Agent by an Authorized Representative as to whether any particular Commercial Paper Notes are to be issued in respect of such agreements concluded by such Authorized Representative, and the Issuing and Paying Agent shall have no obligation to make any other or further investigation.

7. Proceeds of Sale of the Commercial Paper Notes; Other Funds.

(a) Simultaneously herewith, the Metropolitan Government is establishing with the Issuing and Paying Agent a special purpose fund, which shall meet the requirements of Section 9 hereof, for the benefit of the Holders of the Commercial Paper Notes and the Bank to be designated as "The Metropolitan Government Electric System Revenue Commercial Paper Fund, Series 2026A and Series 2026B" (the "Commercial Paper Fund"). The Issuing and Paying Agent shall maintain the Commercial Paper Fund and the deposits thereto in the manner described in Section 2.06 of the Resolution and herein. Notwithstanding anything in the Resolution or this Agreement to contrary, the Issuing and Paying Agent shall maintain separate and segregated sub-accounts within the Commercial Paper Fund for each Series of Commercial Paper Notes and, within each Series, for the proceeds of a draw on a Facility and any other funds deposited to the Commercial Paper Fund. Funds in the Commercial Paper Fund will be held by the Issuing and Paying Agent uninvested, except as provided in Section 9(b) hereof.

(b) No later than each day upon which any principal of and interest on Outstanding Commercial Paper Notes is due and payable, the Issuing and Paying Agent shall timely prepare and present to the Bank all certificates, notices and other documents required by the terms of this Agreement and the Facility (including, in each drawing certificate, an allocation of the principal and interest demanded between each Series) to effect advances or drawings under the Facility, as applicable, in order to pay the principal of and interest on maturing Commercial Paper on such maturity day, without regard to other amounts on deposit in the Commercial Paper Fund or the issuance of new Commercial Paper Notes on such day.

(c) On each day upon which any principal of and interest on Outstanding Commercial Paper Notes is due and payable, the Issuing and Paying Agent shall (i) timely deposit the proceeds from the issuance of any new Commercial Paper Notes in the Commercial Paper Fund, which such proceeds shall be applied to the reimbursement of the advance made or drawing honored by the Bank corresponding to principal on the maturing Commercial Paper Notes in accordance with the terms of the Facility, as applicable; (ii) timely submit to the Metropolitan Government with a copy to the Board of a demand for payment by the Metropolitan Government in an amount equal to the interest on all Outstanding Commercial Paper Notes due and payable on such day, which such payment shall be applied, as applicable, to the reimbursement of the advance made or drawing honored by the Bank corresponding to interest on the maturing Commercial Paper Notes in accordance with the terms of the Facility, or, in the event the Bank fails to make the advance or honor the drawing required by Section 7(b) above, to the payment of interest on the maturing Commercial Paper Notes; and (iii) in the event the Bank fails to make the advance or honor the drawing, as applicable, required by Section 7(b) above and the proceeds from the issuance of any new Commercial Paper Notes, together with any funds provided by the Metropolitan Government or the Board, are insufficient to provide for the payment of the principal amount of maturing Commercial Paper, timely notify the Metropolitan Government and the Board of such shortfall and demand payment by the Metropolitan Government in an amount equal to such principal amount, the proceeds of which shall be applied to the payment of the principal of maturing Commercial Paper.

(d) Any proceeds from the issuance of any new Commercial Paper Notes in the Commercial Paper Fund which are not disbursed in accordance with subsection (c) above shall be transferred to or on behalf of the Board as directed in writing by an Authorized Board Representative to provide financing for those purposes identified in the applicable Initial Resolution, as provided in Section 2.06(b)(i)(C) of the Resolution.

(e) If on any day upon which any principal of and interest on Outstanding Commercial Paper Notes is due and payable funds for such payment, in whole or in part, will come from the proceeds of bonds, notes or other debt obligations issued by the Metropolitan Government pursuant to Section 6.01(b) of the Resolution, the Issuing and Paying Agent shall (i) timely deposit the proceeds from the issuance of any such bonds, notes or other debt obligations in the Commercial Paper Fund, and (ii) apply such proceeds as directed in writing by an Authorized Representative to the payment of the principal of the Bank Note and/or the principal of and (if applicable) interest on Outstanding Commercial Paper Notes (such written direction of an Authorized Representative to indicate whether such proceeds include interest on Outstanding Commercial Paper Notes); provided that the Bank Note shall be paid prior to the payment of the Outstanding Commercial Paper Notes, and payments of Outstanding Commercial Paper Notes shall be allocated first to interest (if applicable) and then to principal.

(f) The Issuing and Paying Agent shall not be obligated to use its own funds to pay the principal of, or interest on, Commercial Paper Notes.

8. Money for Commercial Paper Notes Payments to be Held in for Benefit of Holders; No Set-Off.

(a) The Issuing and Paying Agent hereby agrees with the Metropolitan Government and the Board that the Issuing and Paying Agent will hold all sums held by it in the Commercial Paper Fund for the benefit of the Holders of Commercial Paper Notes and the Bank until such sums have been paid to such Holders or the Bank or otherwise disposed of as provided herein or in the Resolution.

(b) Except as set forth herein, the Issuing and Paying Agent hereby waives all rights of set-off or banker's lien which it may have under applicable law against the sums on deposit in the Commercial Paper Fund or otherwise obtained pursuant to this Agreement as a result of any indebtedness due to the Issuing and Paying Agent by any of the parties hereto in any capacity and for whatever reason.

9. Commercial Paper Fund a Special Deposit; Investments.

(a) The Commercial Paper Fund shall be and constitute a special purpose fund. Such fund, and all moneys and securities on deposit therein, shall be held by the Issuing and Paying Agent in a special purpose trust account, and shall be held separate and apart from, and shall not be commingled with, the assets of the Issuing and Paying Agent or any other person. It is the intent of the Metropolitan Government, the Board and of the Issuing and Paying Agent that the Commercial Paper Fund, and all moneys and securities on deposit therein, shall constitute a special deposit and not a general deposit of the Issuing and Paying Agent.

(b) Amounts on deposit in the Commercial Paper Fund, except proceeds of sale of Commercial Paper Notes or advances made or drawings honored under the Facility, as applicable, to be applied to the payment of the principal of and, if applicable, interest on other Commercial Paper Notes, may be invested prior to their application for authorized purposes, but only at the direction of an Authorized Representative and only in Investment Securities held in the name of the Metropolitan Government or in the name of the Issuing and Paying Agent on behalf of the Metropolitan Government (in either case, either as registered or beneficial owner), and otherwise shall not earn interest; provided, further, that, the maturity dates of such Investment Securities shall be such that moneys are available to pay the principal and interest on maturing Commercial Paper Notes when due and owing. The Issuing and Paying Agent shall not be liable for any loss resulting from any investments made pursuant to the terms of this Agreement and shall have no duty to invest or reinvest any amounts on deposit in the Commercial Paper Fund in the absence of written direction from an Authorized Representative. Absent written direction from the Metropolitan Government, amounts shall remain un-invested. The Issuing and Paying Agent shall have no responsibility for determining the purpose of or the intended use of any of the proceeds of any withdrawal from the Commercial Paper Fund.

10. Payment of Commercial Paper Notes.

(a) Payment of the principal of and interest on Book-Entry Commercial Paper Notes evidenced by a Master Note may be made by the Issuing and Paying Agent by wire transfer to DTC pursuant to and in accordance with the DTC Documents and the Master Note without the

necessity of presentation and surrender of the Master Note. The Issuing and Paying Agent shall pay any other matured Commercial Paper Notes upon presentation to the Issuing and Paying Agent for payment by the Holder thereof at the first corporate trust office of the Issuing and Paying Agent specified in Section 14(b), or at such other address as the Issuing and Paying Agent may designate in writing from time to time by notice to the Metropolitan Government, the Board and the Dealers.

(b) No later than each maturity date for the Commercial Paper Notes, the Issuing and Paying Agent agrees to timely draw on the Letter of Credit, in strict accordance with its terms, for the payment of the principal of, and interest on, the Commercial Paper Notes maturing on such date. All draw requests must be properly presented and strictly conform with terms of the Letter of Credit and received by the Bank no later than 11:30 a.m. (New York City time) on a Business Day in order for the Letter of Credit to be drawn upon on the same Business Day. The foregoing notwithstanding, the Issuing and Paying Agent agrees to make demands for payment under the Letter of Credit, in strict conformity with the terms of the Letter of Credit, for payment of the principal and interest on all Commercial Paper Notes then outstanding by no later than the Business Day prior to any Termination Date resulting from a Final Drawing Notice (as defined in the Facility) issued by the Bank.

(c) By 2:00 p.m. New York time on the date that any Commercial Paper Notes are scheduled to mature, the Metropolitan Government shall ensure that there shall have been transferred to the Issuing and Paying Agent for deposit in the Commercial Paper Fund immediately available funds at least equal to the amount of Commercial Paper Notes maturing on such date. When any matured Commercial Paper Note is presented to the Issuing and Paying Agent for payment by the Holder thereof (which may, in the case of Book-Entry Commercial Paper Notes, be DTC or a nominee of DTC), payment shall be made from and charged to the Commercial Paper Fund to the extent funds are available in said account.

(d) Each Commercial Paper Note presented to the Issuing and Paying Agent for payment at or prior to 2:15 pm New York time on any Business Day at or after the maturity date of such Commercial Paper Note shall be paid by the Issuing and Paying Agent on the same day as such presentation (or if presented after 2:15 pm New York time on any such Business Day, then on the next succeeding Business Day) to the extent funds are available in the Commercial Paper Fund.

(e) The Issuing and Paying Agent may, but shall have no obligation to, make a payment pursuant to this Section 10 hereof prior to receipt from the Metropolitan Government of sufficient immediately available funds. In such case, the Metropolitan Government agrees to promptly repay such advance provided that, if such advance is not repaid by 5:00 p.m. New York time on the day it is made, the Metropolitan Government shall repay such advance on the next Business Day together with interest thereon at the Prime Rate as provided for herein. No prior action or course of dealing on the part of the Issuing and Paying Agent with respect to advances of the purchase price or payments of matured Commercial Paper Notes shall give rise to any claim or cause of action by the Metropolitan Government or the Board against the Issuing and Paying Agent in the event that the Issuing and Paying Agent refuses to pay or settle any Commercial Paper Notes for which the Metropolitan Government has not timely provided funds as required by this Agreement. To the maximum extent permitted by applicable law (as to which no representation is made by the Metropolitan Government or the Board), the Issuing and Paying Agent shall have the right of set-

off upon any of the moneys of the Metropolitan Government in the Commercial Paper Fund (but expressly excluding any moneys therein resulting from any advance made or drawing honored by the Bank) for the payment of advances made in accordance with the terms of this Agreement.

(f) Commercial Paper Notes will be deemed paid as provided in Article VIII of the Resolution. The Issuing and Paying Agent shall perform it obligations under Article VIII in connection with each such defeasance of the Commercial Paper Notes, including the timely payment to the Board of any excess or unclaimed moneys or securities pursuant to Section 8.03 of the Resolution.

(g) In connection with any defeasance of all or fewer than all Outstanding Commercial Paper Notes, upon the written direction of an Authorized Representative identifying the Commercial Paper Notes to be defeased (by Series, CUSIP, principal amount and maturity date) and the delivery of the certification described above, the Issuing and Paying Agent shall (i) notwithstanding the provisions of this Agreement regarding the investment of the Commercial Paper Fund, hold the moneys and Government Obligations deposited for such purpose in a separate escrow account, apart from all other funds in the Commercial Paper Fund and from the proceeds of any draw on the Facility, and apply them solely to the payment of the principal of and interest on the defeased Commercial Paper Notes as they mature, (ii) exclude the defeased Commercial Paper Notes from the Outstanding Commercial Paper Notes for purposes of the limitations on issuance hereunder and from any drawing certificate delivered to the Bank, and (iii) pay any excess moneys or securities in such escrow account to the Board in accordance with Section 8.03 of the Resolution. The Facility and this Agreement shall continue in full force and effect, a defeasance of all Outstanding Commercial Paper Notes shall not constitute advice by the Metropolitan Government that no additional Commercial Paper Notes are to be issued, and Commercial Paper Notes may thereafter be issued in accordance with this Agreement and the Resolution.

11. Representations and Warranties of the Metropolitan Government and the Board.

(a) The Metropolitan Government hereby warrants and represents to the Issuing and Paying Agent, and each Request to issue Commercial Paper Notes shall constitute the Metropolitan Government's continuing warranty and representation, as follows:

(i) This Agreement is, and all Commercial Paper Notes delivered to the Issuing and Paying Agent pursuant to this Agreement will be, duly authorized, executed and delivered by the Metropolitan Government. The Issuing and Paying Agent's appointment to act for the Metropolitan Government hereunder is duly authorized by the Metropolitan Government.

(ii) The issuance and delivery of the Commercial Paper Notes will not violate any state or federal law, and the Commercial Paper Notes do not require registration under the Securities Act of 1933, as amended.

(iii) This Agreement constitutes, and the Commercial Paper Notes, when completed, countersigned, and delivered pursuant hereto, will constitute, the Metropolitan Government's legal, valid and binding obligations enforceable against the Metropolitan Government in accordance with their respective terms, except as such enforceability may be

limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(iv) The Metropolitan Government is duly incorporated pursuant to Section 7-1-101, et seq., Tennessee Code Annotated.

(v) The Metropolitan Government has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform this Agreement and to issue the Commercial Paper Notes.

(vi) The Metropolitan Government has taken all actions which are required for the authorization of the issuance of the Commercial Paper Notes, and for the authorization, execution, delivery and performance of this Agreement, and such actions do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the Metropolitan Government.

(vii) The issuance of Commercial Paper Notes by the Metropolitan Government (i) does not and will not contravene any provision of any governmental law, regulation or rule applicable to the Metropolitan Government, and (ii) does not and will not conflict with, breach or contravene the provisions of any contract or other instrument binding upon the Metropolitan Government.

(viii) The Metropolitan Government executes and delivers this Agreement, and any related agreements, for the benefit of the Board, and pursuant to the Resolution and applicable law, the Commercial Paper Notes and the Bank Notes are special obligations of the Metropolitan Government payable solely from, and secured only as provided for in, the Resolution and not from any other funds, assets, or resources of the Metropolitan Government. Neither the full faith and credit nor the taxing power of the Metropolitan Government is pledged to the repayment of any amounts due hereunder. The execution and delivery of this Agreement shall not be construed to create, impose, or constitute any financial liability or obligation on the Metropolitan Government beyond those expressly provided for in this Agreement or any related agreement or by applicable law, unless otherwise agreed to in a duly authorized written agreement of the Metropolitan Government.

(ix) Each Request given to the Issuing and Paying Agent in accordance with this Agreement shall constitute a representation and warranty by the Metropolitan Government that (i) the issuance and delivery of such Commercial Paper Notes has been duly and validly authorized by the Metropolitan Government, (ii) the Facility is in full force and effect, (iii) the Issuing and Paying Agent's appointment to act for the Metropolitan Government hereunder has been duly authorized by all necessary corporate action, (iv) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate amount payable upon maturity of the related Commercial Paper Notes will not exceed the maximum available amount of the Facility, (v) no default or event of default has occurred or is continuing thereunder and each representation and warranty of the Metropolitan Government thereunder is true and correct in all material respects on and as of such date, and (vi) no Stop Order or Final Drawing Notice has been received from the Bank.

(b) The Board hereby warrants and represents to the Issuing and Paying Agent, and each Request to issue Commercial Paper Notes shall constitute the Board's continuing warranty and representation, as follows:

(i) This Agreement is duly authorized, executed and delivered by the Board.

(ii) This Agreement constitutes the Board's legal, valid and binding obligation enforceable against the Board in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(iii) The Board is duly created pursuant to the provisions of the Charter of the Metropolitan Government.

(iv) The Board has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform this Agreement.

(v) The Board has taken all actions which are required for the authorization, execution, delivery and performance of this Agreement, and such actions do not require any further approval or consent.

12. Reliance on Instructions. Except as otherwise set forth herein, the Issuing and Paying Agent shall incur no liability to the Metropolitan Government or the Board in acting hereunder upon telephonic or other instructions contemplated hereby which the Issuing and Paying Agent believed in good faith to have been given by an Authorized Representative, an Authorized Board Representative or a Dealer Representative, as the case may be. In the event a discrepancy exists with respect to such instructions, the telephonic instructions as understood by the Issuing and Paying Agent will be deemed the controlling and proper instructions, unless such instructions are required by this Agreement to be in writing. For the purposes of this Agreement, officers of the Bank shall be authorized to act and to give instructions and notices on behalf of the Bank hereunder, and the Issuing and Paying Agent shall be entitled conclusively to rely on any writing, paper or notice purporting to be signed, sent or given by any officer of the Bank, unless an officer of the Issuing and Paying Agent shall have received written notice from an officer of the Bank that a particular writing, paper or notice was not signed, sent or given by an authorized officer of the Bank. The Issuing and Paying Agent shall incur no liability to the Metropolitan Government or the Board in acting hereunder upon instructions contemplated hereby which the Issuing and Paying Agent believed in good faith to have been given by an Authorized Representative an Authorized Board Representative or a Dealer Representative, as the case may be. Instructions transmitted via SPANS Online (as defined below) shall be the equivalent to the giving of a duly authorized written instruction which the Issuing and Paying Agent may act upon without liability. In the event a discrepancy exists between any telephonic instructions and any other such instructions, the telephonic instructions as understood by the Issuing and Paying Agent will be deemed to control.

13. Cancellation of Commercial Paper Notes. Upon payment by the Issuing and Paying Agent of Certificated Commercial Paper Notes presented for payment, the Issuing and Paying Agent shall mark such Certificated Commercial Paper Notes as paid and (i) in due course cancel Certificated Commercial Paper Notes presented for payment and from time to time return such

canceled Certificated Commercial Paper Notes to the Metropolitan Government, or (ii) destroy such Certificated Commercial Paper Notes and deliver to the Metropolitan Government from time to time a destruction certificate identifying all Certificated Commercial Paper Notes destroyed since the issuance of the prior destruction certificate. After payment of any matured Book-Entry Commercial Paper Notes, the Issuing and Paying Agent shall annotate the Issuing and Paying Agent's records to reflect the face amount of Book-Entry Commercial Paper Notes outstanding in accordance with the Letter of Representations. Promptly upon the written request of the Metropolitan Government or the Board, the Issuing and Paying Agent agrees to cancel and return to the Metropolitan Government all unissued Certificated Commercial Paper Notes in the Issuing and Paying Agent's possession at the time of such request.

14. Notices; Addresses.

(a) All communications to the Issuing and Paying Agent by or on behalf of the Metropolitan Government, the Board or a Dealer, by writing or telephone, and which relates to the completion, delivery or payment of the Commercial Paper Notes, are to be delivered to the Issuing Paying Agent via SPANS Online or directed to Commercial Paper Operations at the address or telephone number indicated in subsection (b) below or at such other address or telephone number as the Issuing and Paying Agent specifies to the Metropolitan Government, the Board and the Dealers in writing.

(b) Notices and other communications hereunder shall (except to the extent otherwise expressly provided) be in writing (which may be via Email) and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified to the party sending such notice:

if to the Metropolitan Government,

The Metropolitan Government of Nashville and Davidson County
700 President Ronald Reagan Way, Suite 205
Nashville, Tennessee 37210
Attention: Treasurer
Telephone Number: (615) 862-6154
Email: seth.pilkington@nashville.gov

if to the Board,

Nashville Electric Service
1214 Church Street
Nashville, Tennessee 37246
Attention: Chief Financial Officer
Telephone Number: (615) 747-3072
Email: tbeach@NESpower.com

if to the Issuing and Paying Agent,
concerning the daily issuance of Commercial Paper Notes:

U.S. Bank Trust Company, National Association
111 Fillmore Ave E
St. Paul, Minnesota 55107
Attention: Money Market Operations
Telephone No.: (651) 466-5617
Email: mmi.processing@usbank.com

concerning all other matters:

U.S. Bank Trust Company, National Association
100 Wall Street, 20th Floor
New York, New York 10005
Attention: Corporate Trust Administration
Telephone No.:
Email:

if to the Bank,

TD Bank, N.A.
State, Municipal & Utilities Lending, National Accounts
1 Vanderbilt Avenue
14th Floor
New York, New York 10017
Attention: State, Municipal & Utilities Lending, National Accounts
Telephone: (561) 242-1954
Email: Charles.Plush@td.com

with a copy to,

TD Bank, N.A.
State, Municipal & Utilities Lending, National Accounts
1 Vanderbilt Avenue
14th Floor
New York, New York 10017
Attention: Gary Martz, Director
Telephone: (856) 404-3068
Email: gary.martz@td.com

(c) In any case where it is provided in this Agreement that a copy of any instruction, demand or other notice is to be delivered to a Dealer, such copy shall be delivered to such Dealer at the address set forth below by the same means as the original thereof shall have been given, provided that the failure of such copy to be given to any Dealer shall not invalidate or adversely affect the original thereof:

Dealers:

BofA Securities, Inc.
One Bryant Park, 3rd Floor
New York, New York 10036
Attention: Bank of America TEMMS
Telephone: (212) 449-5544
Email: dg.temm@bofa.com

J.P. Morgan Securities LLC
270 Park Avenue, 3rd Floor
New York, New York 10017
Attention: Public Finance Short-Term Trading Desk
Telephone: (212) 834-7224
Email: JP_Muni_CP@jpmorgan.com

Notices shall be deemed delivered when received at the address specified above. For purposes of this Section 14, "when received" shall mean actual receipt (i) of an electronic communication by email transmission or SPANS Online; or (ii) of an oral communication by any person answering the telephone at the office of the individual or department specified in or pursuant to this Agreement; or (iii) of a written communication hand-delivered, by national overnight courier service, or by first class, certified or registered mail, return receipt requested, at the office specified in or pursuant to this Agreement.0

Any notices required to be given to the Rating Agencies hereunder or under the Resolution (in each case only to the extent such Rating Agency is then providing a rating on the Commercial Paper Notes) shall be emailed to Moody's at:

Moody's Investors Service, Inc.
7 World Trade Center
Public Finance Dept.
250 Greenwich Street, 23rd Floor
New York, New York 10007
Attn: Municipal Supported Products Group
MSPGSurveillance@moodys.com

and to Fitch at:

Fitch Ratings, Inc.
33 Whitehall Street
New York, New York 10004
Attention: Municipal Structured Finance
msf.surveillance@fitchratings.com

(d) The Issuing and Paying Agent will, on behalf of the Metropolitan Government, give to the Holders all notices required to be given to the Holders, and in the manner required, by the Resolution, or will enable the Metropolitan Government or the Board to do so directly.

15. Liability.

(a) Neither the Issuing and Paying Agent nor the Issuing and Paying Agent's agents shall be liable for any act or omission hereunder, except in the case of gross negligence or willful misconduct as described in Section 16 herein. The Issuing and Paying Agent's duties and obligations shall be determined by the express provisions of this Agreement and the DTC Documents (including the documents referred to therein), and the Issuing and Paying Agent and the Issuing and Paying Agent's agents shall be responsible for the performance of only such duties and obligations as are specifically set forth herein and therein, and, to the extent permitted by applicable law, no implied duties or covenants shall be read into any such document against the Issuing and Paying Agent or the Issuing and Paying Agent's agents. The Issuing and Paying Agent has no fiduciary or discretionary duties of any kind. The Issuing and Paying Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. Neither the Issuing and Paying Agent nor the Issuing and Paying Agent's agents shall be required to ascertain whether any issuance or sale of Commercial Paper Notes (or any amendment or termination of this Agreement) has been duly authorized or is in compliance with any other agreement to which the Metropolitan Government or the Board is a party (whether or not the Issuing and Paying Agent or any such agent is a party to such other agreement).

(b) The Issuing and Paying Agent shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. The Issuing and Paying Agent may rely upon any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which the Issuing and Paying Agent shall reasonably believe to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall the Issuing and Paying Agent be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Issuing and Paying Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action. The Issuing and Paying Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, intrusions or attacks, power failures, earthquakes or other disasters.

(c) The Issuing and Paying Agent shall not be obligated to take any legal action or commence any proceeding in connection with this Agreement, the Commercial Paper Fund or any account in which any moneys or securities of the Commercial Paper Fund are held or to appear in, prosecute or defend any such legal action or proceeding or to take any other action that the Issuing and Paying Agent determines, in its sole judgment, may expose it to liability or expense. The Issuing and Paying Agent may consult legal counsel selected by it concerning this Agreement or of its duties hereunder and shall incur no liability in acting in accordance with the advice of such counsel. The Metropolitan Government shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. The Metropolitan Government and the Board agree to perform or procure the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as the Issuing and Paying Agent may reasonably request in connection with its duties hereunder.

(d) The Issuing and Paying Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Commercial Paper Fund, without determination by the Issuing and Paying Agent of such court's jurisdiction in the matter. If any portion of the moneys or securities held in the Commercial Paper Fund is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Issuing and Paying Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if the Issuing and Paying Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated. Promptly upon the Issuing and Paying Agent's receipt of, or knowledge of, any proceeding described in this paragraph, the Issuing and Paying Agent shall provide the Metropolitan Government and the Board with (i) written notice of any such proceeding so that they have reasonable time to participate in such proceeding, and (ii) a copy of any order, process, writ, judgment or decree described in this paragraph.

(e) If, at any time the Issuing and Paying Agent is unable to determine, to the Issuing and Paying's sole satisfaction, the proper disposition of all or any portion of the moneys or securities held in the Commercial Paper Fund or the Issuing and Paying Agent's proper actions with respect to its obligations hereunder, then the Issuing and Paying Agent may, in its sole discretion, take either or both of the following actions:

(i) suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such uncertainty shall be resolved to the sole satisfaction of the Issuing and Paying Agent; and/or

(ii) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to the Issuing and Paying Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all moneys and securities held in the Commercial Paper Fund.

16. Indemnity.

(a) If and to the extent permitted by applicable law, and without any representation with respect to permissibility under existing law, the Metropolitan Government agrees to indemnify and hold the Issuing and Paying Agent and any and all of the Issuing and Paying Agent's officers, agents, employees, affiliates, successors and assigns (collectively, "Indemnified Parties") harmless from and against any and all claims (whether or not valid), losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs and expenses of any nature (including, without limitation, reasonable attorneys' fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding

(including any inquiry or investigation) by any person or entity, including without limitation the Metropolitan Government, the Board or any Dealer or any purchaser of Commercial Paper Notes, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance in connection with this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to result from or be attributable to the gross negligence or willful misconduct of such Indemnified Party. The foregoing indemnity includes, but is not limited to, (a) any action taken or omitted to be taken by the Issuing and Paying Agent or any other Indemnified Party upon written, facsimile, telephonic or other electronically transmitted instructions (authorized herein) received by the Issuing and Paying Agent from, or believed by the Issuing and Paying Agent in good faith to have been given by, the proper person or persons, (b) the Issuing and Paying Agent's improperly executing or failing to execute any instruction because of unclear instructions, failure of communications media or any other circumstances beyond the Issuing and Paying Agent's control, and (c) the actions or inactions of DTC or its nominees.

(b) The provisions of this Section 16 shall survive (i) the Issuing and Paying Agent's resignation or removal hereunder and (ii) the termination of this Agreement. In no event shall the Issuing and Paying Agent be liable for special, indirect or consequential damages. The Issuing and Paying Agent agrees to promptly notify the Metropolitan Government and the Board of any claim, demand or action levied against the Issuing and Paying Agent arising out of this Agreement; provided, that, the Issuing and Paying Agent's failure to so notify the Metropolitan Government and the Board will not relieve the Metropolitan Government of its obligations under this Section 16.

(c) The foregoing indemnification shall not be a condition to the payment of Commercial Paper Notes when due, and such payment shall be made without regard to the Metropolitan Government's compliance under Section 16(a).

17. Termination.

(a) Subject to the terms and conditions of the Facility, this Agreement may be terminated at any time by the Metropolitan Government, with or without cause, but with the consent of the Board, by giving not less than 30 days advance written notice to the Issuing and Paying Agent (with a copy to each Dealer and the Bank), or by the Issuing and Paying Agent by giving 30 days advance written notice to the Metropolitan Government (with a copy to the Board, each Dealer and the Bank), provided that so long as the Metropolitan Government continues to pay the fees and expenses of the Issuing and Paying Agent as set forth herein, the Issuing and Paying Agent agrees to continue acting as issuing and paying agent hereunder until such time as the Issuing and Paying Agent's successor has been selected and has entered into an agreement with the Metropolitan Government and the Board to that effect. Such termination shall not affect the respective liabilities of the parties hereunder arising prior to such termination.

(b) If no successor has been appointed within 30 days of such notice, then the Issuing and Paying Agent shall have the right to petition a court of competent jurisdiction for the appointment of a successor issuing and paying agent hereunder. If and to the extent permitted by applicable law, and without any representation with respect to permissibility under existing law, the Issuing and Paying Agent shall be reimbursed by the Metropolitan Government for any and all reasonable expenses in connection with any such petition and appointment.

(c) On the effective date of such termination, the Issuing and Paying Agent shall deliver to the successor issuing and paying agent, if any, at the direction of the Metropolitan Government, and otherwise to the Metropolitan Government, (i) all canceled or unissued Commercial Paper Notes then held by the Issuing and Paying Agent, (ii) all funds held by the Issuing and Paying Agent in the Commercial Paper Fund, and (iii) the Facility, all for disposition in accordance with the Resolution.

(d) If all of the Commercial Paper Notes shall no longer be Outstanding (and all payments owed to the Bank with respect to the Bank Note shall have been made), and if the Metropolitan Government shall have advised the Issuing and Paying Agent that no additional Commercial Paper Notes are to be issued, authenticated or delivered under the Resolution, all balances and funds remaining in the Commercial Paper Fund shall be transferred by the Issuing and Paying Agent to such other funds and/or accounts of the Board as an Authorized Board Representative shall direct.

(e) Promptly following the date of termination of this Agreement, the Issuing and Paying Agent shall destroy all Certificated Commercial Paper Notes in the Issuing and Paying Agent's possession and shall transfer to the Board all funds, if any, then on deposit in the Commercial Paper Fund. The Issuing and Paying Agent shall promptly notify the Metropolitan Government and the Board of all Certificated Commercial Paper Notes so destroyed.

18. Amendments and Modifications. No provision of this Agreement shall be amended or waived unless such amendment is authorized or permitted by the Resolution and unless such amendment or waiver is approved in writing by the Metropolitan Government, the Board, the Issuing and Paying Agent and the Bank, and any such waiver shall be effective only in the specific instance and for the specific purpose given; provided, however, that as to any amendments to or waivers under this Agreement that are not inconsistent with the Resolution, such approvals shall not be unreasonably withheld or delayed; and provided further, however, that this Section 18 shall not apply to the ability of any party hereto to terminate this Agreement in accordance with the provisions of Section 17 hereof as then in effect. Without limiting the generality of the foregoing, the parties agree to amend this Agreement to the extent necessary to give effect to a change of Depository pursuant to Section 4. The Issuing and Paying Agent shall not be required to enter into any amendment hereof which materially adversely affects its rights hereunder.

19. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, including successors by merger, and assigns; provided, however, that no party hereto may assign any of its rights or obligations hereunder, except with the prior written consent of the other parties hereto. Notwithstanding the foregoing, if the Issuing and Paying Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including this Agreement) to another corporation,

the successor or transferee corporation without any further act shall be the successor Issuing and Paying Agent.

20. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to contracts made and performed in the State of New York and, to the extent applicable, operating circulars of the Federal Reserve Bank, federal laws and regulations as amended, New York Clearing House rules and, to the extent not otherwise inconsistent with this Agreement, general commercial bank practices applicable to commercial paper notes issuance and payment; provided, however, that the obligations of the Metropolitan Government and the Board under this Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

21. WAIVER OF TRIAL BY JURY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.

22. Execution in Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same agreement. The delivery of copies of this Agreement as executed by PDF or other electronic transmission shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes.

23. Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

24. Compensation and Expenses. The Metropolitan Government shall pay the Issuing and Paying Agent from time to time following the execution of this Agreement reasonable compensation for all services rendered by the Issuing and Paying Agent hereunder in accordance with the Schedule of Fees furnished by the Issuing and Paying Agent to the Metropolitan Government and the Board from time to time. The Metropolitan Government shall also reimburse the Issuing and Paying Agent upon the Issuing and Paying Agent's request from time to time for all reasonable expenses, disbursements and advances incurred or made by the Issuing and Paying Agent in accordance with any provision of this Agreement, including with respect to investigating and defending itself against any claim or potential liability and the enforcement of the Metropolitan Government's compensation and reimbursement obligations hereunder (including the reasonable compensation and the reasonable expenses and disbursements of the Issuing and Paying Agent's agents and counsel) except any expense or disbursement attributable to the Issuing and Paying Agent's gross negligence or willful misconduct. The Issuing and Paying Agent will provide the Metropolitan Government and the Board with thirty (30) days' written notice prior to any changes to the Schedule of Fees.

25. Miscellaneous.

(a) To the extent permitted by applicable law, no implied duties or covenants or obligations of or against the Issuing and Paying Agent are to be read into this Agreement or any other agreement. No provision of this Agreement shall require the Issuing and Paying Agent to risk the Issuing and Paying Agent's own funds or otherwise incur any financial liability in the performance of any of the Issuing and Paying Agent's duties hereunder or in the exercise of any of the Issuing and Paying Agent's duties hereunder or in the exercise of any of the Issuing and Paying Agent's rights and powers hereunder. If the Issuing and Paying Agent makes a deposit, payment or transfer of funds before the Issuing and Paying Agent receives immediately available funds, such deposit, payment or transfer shall represent an advance by the Issuing and Paying Agent to the Metropolitan Government to be repaid from such funds or by the Metropolitan Government in the event that such funds are not promptly received by the Issuing and Paying Agent. It is intended that such advance be for no longer than 24 hours. If any such advance is not repaid by 5:00 p.m. New York time on the day it is made, the Metropolitan Government shall repay such advance on the next Business Day together with interest thereon at the rate charged by Agent for such advance as provided for below. Interest on each such unpaid advance shall be at the rate charged by the Issuing and Paying Agent for such advance (which rate shall be no less than USBNA's Prime Rate). The Metropolitan Government shall ensure the prompt reimbursement to the Issuing and Paying Agent of any such advance (including the interest thereon). To the maximum extent permitted by applicable law (as to which no representation is made by the Metropolitan Government or the Board), the Issuing and Paying Agent shall have the right of set-off upon any of the moneys of the Metropolitan Government in the Commercial Paper Fund (but expressly excluding any moneys therein resulting from any advance made or drawing honored by the Bank) for the payment of advances made in accordance with the terms of this Agreement.

(b) The Issuing and Paying Agent may consult with counsel, and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by the Issuing and Paying Agent, in the absence of bad faith, gross negligence or willful misconduct on the Issuing and Paying Agent's part, in reliance on such advice or opinion.

(c) The Issuing and Paying Agent makes no representation as to, and shall have no responsibility for, the correctness of any statement contained in, or the validity or sufficiency of, this Agreement or any documents or instruments referred to in this Agreement or as to or for the validity or collectability of any obligation contemplated by this Agreement. The Issuing and Paying Agent shall not be accountable for the use or application by any person of disbursements properly made by the Issuing and Paying Agent in conformity with the provisions of this Agreement.

(d) The Issuing and Paying Agent may rely and shall be protected in acting upon any document or writing presented to the Issuing and Paying Agent hereunder and in good faith believed by the Issuing and Paying Agent to be genuine and to have been signed and presented by an authorized person or persons.

(e) The Issuing and Paying Agent, in its individual or other capacity, may become the owner or pledgee of Commercial Paper Notes and may deal with the Metropolitan Government and /or the Board with the same rights it would have if it were not issuing and paying agent.

(f) Upon removal or resignation of a Dealer, the Issuing and Paying Agent shall give notice thereof to all owners of the Commercial Paper Notes and to any Rating Agency.

26. Tax Reporting. The Issuing and Paying Agent shall have no responsibility for the tax consequences of this Agreement, and the Metropolitan Government shall consult with independent counsel concerning any and all tax matters. The Metropolitan Government shall provide IRS Form W-9 or Form W-8, as applicable, for each payee, together with any other documentation and information requested by the Issuing and Paying Agent in connection with Issuing and Paying Agent's reporting obligations under any applicable U.S. federal law or regulation. If such tax documentation is not so provided, the Issuing and Paying Agent is authorized to withhold taxes as required by applicable U.S. federal law or regulation.

27. Electronic Transmission; Electronic Signatures. The Issuing and Paying Agent shall not have any duty to confirm that the person sending any notice, instruction or other communication (a "Notice") by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) is, in fact, a person authorized to do so. Electronic signatures believed by the Issuing and Paying Agent to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to the Issuing and Paying Agent) shall be deemed original signatures for all purposes. The Metropolitan Government assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to the Issuing and Paying Agent, including without limitation the risk of the Issuing and Paying Agent acting on an unauthorized Notice, and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Issuing and Paying Agent may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Issuing and Paying Agent in lieu of, or in addition to, any such electronic Notice.

28. Optional Security Procedures. In the event funds transfer instructions, address changes or change in contact information are given (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, the Issuing and Paying Agent is authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to an Authorized Representative or an Authorized Board Representative, and the Issuing and Paying Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Issuing and Paying Agent and shall be effective only after the Issuing and Paying Agent has a reasonable opportunity to act on such changes. The Metropolitan Government and the Board agree that the Issuing and Paying Agent may at its option record any telephone calls made pursuant to this Section 28. The Issuing and Paying Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Metropolitan Government or the Board, as applicable, to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank. The Issuing and Paying Agent may apply funds for any payment order it executes using any such identifying number, even when its use may result

in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The Metropolitan Government and the Board acknowledge that these optional security procedures are commercially reasonable.

29. Severability. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

30. Entire Agreement, No Third-Party Beneficiaries. This Agreement, together with the Letter of Representations, constitutes the entire agreement between the parties relating to the Issuing and Paying Agent's issuing agent, paying agent, custodian and depositary duties and obligations to the Metropolitan Government and the Board. Except as provided in Section 16 hereof, nothing in this Agreement, express or implied, is intended to or shall confer upon any person or entity other than the signatory parties hereto any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

31. Publicity. No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

32. Dealings. If not otherwise prohibited by applicable law, the Issuing and Paying Agent and any stockholder, director, officer or employee of the Issuing and Paying Agent may buy, sell, and deal in any of the securities of the Metropolitan Government, the Board, any Dealer or any purchaser of the Commercial Paper Notes and become financially interested in any transaction in which the Metropolitan Government, the Board, any Dealer or any such purchaser may be interested, and contract and lend money to the Metropolitan Government, the Board, any Dealer or any such purchaser and otherwise act as fully and freely as though it were not a custodian, depositary, issuing or paying agent under this Agreement. Nothing herein shall preclude the Issuing and Paying Agent from acting in any other capacity for the Metropolitan Government, the Board, any Dealer or any such purchaser or for any other person or entity.

33. SPANS Online.

(a) The Metropolitan Government and each Authorized Representative and the Board and each Authorized Board Representative may use the U.S. Bank Securities Processing Automated Notes System Online ("SPANS Online") instruction and reporting communication service to transmit instructions to the Issuing and Paying Agent or obtain reports with respect to the Commercial Paper Notes. The Metropolitan Government may, by separate agreement between the Metropolitan Government and one or more of its Dealer Representatives, authorize the Dealer Representative to directly access SPANS Online for the purposes of transmitting instructions to the Issuing and Paying Agent or obtaining reports with respect to the Commercial Paper Notes. The Metropolitan Government and the Board acknowledge that (i) some or all of the services utilized in connection with SPANS Online are furnished by SS&C Technologies, Inc. ("SS&C"), (ii) SPANS Online is provided to the Metropolitan Government and the Board "AS IS" without

warranties or representations of any kind whatsoever, and (iii) SPANS Online is proprietary and confidential property disclosed to the Metropolitan Government and the Board in confidence and may be utilized only on the SPANS Online Terms and Conditions as set forth in the SPANS Online website and for purposes set forth in this Agreement.

(b) To permit the use of SPANS Online to transmit instructions and/or obtain reports with respect to the Commercial Paper Notes, the Issuing and Paying Agent will supply each of the Metropolitan Government and the Board with a customer identification number and initial passwords. Each of the Metropolitan Government and the Board may thereafter change its passwords directly through SPANS Online. Each of the Metropolitan Government and the Board will keep all information relating to its identification number and passwords strictly confidential and will be responsible for the maintenance of adequate security over its customer identification number and passwords. Instructions transmitted over SPANS Online and received by the Issuing and Paying Agent pursuant to this Agreement shall be deemed conclusive evidence that such instructions are correct and complete and that the issuance or redemption of the Commercial Paper Notes directed thereby has been duly authorized by the Metropolitan Government.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Issuing and Paying Agent, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Issuing and Paying Agent. The parties to this Agreement agree that they will provide the Issuing and Paying Agent with such information as it may request in order for the Issuing and Paying Agent to satisfy the requirements of the U.S.A. Patriot Act or any other legislation or regulation to which the Issuing and Paying Agent is subject, in a timely manner.

34. Statutory Certifications.

(a) *No Boycott of Israel Certification*. Pursuant to Tennessee Code Annotated Section 12-4-119(b), as amended, the Issuing and Paying Agent certifies that neither it nor any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates is currently engaged in, or will during the term of this Agreement engage in, a boycott of Israel. For purposes of this section: (i) "Israel" means the State of Israel and Israeli-controlled territories; and (ii) "boycott of Israel" means refusals to deal, termination of business activities, or other commercial actions intended to limit commercial relations with Israel or with companies or persons doing business in or with Israel, when such actions are taken (A) in compliance with or adherence to calls for a boycott of Israel, or (B) in a manner that discriminates based on nationality, national origin, religion, or other unreasonable basis and is not based on a valid business reason.

(b) *Iran Divestment Act Certification*. Pursuant to Title 12, Chapter 12 of the Tennessee Code Annotated, as amended, the Issuing and Paying Agent certifies that neither it nor any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates is included on the list created under Section 12-12-106, Tennessee Code Annotated, identifying

persons engaging in investment activities in Iran as described in Tennessee Code Annotated Section 12-12-105.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the day and year first above written.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Attest:_____
Austin Kyle,
Metropolitan Clerk

By:_____
Freddie O'Connell,
Metropolitan Mayor

APPROVED AS TO FORM AND LEGALITY:

_____
Tyler Chance Yarbro,
Director of Law

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Attest:_____
Name: _____
Title: _____

By:_____
Name:
Title: _____

APPROVED AS TO FORM AND LEGALITY:

_____
Name: Laura Smith
Title: General Counsel

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Issuing and Paying Agent

By:_____
[_____]
Vice President

[Signature Page to Issuing and Paying Agency Agreement]

FEE LETTER

DATED AS OF DECEMBER [__], 2026

Reference is hereby made to (i) the Reimbursement Agreement dated as of December 1, 2026 (as amended, supplemented, modified or restated from time to time, the *"Agreement"*), among THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, a Tennessee local governmental entity (the *"Metropolitan Government"*), ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the *"Board"*), and TD BANK, N.A., a national banking association (the *"Bank"*), relating to the $100,000,000 Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) and Series 2026B (Federally Taxable) (collectively, the *"Notes"*) issued by Metropolitan Government and (ii) the Irrevocable Transferable Direct-Pay Letter of Credit dated December [__], 2026, issued by the Bank pursuant to the Agreement, supporting the Notes (as amended, supplemented, modified or restated from time to time, the *"Letter of Credit"*).

The purpose of this Fee Letter is to confirm the agreement among the Bank, the Metropolitan Government and the Board with respect to, among other things, the Facility Fees (as defined below) and certain other fees and expenses payable by the Metropolitan Government to the Bank pursuant to the Agreement. This Fee Letter is the Fee Letter referenced in the Agreement and the terms hereof are incorporated by reference into the Agreement. This Fee Letter and the Agreement are to be construed as one agreement among the Metropolitan Government, the Board and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

All capitalized terms used herein and not defined herein shall have the meanings set forth in the Agreement or the Letter of Credit, as applicable.

ARTICLE I. FEES.

Section 1.1. Facility Fees. The Metropolitan Government hereby agrees to pay or cause to be paid to the Bank in arrears on January 4, 2027, for the period commencing on the Effective Date, and ending on December 31, 2026, and quarterly in arrears on the first Business Day of each April, July, October and January occurring thereafter to the Termination Date, and on the Termination Date, a non-refundable facility fee (the "*Facility Fee*") in an amount, for each day during the related fee period ending on the last day of a calendar month before the date specified above, equal to the product of (x) the Stated Amount of the Letter of Credit (without regard to any reductions thereof that may be reinstated pursuant to the terms of the Letter of Credit) for each such day and (y) the applicable rate per annum for each such day (the "*Facility Fee Rate*") associated with the applicable Rating (as defined below) and corresponding Level specified in the pricing matrix below for each such day during the related fee period. Such Facility Fee shall be payable in immediately available funds and computed on a basis of a year of 360 days and the actual number of days elapsed.

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING (TO THE EXTENT THEN RATED BY FITCH)	FACILITY FEE RATE
Level 1	Aa2 or above	AA or above	AA or above	0.28%
Level 2	Aa3	AA-	AA-	0.33%
Level 3	A1	A+	A+	0.38%
Level 4	A2	A	A	0.48%
Level 5	A3	A-	A-	0.58%
Level 6	Baa1	BBB+	BBB+	0.68%
Level 7	Baa2	BBB	BBB	0.78%
Level 8	Baa3 or below	BBB- or below	BBB- or below	0.88%

The following paragraph applies to the pricing matrix set forth above. The term "*Rating*" as used above shall mean the long-term unenhanced debt rating assigned by S&P, Fitch (to the extent each such Rating Agency provides such a rating) or Moody's, as applicable, to any Senior Lien Bonds (without giving effect to any bond insurance policy or other credit enhancement supporting such Senior Lien Bonds). In the event of a split Rating (i.e., one of the foregoing Rating Agency's Rating is at a different level than the Rating of either of the other Rating Agencies), (A) if Ratings are assigned by all three Rating Agencies, and two of such Ratings are equivalent, the Facility Fee Rate shall be based upon the Level in which the two equivalent Ratings appear; (B) if Ratings are assigned by all three Rating Agencies and no two such Ratings are equivalent, the Facility Fee Rate shall be based upon the Level in which the middle Rating appears; and (C) if Ratings are assigned by only two Rating Agencies and such Ratings are not equivalent, the Facility Fee Rate shall be based upon the Level in which the lower Rating appears. For the avoidance of doubt, Level 8 is the Level with the lowest Ratings, and Level 1 is the Level with the highest Ratings for purposes of the above pricing matrix. Any change in the Facility Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as determined by the Rating Agencies at the date hereof, and, in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration or realignment of the long term unenhanced rating assigned to any Senior Lien Bonds connection with the adoption of a "global" rating scale, each of the Ratings referred to above from the agency in question shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Metropolitan Government represents that, as of the Effective Date, the Facility Fee Rate is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default or in the event that any Rating is reduced below "BBB-" (or its equivalent) by S&P, "BBB-" (or its equivalent) by Fitch (to the extent Fitch provides a Rating) or "Baa3" (or its equivalent) by Moody's, or is suspended, withdrawn or otherwise unavailable from any Rating Agency for a credit-related reason, the Facility Fee Rate shall, immediately and automatically and without notice to the

Metropolitan Government or the Board, increase to 4.00% per annum above the Facility Fee Rate otherwise in effect (or the Facility Fee Rate which was most recently in effect if Ratings have been withdrawn, suspended or are otherwise unavailable from each Rating Agency). To the extent any Facility Fee is not paid when due, such Facility Fee shall accrue interest from the date payment is due until payment is made in full at a per annum rate of interest equal to the Default Rate, such interest to be payable by the Metropolitan Government on demand therefor.

Section 1.2. Draw Fee. The Metropolitan Government hereby agrees to pay or cause to be paid to the Bank a non-refundable draw fee of $350 for each Drawing under the Letter of Credit, payable on the date of such Drawing.

Section 1.3. Amendments, Waivers, Extension etc. The Metropolitan Government hereby agrees to pay or cause to be paid to the Bank a non-refundable amendment, standard waiver or consent fee, as applicable, in a minimum amount equal to $2,500 on the date of any amendment to (i) the Agreement, the Letter of Credit (other than with respect to extensions of the Stated Expiration Date in accordance with the Agreement, so long as no other amendments are made to the Agreement, the Letter of Credit, this Fee Letter or any other Related Document) or this Fee Letter or (ii) to any other Related Document that requires the consent of the Bank or a waiver from the Bank, plus, in each case, the reasonable legal fees, expenses and disbursements of counsel to the Bank.

Section 1.4. Reserved.

Section 1.5. Termination Fee; Reduction Fee. (a) Notwithstanding any other provision of the Agreement, this Fee Letter or the other Related Documents to the contrary, the Metropolitan Government and the Board agree not to terminate or replace, or cause the termination or replacement of, the Letter of Credit or the Agreement or permanently reduce the Stated Amount of the Letter of Credit prior to the first anniversary of the Effective Date, except upon (i) the payment by the Metropolitan Government to the Bank of the Termination Fee and/or Reduction Fee, as applicable, as described below, and (ii) with respect to a termination or replacement of the Letter of Credit, the payment by the Metropolitan Government to the Bank of all Obligations payable under the Agreement, each Bank Note and this Fee Letter.

(b) The Metropolitan Government hereby agrees to pay or cause to be paid to the Bank a non-refundable Termination Fee (as hereinafter defined) in connection with the termination or replacement of the Letter of Credit or the Agreement by the Metropolitan Government as set forth in Section 1.5(a) hereof in an amount equal to the product of (i) the Facility Fee Rate in effect pursuant to Section 1.1 hereof on the date of termination or replacement, (ii) the Stated Amount of the Letter of Credit (without taking into account any unreimbursed Drawings) on the date of such termination or replacement, and (iii) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the first anniversary of the Effective Date and the denominator of which is 360 (the "*Termination Fee*"), payable on the date the Letter of Credit or the Agreement is terminated or replaced.

(c) The Metropolitan Government hereby agrees to pay or cause to be paid to the Bank a non-refundable Reduction Fee (as hereinafter defined) in connection with any permanent reduction

of the Stated Amount of the Letter of Credit as set forth in Section 1.5(a) hereof in an amount equal to the product of (i) the Facility Fee Rate in effect pursuant to Section 1.1 hereof on the date of such permanent reduction, (ii) the difference between the Stated Amount of the Letter of Credit (without taking into account any unreimbursed Drawings) prior to such permanent reduction and the Stated Amount of the Letter of Credit (without taking into account any unreimbursed Drawings) after such permanent reduction and (iii) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the first anniversary of the Effective Date and the denominator of which is 360 (the *"Reduction Fee"*), payable on the date the Letter of Credit is permanently reduced.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Amendments. No amendment to this Fee Letter shall become effective unless in writing and signed by the Metropolitan Government, the Board and the Bank.

Section 2.2. Legal Fees. The Metropolitan Government shall pay or cause to be paid the reasonable legal fees and expenses of the Bank (including the reasonable fees of counsel to the Bank in an amount equal to $55,000, plus disbursements) incurred in connection with the preparation and negotiation of the Agreement, this Fee Letter and certain other Related Documents, all payable in accordance with this Fee Letter. The reasonable fees of counsel to the Bank shall be paid directly to Chapman and Cutler LLP on the Effective Date in accordance with the instructions provided by Chapman and Cutler LLP.

Section 2.3. Governing Law. THIS FEE LETTER SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TENNESSEE WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; PROVIDED, HOWEVER, THAT THE OBLIGATIONS OF THE BANK SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THIS FEE LETTER IS SUBJECT TO SECTIONS 8.12 AND 8.13 OF THE AGREEMENT.

Section 2.4. Counterparts. This Fee Letter may be executed in three or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement; and any of the parties hereto may execute this Fee Letter by signing any such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.5. Severability. Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.6. No Disclosure. Unless required by law, the Metropolitan Government and the Board shall not deliver or permit, authorize or consent to the delivery of this Fee Letter to a

Dealer or any other Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

Section 2.7. No Boycott of Israel Certification. Pursuant to Section 12-4-119(b), Tennessee Code Annotated, as amended, the Bank hereby certifies that neither it nor any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Bank (i) is currently engaged in a boycott of Israel and (ii) will engage in a boycott of Israel during the duration of this Fee Letter. For purposes of this section: (A) "boycott of Israel" means engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (1) in compliance with, or adherence to, calls for a boycott of Israel, or (2) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason; and (B) "Israel" means the State of Israel and Israeli-controlled territories.

Section 2.8. Iran Divestment Act Certification. Pursuant to Title 12, Chapter 12 of the Tennessee Code Annotated, as amended, the Bank certifies that neither it nor any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of the Bank is included on the list created under Section 12-12-106, Tennessee Code Annotated, identifying persons engaging in investment activities in Iran as described in Tennessee Code Annotated Section 12-12-105.

Section 2.9. Confidentiality. The Metropolitan Government and the Board shall not disclose, directly or indirectly, this Fee Letter or any of its terms to any other Person except (a) to officers, directors, employees, accountants, attorneys, agents and advisors of the Metropolitan Government who are directly involved in the consideration of this matter and the financial advisor to the Metropolitan Government and the Board on a confidential and need-to-know basis, (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand, public records disclosure request or otherwise), and (c) by order of any court or governmental or regulatory body, including any request for disclosure from the State legislature or any committee thereof.

Section 2.10. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Fee Letter, and each of the parties was represented by its legal counsel during the negotiation and execution of this Fee Letter. In the event an ambiguity or question of intent or interpretation arises, this Fee Letter shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Letter.

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IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective signatories thereunto duly authorized as of the date first written above.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By:_____
Name: Freddie O'Connell
Title: Metropolitan Mayor

By:_____
Name: Austin Kyle
Title: Metropolitan Clerk

APPROVED AS TO FORM AND LEGALITY:

By:_____
Name: Tyler Chance Yarbro
Title: Director of Law

ELECTRIC POWER BOARD OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY

By:_____
Name:
Title: Chair

By:_____
Name:
Title: Secretary

APPROVED AS TO FORM AND LEGALITY:

By:_____
Name:
Title: General Counsel

TD BANK, N.A.

By: _____
Name: Gary Martz
Title: Director

RECOMMENDATION FOR APPROVAL REGARDING 2027 BOND ISSUANCE

NES plans to issue 2027 Series A tax-exempt Electric System Revenue Bonds in early 2027 to meet a portion of the Electric System's capital financing needs. The current Board-approved five-year financial model includes a $260 million bond issuance in February 2027. The final amount and structure will be determined based on the approved plan of finance, eligible project expenditures, available funds and market conditions.

The proceeds from the sale of the 2027 Series A Bonds, together with other available funds, will be used to finance a portion of the costs associated with the acquisition, construction, expansion and improvement of the Electric System. The transaction is expected to provide long-term, fixed-rate financing for eligible capital improvements and related issuance costs.

NES also plans to evaluate a tax-exempt refunding component as part of the same transaction. The 2015 Series A Bonds are currently callable, and the 2017 Series A and 2017 Series B Bonds become callable on May 15, 2027. The 2027 Series B refunding bonds will be issued only if market conditions at the time of sale allow NES to achieve acceptable debt service savings after transaction costs. Combining the new-money (2027 Series A) and refunding (2027 Series B) components in one transaction is expected to provide cost and process efficiencies.

PFM Financial Advisors LLC and its team are providing municipal advisory services for the transaction. Bradley Arant Boult Cummings LLP will serve as bond counsel. Raymond James has been selected as senior manager. The co-managers are BofA Securities, FHN Financial Capital Markets, Jefferies, J.P. Morgan, Siebert Williams Shank and TD Securities. Bass, Berry & Sims will serve as underwriter's counsel. Regions Bank will serve as trustee and, if a refunding is completed, escrow agent.

One of the key decisions in issuing bonds is whether to use a competitive or negotiated method of sale. After consultation with the municipal advisor, management recommends a negotiated sale, consistent with prior NES transactions. A negotiated sale provides greater control over the structure, timing, investor outreach and execution of the financing and allows the financing team to respond to changing market conditions.

The Board Resolution is being presented for consideration and requests approval to proceed with the 2027 bond offering. The financing documents are expected to include:

- Form of Supplemental Electric System Revenue Bond Resolution
- Form of Preliminary Official Statement, including the continuing disclosure agreement
- Form of Bond Purchase Agreement
- Form of Escrow Agreement, if refunding bonds are issued

Approval is necessary for the documents to be forwarded through the Metropolitan Government approval process and for the financing team to complete rating agency, disclosure, marketing and pricing activities.

The current transaction schedule anticipates the following key milestones:

Milestone	Target Date
NES Board review and request for Metro approval	October 28, 2026
Metro Council Budget and Finance Committee review	November 16, 2026
Metro Council consideration	November 17, 2026
Rating agency meetings	Early December 2026
Posting of the Preliminary Official Statement	January 19, 2027
Bond pricing	January 26, 2027
NES Board approval of pricing resolution and execution of Bond Purchase Agreement	January 27, 2027
Closing	On or around February 23, 2027

The schedule remains subject to completion of the financing documents, required approvals and market conditions.

Management recommends approval of the proposed 2027 Series A and Series B financing, the related financing documents and the underwriting team. Management further recommends authorizing the designated officers of the Board to take the actions necessary to complete the transaction, subject to the parameters established in the authorizing resolutions and final market conditions.

Bond Financing Plan Incorporates New Money and Refunding

Combination of new money and refunding in a single transaction generates cost and process efficiencies for NES

- 2027 Series A bonds to provide new money funding for approximately $257 million of FY2027 - FY2030 capital projects
  - Long-term fixed-rate, 25-year level debt service; projected TIC of 4.90% at current market conditions
  - No Debt Service Reserve Fund deposit required due to 2021 Bond Resolution amendment
- 2027 Series B bonds to refund the 2015 Series A Bonds (currently callable) and 2017 Series A and B Bonds (callable May 15, 2027) for savings
  - Projected NPV savings of $6.4 million (5% of refunded par) under current market conditions
  - Refunding will proceed only if savings are achieved in each year through final maturity of the refunded bonds
- NES will seek credit ratings from Fitch Ratings (current rating “AA+”) and Moody’s Investors Service (current rating “Aa1”)
  - No rating sought from S&P Global Ratings (current rating “AA-”); S&P’s 2019 criteria changes lowered ratings across TVA distributors
- Negotiated sale recommended, consistent with prior NES transactions; Raymond James selected as senior manager, with BofA Securities, FHN Financial, Jefferies, J.P. Morgan, Siebert Williams Shank & Co., and TD Securities as co-managers
- Board action requested October 28: request Metro Council approval and approve the forms of Supplemental Electric System Revenue Bond Resolution, Preliminary Official Statement (including Continuing Disclosure Agreement), Bond Purchase Agreement, and Escrow Agreement (if refunding is completed)
- Board will be asked to approve final pricing results at meeting on January 27, 2027

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A RESOLUTION REQUESTING THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED $260,000,000 AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, 2027 SERIES A, OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, AND THE ISSUANCE OF NOT TO EXCEED $140,000,000 AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2027 SERIES B, OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, AND DETERMINING CERTAIN OTHER RELATED MATTERS.

WHEREAS, the Electric Power Board of the City of Nashville was heretofore created pursuant to the Charter of said City to have the control and jurisdiction over the electric light and power plant and distribution system of said City (hereinafter sometimes referred to as the "System"); and

WHEREAS, the governmental and corporate functions and properties, including the System, heretofore vested in the City of Nashville and the County of Davidson, were consolidated and vested in The Metropolitan Government of Nashville and Davidson County (hereinafter sometimes referred to as the "Metropolitan Government"), pursuant to Article XI, Section 9 of the Constitution of Tennessee, as amended, Sections 7-1-101, et seq. of the Tennessee Code Annotated, as amended, and the Charter of the Metropolitan Government approved in referendum June 28, 1962; and

WHEREAS, the Electric Power Board of the City of Nashville was continued in existence by said Charter of the Metropolitan Government as the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (said Electric Power Board of the City of Nashville and said Electric Power Board of The Metropolitan Government of Nashville and Davidson County being both sometimes referred to hereinafter as "this Board"); and

WHEREAS, the City of Nashville, at the request and direction of this Board, enacted Ordinance No. 1219, entitled "AN ORDINANCE PROVIDING FOR THE ISSUANCE OF ELECTRIC POWER REVENUE BONDS OF THE CITY OF NASHVILLE," enacted and approved June 21, 1939, and thereafter ratified, adopted, confirmed and continued as an ordinance of the Metropolitan Government, as supplemented in accordance with the terms thereof (the "Bond Ordinance"); and

WHEREAS, pursuant to the Bond Ordinance and the resolutions supplemental thereto, the City of Nashville and the Metropolitan Government issued Electric Power Revenue Bonds, Series A through N, inclusive (the "Electric Power Revenue Bonds"), the proceeds of which were used, among other things, to provide for the financing of the acquisition, construction, reconstruction, improvements, betterments or extensions of the System, which Electric Power Revenue Bonds are no longer outstanding; and

WHEREAS, the Metropolitan Government, pursuant to a resolution adopted June 18, 1985, entitled "RESOLUTION AUTHORIZING SUBORDINATED ELECTRIC POWER REVENUE BONDS" (the "Subordinated Resolution"), has heretofore, under date of June 25, 1985, issued $125,000,000 aggregate principal amount of Variable Rate Demand Subordinated Electric Power Revenue Bonds, 1985 Series (the "Variable Rate Bonds"), the

proceeds of which were used, among other things, to fund certain improvements to the System, which Variable Rate Bonds are no longer outstanding; and

WHEREAS, the Metropolitan Government, pursuant to a resolution adopted November 5, 1985, entitled "ELECTRIC SYSTEM REVENUE BOND RESOLUTION" (such resolution is hereinafter referred to as the "Master Resolution" and such resolution as heretofore amended is hereinafter referred to as the "Bond Resolution"), has heretofore, under date of November 14, 1985, issued $67,465,055.85 aggregate principal amount of Electric System Revenue Bonds, 1985 Series A (the "1985 Series A Bonds"), the proceeds of which were used, among other things, to refund the Electric Power Revenue Bonds which were then outstanding under the Bond Ordinance, which 1985 Series A Bonds are no longer Outstanding (as defined in the Bond Resolution); and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of December 19, 1985, issued $124,500,000 aggregate principal amount of Electric System Revenue Bonds, 1985 Series B (the "1985 Series B Bonds"), the proceeds of which were used, among other things, to refund the Variable Rate Bonds, which 1985 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of August 7, 1986, issued $73,010,000 aggregate principal amount of Electric System Revenue Bonds, 1986 Series A (the "1986 Series A Bonds"), the proceeds of which were used, among other things, to refund the 1985 Series B Bonds maturing on July 1, 1992 and on July 1, 1995, which 1986 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of July 21, 1988, issued $28,660,000 aggregate principal amount of Electric System Revenue Bonds, 1988 Series A (the "1988 Series A Bonds"), the proceeds of which were used, among other things, to refund the 1985 Series B Bonds maturing on July 1, 1997, which 1988 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of November 29, 1989, issued $25,445,000 aggregate principal amount of Electric System Revenue Bonds, 1989 Series A (the "1989 Series A Bonds"), the proceeds of which were used, among other things, to refund the then remaining balance of the 1985 Series B Bonds (i.e., the 1985 Series B Bonds maturing on July 1, 2001), which 1989 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of December 17, 1992, issued $58,165,000 aggregate principal amount of Electric System Revenue Bonds, 1992 Series A (the "1992 Series A Bonds"), the proceeds of which were used, among other things, to fund the 1992 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 1992 Series A Bonds), which 1992 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under the date of December 17, 1992, issued $114,050,000 aggregate principal amount of Electric System Revenue Bonds, 1992 Series B (the "1992 Series B Bonds"), the proceeds of which were used, among other things, to refund $32,880,000 aggregate principal amount of the 1985 Series A Bonds maturing July 1, 2003, $18,690,000 aggregate principal amount of the 1985 Series A Bonds maturing July 1, 2004, $20,185,000 aggregate Appreciated Value (as defined in the Bond Resolution) of the 1985 Series A Bonds maturing July 1, 2005, $10,930,000 aggregate Accreted Value (as defined in the Bond Resolution) of the 1985 Series A Bonds maturing July 1, 1999, $12,005,000 aggregate Accreted Value of the 1985 Series A Bonds maturing July 1, 2000, $11,775,000 aggregate Accreted Value of the 1985 Series A Bonds maturing July 1, 2001, $775,000 aggregate principal amount of the 1988 Series A Bonds maturing July 1, 1995, $13,035,000 aggregate principal amount of the 1988 Series A Bonds maturing July 1, 1996, $14,360,000 aggregate principal amount of the 1988 Series A Bonds maturing July 1, 1997 and $14,100,000 aggregate principal amount of the 1989 Series A Bonds maturing July 1, 1998, which 1992 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of May 29, 1996, issued $65,615,627.32 aggregate principal amount of Electric System Revenue Bonds, 1996 Series A (the "1996 Series A Bonds"), the proceeds of which were used, among other things, to fund the 1996 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 1996 Series A Bonds), which 1996 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of May 29, 1996, issued $11,735,000 Electric System Revenue Refunding Bonds, 1996 Series B (the "1996 Series B Bonds"), the proceeds of which were used, among other things, to refund $300,000 aggregate principal amount of the 1989 Series A Bonds maturing July 1, 1997, $4,035,000 aggregate principal amount of the 1989 Series A Bonds maturing July 1, 1999, $3,255,000 aggregate principal amount of the 1989 Series A Bonds maturing July 1, 2000, and $3,755,000 aggregate principal amount of the 1989 Series A Bonds maturing July 1, 2001, which 1996 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 3, 1998, issued $86,705,380.35 aggregate principal amount of Electric System Revenue Bonds, 1998 Series A (the "1998 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 1998 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 1998 Series A Bonds), which 1998 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 3, 1998, issued $59,360,000.00 aggregate principal amount of Electric System Revenue Refunding Bonds, 1998 Series B (the "1998 Series B Bonds"), the proceeds of which were used, among

other things, to refund the 1992 Series A Bonds maturing May 15, 2007, May 15, 2012 and May 15, 2017, which 1998 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of March 29, 2001, issued $118,395,000 aggregate principal amount of Electric System Revenue Bonds, 2001 Series A (the "2001 Series A Bonds") the proceeds of which were used, among other things, to fund a portion of the 2001 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2001 Series A Bonds), which 2001 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of March 29, 2001, issued $18,400,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2001 Series B (the "2001 Series B Bonds"), the proceeds of which were used, among other things, to refund the 1996 Series A Bonds maturing May 15, 2014, which 2001 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 30, 2004, issued $110,000,000 aggregate principal amount of Electric System Revenue Bonds, 2004 Series A (the "2004 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2004 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2004 Series A Bonds), which 2004 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 27, 2008, issued $109,170,000 aggregate principal amount of Electric System Revenue Bonds, 2008 Series A (the "2008 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2008 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2008 Series A Bonds), which 2008 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 27, 2008, issued $84,680,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2008 Series B (the "2008 Series B Bonds"), the proceeds of which were used, among other things, to refund the 1998 Series A Bonds maturing May 15, 2014, May 15, 2015, May 15, 2016 and May 15, 2023 and to refund the 1998 Series B Bonds maturing on May 15, 2009, May 15, 2010 and May 15, 2011, which 2008 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of November 17, 2011, issued $100,875,000 aggregate principal amount of Electric System Revenue Bonds, 2011 Series A (the "2011 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2011 System Improvements (as defined in the Master Resolution

as then amended and as supplemented for the issuance of the 2011 Series A Bonds), which 2011 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of November 17, 2011, issued $137,340,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2011 Series B (the "2011 Series B Bonds"), the proceeds of which were used, among other things, to refund the 2001 Series A Bonds maturing on May 15, 2012, May 15, 2013, May 15, 2014, May 15, 2015, May 15, 2016, May 15, 2017, May 15, 2021 and May 15, 2026 and to refund the 2004 Series A Bonds maturing on May 15, 2018, May 15, 2019, May 15, 2020, May 15, 2021, May 15, 2022, May 15, 2023 and May 15, 2024, which 2011 Series B Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 27, 2013, issued $56,055,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2013 Series A (the "2013 Series A Bonds"), the proceeds of which were used, among other things, to refund the 2004 Series A Bonds maturing on May 15, 2025, May 15, 2026 and May 15, 2029, which 2013 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 25, 2014, issued $109,120,000 aggregate principal amount of Electric System Revenue Bonds, 2014 Series A (the "2014 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2014 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2014 Series A Bonds), which 2014 Series A Bonds are no longer Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of May 19, 2015, issued $112,895,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2015 Series A (the "2015 Series A Bonds"), the proceeds of which were used, among other things, to refund the 2008 Series A Bonds maturing on May 15, 2019, May 15, 2020, May 15, 2021, May 15, 2022, May 15, 2023, May 15, 2024, May 15, 2025, May 15, 2026, May 15, 2027, May 15, 2028, May 15, 2029 and May 15, 2033, and to refund $9,825,000 principal amount of the 2008 Series B Bonds maturing on May 15, 2020, $10,320,000 principal amount of the 2008 Series B Bonds maturing on May 15, 2021, $10,835,000 principal amount of the 2008 Series B Bonds maturing on May 15, 2022, and $11,375,000 principal amount of the 2008 Series B Bonds maturing on May 15, 2023, of which $39,530,000 aggregate principal amount of the 2015 Series A Bonds are presently Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 14, 2017, issued $106,975,000 aggregate principal amount of Electric System Revenue Bonds, 2017 Series A (the "2017 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2017 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2017 Series A Bonds), of which

$81,875,000 aggregate principal amount of the 2017 Series A Bonds are presently Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of June 14, 2017, issued $76,485,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2017 Series B (the "2017 Series B Bonds"), the proceeds of which were used, among other things, to refund the 2011 Series A Bonds maturing May 15, 2022 through May 15, 2030, inclusive, and a single maturity maturing May 15, 2031, and to refund a portion of the 2011 Series B Bonds maturing May 15, 2022 through May 15, 2025, inclusive, and a portion of a single maturity maturing May 15, 2026, of which $18,415,000 aggregate principal amount of the 2017 Series B Bonds are presently Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of February 17, 2021 issued $147,505,000 aggregate principal amount of Electric System Revenue Bonds, 2021 Series A (the "2021 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2021 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2021 Series A Bonds), of which $130,255,000 aggregate principal amount of the 2021 Series A Bonds are presently Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of February 16, 2024 issued $244,300,000 aggregate principal amount of Electric System Revenue Bonds, 2024 Series A (the "2024 Series A Bonds"), the proceeds of which were used, among other things, to fund a portion of the 2024 System Improvements (as defined in the Master Resolution as then amended and as supplemented for the issuance of the 2024 Series A Bonds), of which $233,825,000 aggregate principal amount of the 2024 Series A Bonds are presently Outstanding; and

WHEREAS, the Metropolitan Government, pursuant to the Master Resolution as then amended and as supplemented for such purpose, has heretofore, under date of February 16, 2024, issued $122,410,000 aggregate principal amount of Electric System Revenue Refunding Bonds, 2024 Series B (the "2024 Series B Bonds"), the proceeds of which were used, among other things, to refund the 2013 Series A Bonds maturing May 15, 2025 through May 15, 2029, inclusive, and to refund the 2014 Series A Bonds maturing May 15, 2025 through May 15, 2036, inclusive, and a single maturity maturing May 15, 2039, of which $100,690,000 aggregate principal amount of the 2024 Series B Bonds are presently Outstanding; and

WHEREAS, this Board, after due investigation and consideration, has found and determined that, given the Board's long-standing policy of funding a significant percentage of capital costs of the System through the regular issuance of revenue bonds in order to capture prevailing long-term interest rates and minimize rate increases to the customers of the System, it is in the best interests of the Metropolitan Government at this time to issue a Series of Bonds (as defined in the Bond Resolution) under the Bond Resolution and apply the proceeds of sale of such Bonds in the manner provided in the Bond Resolution to finance a significant percentage of the costs of improvements to the System paid from September 18, 2026 to the date of issuance of

such Series of Bonds and of the costs of planned improvements to the System to be paid over the three years after the date of issuance of such Series of Bonds as identified in this Board's proposed capital budgets for fiscal years 2027, 2028 and 2029, the estimate of the costs of such improvements to the System totaling in the aggregate approximately $576,000,000 (such improvements to the System being referred to hereinafter as the "2027 System Improvements"); and

WHEREAS, in order to accomplish the funding of such capital costs in the manner described in the preceding paragraph, this Board, after due investigation and consideration, has found and determined that it is in the best interest of the Metropolitan Government that it issue a Series of Bonds under the Bond Resolution to be known as "Electric System Revenue Bonds, 2027 Series A" (the "2027 Series A Bonds") in an aggregate principal amount not to exceed $260,000,000 pursuant to a resolution supplemental to the Bond Resolution, such resolution to be in substantially the form annexed hereto and made a part hereof, with such changes as shall be determined by the Metropolitan County Council of the Metropolitan Government (such resolution annexed hereto being hereinafter referred to as the "Proposed Resolution"); and

WHEREAS, the Proposed Resolution provides that the 2027 Series A Bonds are being issued for the purposes of: (i) paying a portion of the Cost of Acquisition and Construction (as defined in the Bond Resolution) of the 2027 System Improvements, (ii) paying such portion of the interest to accrue on the 2027 Series A Bonds during the construction period for the 2027 System Improvements and six (6) months thereafter, if any, as determined by this Board, (iii) making the deposit, if any, into the Debt Service Reserve Account (as defined in the Bond Resolution) required under the Bond Resolution, as supplemented to provide for the issuance of the 2027 Series A Bonds, and (iv) paying such portion of the administrative, legal, financing and other expenses incurred in connection with the issuance of the 2027 Series A Bonds, if any, as determined by this Board; and

WHEREAS, this Board, after due investigation and consideration, has found and determined that, given the potential to reduce debt service expense to the System, it is in the best interests of the Metropolitan Government to provide for the refunding of such portion, or all, of the Outstanding 2015 Series A Bonds, 2017 Series A Bonds and 2017 Series B Bonds, respectively, as this Board shall determine at the time of sale of the 2027 Series B Bonds (as hereinafter defined), based on the then prevailing interest rates in the municipal bond market, will result in a reduction in debt service expense to the System (such Bonds to be refunded, as so determined by this Board, being hereinafter sometimes referred to as the "Refunded Bonds") by issuing a Series of Bonds under the Bond Resolution and investing the proceeds of sale of such Bonds (together with any amounts otherwise made available by this Board at the same time) in such manner so as to provide sufficient funds to pay the Redemption Price (as defined in the Bond Resolution) of the Refunded Bonds at such redemption date or dates prior to maturity as this Board shall determine at the time of sale of the 2027 Series B Bonds will enhance the reduction of debt service expense to the System, or (if this Board shall determine that paying the principal at maturity of some or all of the Refunded Bonds is otherwise in the financial interests of the System) to pay the principal of some or all of the Refunded Bonds at maturity, and to pay in each case the interest on the Refunded Bonds to and including such respective dates of redemption or maturity; and

WHEREAS, in order to accomplish the retirement of the Refunded Bonds in the manner described in the preceding paragraph, this Board, after due investigation and consideration, has found and determined that it is in the best interests of the Metropolitan Government that it issue a Series of Bonds under the Bond Resolution to be known as "Electric System Revenue Refunding Bonds, 2027 Series B" (the "2027 Series B Bonds") in an aggregate principal amount not to exceed $140,000,000 pursuant to a resolution supplemental to the Bond Resolution, such resolution to be in substantially the form of the Proposed Resolution, with such changes as shall be determined by the Metropolitan County Council of the Metropolitan Government (such supplemental resolution authorizing the issuance of the 2027 Series A Bonds and the 2027 Series B Bonds as adopted by the Metropolitan County Council of the Metropolitan Government being hereinafter referred to as the "2027 Resolution"); and

WHEREAS, the Proposed Resolution provides that the 2027 Series B Bonds are being issued for the purposes of: (i) paying at maturity the principal amount due at maturity of some or all of the Refunded Bonds or paying on a redemption date or dates prior to maturity the Redemption Price of some or all of the Refunded Bonds, as applicable, (ii) paying the interest due and to become due on such Refunded Bonds on and prior to such maturity date or dates or such date or dates of redemption, as applicable, (iii) making the deposit, if any, into the Debt Service Reserve Account required under the Bond Resolution, as supplemented to provide for the issuance of the 2027 Series B Bonds, and (iv) paying such portion of the administrative, legal, financing and other expenses incurred in connection with the issuance of the 2027 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds, if any, as determined by this Board; and

WHEREAS, this Board, after due investigation and consideration, deems it in the best interests of the Metropolitan Government to issue the 2027 Series A Bonds and the 2027 Series B Bonds as provided for in the Proposed Resolution, as revenue bonds payable as to both principal and interest from the net revenues to be derived from the operation of the System by the Metropolitan Government and/or this Board, or any other board, body or agency which at any time hereafter may own, control, manage or operate the System (the "Revenues"), and that the faith, credit and taxing power of the Metropolitan Government shall not be pledged for the payment of such principal of or interest on the 2027 Series A Bonds or the 2027 Series B Bonds; and

WHEREAS, the 2027 Series A Bonds and the 2027 Series B Bonds shall be payable from the Revenues and the other Pledged Funds (as defined in the Bond Resolution) on a parity with the 2015 Series A Bonds, if any, which are not refunded with the proceeds of the 2027 Series B Bonds and remain Outstanding, the 2017 Series A Bonds, if any, which are not refunded with the proceeds of the 2027 Series B Bonds and remain Outstanding, the 2017 Series B Bonds, if any, which are not refunded with the proceeds of the 2027 Series B Bonds and remain Outstanding, the 2021 Series A Bonds, the Series 2024 Series A Bonds and the Series 2024 Series B Bonds (collectively, the "Remaining Bonds"); and

WHEREAS, this Board has determined and found that the 2027 Series A Bonds and the 2027 Series B Bonds shall be issued under the terms and conditions, at the time or times, and maturing in the manner provided in the Proposed Resolution; and

WHEREAS, in connection with the issuance and sale of the 2027 Series A Bonds and the 2027 Series B Bonds, there have been prepared and submitted to this meeting forms of:

(a) a draft of the Preliminary Official Statement (the "Preliminary Official Statement") to be used in connection with the sale of the 2027 Series A Bonds and the 2027 Series B Bonds (attached as Exhibit C to the Proposed Resolution); and

(b) a draft of the Bond Purchase Agreement (the "Purchase Agreement"), by and among the Metropolitan Government, this Board and Raymond James & Associates, Inc., on behalf of itself and as representative of BofA Securities, Inc., FHN Financial Capital Markets, Jefferies LLC, J.P. Morgan Securities LLC, Siebert Williams Shank and TD Financial Products LLC (collectively, the "Underwriters") (attached as Exhibit B to the Proposed Resolution); and

(c) a draft of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between this Board and Regions Bank, as Disclosure Agent (the "Disclosure Agent") (attached as Appendix F to the Preliminary Official Statement); and

(d) a draft of the Escrow Agreement (the "Escrow Agreement") among the Metropolitan Government, this Board and Regions Bank, as Escrow Agent (the "Escrow Agent") (attached as Exhibit D to the Proposed Resolution).

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

SECTION 1. That this Board hereby determines and finds that it is in the best interest of the Metropolitan Government to issue the 2027 Series A Bonds for the purposes of (a) paying a portion of the Cost of Acquisition and Construction of the 2027 System Improvements, (b) paying such portion of the interest to accrue on the 2027 Series A Bonds during the construction period for the 2027 System Improvements and six (6) months thereafter, if any, as determined by this Board, (c) making the deposit, if any, into the Debt Service Reserve Account required under the Bond Resolution, as supplemented to provide for the issuance of the 2027 Series A Bonds, and (d) paying such portion of the administrative, legal, financing and other expenses incurred in connection with the issuance of the 2027 Series A Bonds, if any, as determined by this Board.

SECTION 2. That this Board hereby determines and finds that it is in the best interest of the Metropolitan Government to issue the 2027 Series B Bonds for the purposes of (a) refunding such portion, or all, of the Outstanding 2015 Series A Bonds, 2017 Series A Bonds and 2017 Series B Bonds, respectively, as this Board (based on the then prevailing interest rates in the municipal bond market) shall determine at the time of sale of the 2027 Series B Bonds will result in a reduction in debt service expense to the System, (b) paying at maturity the principal amount of the Refunded Bonds due at maturity or paying the Redemption Price of the Refunded Bonds at such redemption date or dates prior to maturity, as applicable, as this Board shall determine at the time of sale of the 2027 Series B Bonds will enhance the reduction of debt service expense to the System, (c) paying the interest on the Refunded Bonds to and including their respective maturity date or dates or such date or dates of redemption, as applicable, (d)

making the deposit, if any, into the Debt Service Reserve Account required under the Bond Resolution, as supplemented to provide for the issuance of the 2027 Series B Bonds, and (e) paying such portion of the administrative, legal, financing and other expenses incurred in connection with the issuance of the 2027 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds, if any, as determined by this Board.

SECTION 3. That this Board hereby determines and finds that the gross revenues to be derived from the operation of the System will be sufficient to pay all Debt Service (as defined in the Bond Resolution) on the 2027 Series A Bonds and the 2027 Series B Bonds, all Debt Service on the Remaining Bonds, all Operating Expenses (as defined in the Bond Resolution) of the System and all other indebtedness and charges against the System, so that the same will always be self-supporting.

SECTION 4. That this Board does hereby elect that the 2027 Series A Bonds and the 2027 Series B Bonds shall be payable as to both principal and interest solely from the Revenues and the other Pledged Funds, and that the faith and credit and taxing power of the Metropolitan Government shall not be pledged for the payment of the principal of or interest on the 2027 Series A Bonds or the 2027 Series B Bonds.

SECTION 5. That this Board hereby requests the Metropolitan Government to issue the 2027 Series A Bonds and the 2027 Series B Bonds on the terms and conditions contained in and subject to the provisions of the Proposed Resolution.

SECTION 6. That, in consideration of the purchase of any of the 2027 Series A Bonds or the 2027 Series B Bonds, as applicable, and as long as any of the 2027 Series A Bonds or the 2027 Series B Bonds or any interest thereon shall remain outstanding and unpaid, this Board hereby irrevocably covenants and agrees with all owners of any 2027 Series A Bond or any 2027 Series B Bond that it will punctually and fully, as far as the same is within its jurisdiction and powers, carry out and perform all of the covenants, provisions, duties and obligations required to be performed by the provisions of the Bond Resolution, the 2027 Resolution and/or the Charter of the Metropolitan Government, together with all acts amendatory thereof and supplemental thereto, and by the provisions of any other statutes relating to the System, or any other bonds or other obligations issued to finance or refinance the construction, acquisition, betterment and improvement of the System.

SECTION 7. That this Resolution shall be and continue to be a valid and binding contract between this Board and all owners of any 2027 Series A Bond or 2027 Series B Bond, not subject to alteration except to the extent and in the manner provided in the Bond Resolution, as the same may hereafter be amended in accordance with its terms and as supplemented by the 2027 Resolution (any conflict between the Bond Resolution as so amended and the 2027 Resolution being controlled by the 2027 Resolution unless an amendment to the Bond Resolution adopted after the adoption of the 2027 Resolution provides otherwise).

SECTION 8. That the application of the proceeds of all 2027 Series A Bonds and all 2027 Series B Bonds shall be in the respective manners provided for in the Bond Resolution, as the same may hereafter be amended in accordance with its terms and as supplemented by the 2027 Resolution (any conflict between the Bond Resolution as so amended

and the 2027 Resolution being controlled by the 2027 Resolution unless an amendment to the Bond Resolution adopted after the adoption of the 2027 Resolution provides otherwise).

SECTION 9. That the Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby in all respects approved, and the use of the Preliminary Official Statement in substantially such form, with such changes, corrections, deletions, insertions, variations, additions or omissions as may be approved by the Chair, the Vice-Chair, the President and Chief Executive Officer or the Secretary of this Board, either one of whom may act alone, in connection with the offering and sale of the 2027 Series A Bonds and the 2027 Series B Bonds is hereby approved, such approval being conclusively evidenced by the delivery of instructions to so use the Preliminary Official Statement in connection with the offering and sale of the 2027 Series A Bonds and the 2027 Series B Bonds. The Chair, the Vice-Chair, the President and Chief Executive Officer and the Secretary, either one of whom may act alone, are authorized to deem the Preliminary Official Statement to be final as of its date within the meaning of Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended, except for the omission of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement shall be conclusive evidence that it has been deemed to be final as of its date, except for the omission of such pricing and other information.

SECTION 10. That the Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Chair, the Vice-Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are hereby authorized and directed to execute and deliver the Purchase Agreement in the name of and on behalf of this Board, with such changes, insertions or omissions as the person executing the same shall approve, the execution and delivery thereof to be conclusive evidence of the approval of any such changes, insertions or omissions.

SECTION 11. That the Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Chair, the Vice-Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in the name of and on behalf of this Board, with such changes, insertions or omissions as the person executing the same shall approve, the execution and delivery thereof to be conclusive evidence of the approval of any such changes, insertions or omissions.

SECTION 12. That the Escrow Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Chair, the Vice-Chair, the President and Chief Executive Officer and the Secretary of this Board, any one of whom may act alone, are hereby authorized and directed to execute and deliver the Escrow Agreement in the name of and on behalf of this Board, with such changes, insertions or omissions as the person executing the same shall approve, the execution and delivery thereof to be conclusive evidence of the approval of any such changes, insertions or omissions.

SECTION 13. That the Secretary of this Board shall immediately notify the Metropolitan County Council of the Metropolitan Government of the determination and election of this Board to request the issuance of the 2027 Series A Bonds and the 2027 Series B Bonds as revenue bonds payable as to both principal and interest from Revenues and the other Pledged Funds, and all the other matters provided for herein, by delivering a certified copy of this Resolution to the Metropolitan County Council.

SECTION 14. That the appropriate officers of this Board are hereby authorized, empowered and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments and certifications, in addition to those acts, things, documents, instruments and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance and delivery by the Metropolitan Government of the 2027 Series A Bonds and the 2027 Series B Bonds, and that, without limiting the foregoing, the appropriate officers of this Board are hereby authorized, empowered and directed to engage such consultants, including, without limitation, bond counsel, financial advisors and verification agents, as they shall deem necessary or appropriate in connection with the authorization, issuance and delivery by the Metropolitan Government of the 2027 Series A Bonds and the 2027 Series B Bonds and to pay the fees and expenses thereof from the proceeds of the 2027 Series A Bonds, the proceeds of the 2027 Series B Bonds or other available funds, as determined by such officers.

SECTION 15. That this Resolution shall take effect immediately upon its adoption, the public welfare requiring it.

[signatures on following page]

Adopted this 28th day of October, 2026.

ELECTRIC POWER BOARD OF THE
METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

Attest:

By: _____
Chair

By: _____
Secretary

By: _____
President and Chief Executive Officer

Approved as to Form and Legality:

By: _____
General Counsel

RESOLUTION NO. RS2026-____

Adopted November 17, 2026

A Thirty-Second Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Bonds, 2027 Series A, and Electric System Revenue Refunding Bonds, 2027 Series B, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County

WHEREAS, under authority conferred by Appendix III of the Charter of The Metropolitan Government of Nashville and Davidson County and the laws of the State of Tennessee, the Metropolitan Council adopted Substitute Resolution No. R85-746 on November 5, 1985; and

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (i) has determined by resolution duly adopted at its meeting of October 28, 2026, that it is in the best interest of the electric system under its control to issue revenue bonds in an amount not to exceed $260,000,000, such bonds to be designated as the Electric System Revenue Bonds, 2027 Series A, the proceeds thereof to be used (A) for payment of certain improvements to such electric system, (B) for payment of interest on such 2027 Series A Bonds during the construction period for such improvements and six (6) months thereafter, in such amount, if any, as determined by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County, (C) for making the deposit, if required, into the Debt Service Reserve Account established pursuant to, and in accordance with the provisions of, such Substitute Resolution No. R85-746, as heretofore supplemented and amended and as supplemented hereby, and (D) for payment of the administrative, legal, financing and other expenses incurred in connection with the issuance of such 2027 Series A Bonds, in such amount, if any, as determined by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County; (ii) has determined by resolution duly adopted at its meeting of October 28, 2026, that it is in the best interest of the electric system under its control to issue revenue bonds in an amount not to exceed $140,000,000, such bonds to be designated as the Electric System Revenue Refunding Bonds, 2027 Series B, the proceeds thereof to be used (A) to refund certain outstanding revenue bonds, the proceeds of which were used to finance or refinance the cost of certain improvements to such electric system, (B) for making the deposit, if required, into the Debt Service Reserve Account established pursuant to, and in accordance with the provisions of, such Substitute Resolution No. R85-746, as heretofore supplemented and amended and as supplemented hereby, and (C) for payment of the administrative, legal, financing and other expenses incurred in connection with the issuance of such 2027 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds, in such amount, if any, as determined by the Electric Power Board of The

Metropolitan Government of Nashville and Davidson County; and (iii) requests the Metropolitan Council to authorize the issuance of such bonds pursuant to such Substitute Resolution No. R85-746, as heretofore supplemented and amended.

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

ARTICLE I
AUTHORITY AND DEFINITIONS

101. Supplemental Resolution. This Thirty-Second Supplemental Electric System Revenue Bond Resolution is supplemental to the Electric System Revenue Bond Resolution adopted by the Metropolitan Government on November 5, 1985 (such Electric System Revenue Bond Resolution as heretofore amended is referred to herein as the "Electric System Revenue Bond Resolution").

102. Authority for this Thirty-Second Supplemental Resolution. This Thirty-Second Supplemental Resolution is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article II and Article X of the Electric System Revenue Bond Resolution.

103. Definitions.

(1) Except as provided by this Thirty-Second Supplemental Resolution, all terms which are defined in Section 101 of the Electric System Revenue Bond Resolution shall have the same meanings, respectively, in this Thirty-Second Supplemental Resolution as such terms are given in said Section 101 of the Electric System Revenue Bond Resolution.

(2) In this Thirty-Second Supplemental Resolution:

2015 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2015 Series A, authorized by Article II of the Twenty-Seventh Supplemental Resolution.

2017 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Bonds, 2017 Series A, authorized by Article II of the Twenty-Eighth Supplemental Resolution.

2017 Series B Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2017 Series B, authorized by Article II of the Twenty-Eighth Supplemental Resolution.

2027 Bonds shall mean collectively the 2027 Series A Bonds and the 2027 Series B Bonds.

2027 Capital Appreciation Bonds shall mean collectively the 2027 Series A Capital Appreciation Bonds and the 2027 Series B Capital Appreciation Bonds.

2027 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Bonds, 2027 Series A, authorized by Article II of this Thirty-Second Supplemental Resolution.

2027 Series A Capital Appreciation Bonds shall mean those 2027 Series A Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(A) of this Thirty-Second Supplemental Resolution, to be issued as Capital Appreciation Bonds under the terms of the Electric System Revenue Bond Resolution.

2027 Series B Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2027 Series B, authorized by Article II of this Thirty-Second Supplemental Resolution.

2027 Series B Capital Appreciation Bonds shall mean those 2027 Series B Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(B) of this Thirty-Second Supplemental Resolution, to be issued as Capital Appreciation Bonds under the terms of the Electric System Revenue Bond Resolution.

2027 System Improvements shall mean those improvements to the System paid by the Board from September 18, 2026, to the date of issuance of the 2027 Series A Bonds and those improvements to the System scheduled to be paid over the three years after the date of issuance of the 2027 Series A Bonds as identified in the Board's proposed capital budgets for fiscal years 2027, 2028 and 2029 and totaling in the aggregate approximately $576,000,000.

Director of Finance shall mean the Director of Finance appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment, the individual appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Finance, or his or her designee.

Metropolitan Mayor shall mean the individual elected and serving in such capacity pursuant to the provisions of the Charter of the Metropolitan Government.

Refunded Bonds shall mean those 2015 Series A Bonds, if any, those 2017 Series A Bonds, if any, and those 2017 Series B Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(C) of this Thirty-Second Supplemental Resolution, to be refunded in accordance with such Section 207(C).

Tax Certificate shall have the meaning set forth in Section 212.

Treasurer shall mean the Metropolitan Treasurer appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment, the individual appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Metropolitan Treasurer, or his or her designee.

Thirty-Second Supplemental Resolution shall mean this Thirty-Second Supplemental Electric System Revenue Bond Resolution.

Twenty-Eighth Supplemental Resolution shall mean Resolution No. RS2017-689 of the Metropolitan Government, entitled "A Twenty-Eighth Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Bonds, 2017 Series A, and Electric System Revenue Refunding Bonds, 2017 Series B, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on May 16, 2017.

Twenty-Seventh Supplemental Resolution shall mean Resolution No. RS2015-1418 of the Metropolitan Government, entitled "A Twenty-Seventh Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Refunding Bonds, 2015 Series A, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on April 7, 2015.

ARTICLE II
AUTHORIZATION OF 2027 BONDS

201. Principal Amount, Designation and Series. (A) Pursuant to the provisions of the Electric System Revenue Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in an aggregate principal amount not exceeding $260,000,000. Subject to the provisions of Section 207(A)(vi), (i) such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Electric System Revenue Bonds, 2027 Series A," and (ii) such Bonds shall be issued and sold as a single Series of Bonds pursuant to the provisions of Section 201 of the Electric System Revenue Bond Resolution.

(B) Pursuant to the provisions of the Electric System Revenue Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in an aggregate principal amount not exceeding $140,000,000. Subject to the provisions of Section 207(B)(vi), (i) such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Electric System Revenue Refunding Bonds, 2027 Series B," and (ii) such Bonds shall be issued and sold as a single Series

of Bonds pursuant to the provisions of Section 201 of the Electric System Revenue Bond Resolution.

202. Purpose. (A) The 2027 Series A Bonds are issued primarily for the purpose of providing a portion of the amounts necessary to pay the Cost of Acquisition and Construction of the 2027 System Improvements. Proceeds of the 2027 Series A Bonds may also be used to fund the Debt Service Reserve Account as described in subparagraph (i) of Section 209(A), may also be used to pay interest on the 2027 Series A Bonds during the construction period for the 2027 System Improvements and six (6) months thereafter as described in subparagraph (ii) of Section 209(A) and may also be used to pay the administrative, legal, financing and other costs and expenses of issuing the 2027 Series A Bonds as described in subparagraph (iii) of Section 209(A).

(B) The 2027 Series B Bonds are issued primarily for the purpose of providing all, or a portion, as determined by the Board, of the amounts necessary to accomplish the refunding of the Refunded Bonds. Proceeds of the 2027 Series B Bonds may also be used to fund the Debt Service Reserve Account as described in subparagraph (i) of Section 209(B) and may also be used to pay the administrative, legal, financing and other costs and expenses of issuing the 2027 Series B Bonds, redeeming the Refunded Bonds and refunding the Refunded Bonds as described in subparagraph (iii) of Section 209(B).

203. Date. The 2027 Bonds, other than the 2027 Capital Appreciation Bonds, upon original issuance and upon any authentication between the date of original issuance and the first interest payment date, shall be dated the date of original issuance and thereafter shall be dated as provided in Section 301 of the Electric System Revenue Bond Resolution. The 2027 Capital Appreciation Bonds shall each be dated as of the November 15 or May 15 next preceding their respective date of authentication, unless such date of authentication is a November 15 or May 15, in which case such 2027 Capital Appreciation Bonds shall be dated such November 15 or May 15, or unless such 2027 Capital Appreciation Bonds are authenticated prior to the first interest payment date for 2027 Bonds (other than the 2027 Capital Appreciation Bonds), in which case such 2027 Capital Appreciation Bonds shall be dated the respective dates of their original issuance.

204. Denomination, Numbers and Letters. The 2027 Bonds (other than the 2027 Capital Appreciation Bonds) shall each be issued in fully registered form in the denomination of $5,000 or any integral multiple of $5,000. The 2027 Capital Appreciation Bonds shall each be issued in fully registered form in the amount due at maturity of $5,000 or any integral multiple thereof. Unless the Metropolitan Government shall otherwise direct, the 2027 Bonds shall each be lettered and numbered as shall be determined by the Fiscal Agent.

205. Place and Method of Payment and Paying Agents. The principal and Redemption Price of the 2027 Bonds, and interest accrued in the case of the 2027 Capital Appreciation Bonds, shall be payable at maturity or upon acceleration upon surrender of such Bonds at the principal corporate trust office of Regions Bank, Nashville, Tennessee, or at such other locations as the Paying Agent shall designate, and such banking institution is hereby appointed as Paying Agent for the 2027 Bonds; provided, however, that any such appointment

shall become effective only if such institution shall have delivered to the Metropolitan Government and the Fiscal Agent, on or before the date of initial issuance and delivery of the 2027 Bonds, written acceptance of the office of Paying Agent in substantially the form attached hereto as Exhibit A. The principal of all 2027 Bonds, and interest accrued in the case of the 2027 Capital Appreciation Bonds, shall also be payable in the manner provided above at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Electric System Revenue Bond Resolution. The interest on the 2027 Bonds (other than that accruing on 2027 Capital Appreciation Bonds) shall be payable by check or draft of the Fiscal Agent, as Paying Agent, mailed on the interest payment date to the registered Holders of record on the first day of the calendar month in which such interest payment date shall occur at the addresses shown on the registration books of the Metropolitan Government kept for that purpose at the principal corporate trust office of the Fiscal Agent, as Bond Registrar.

206. Reserve Fund. The Debt Service Reserve Requirement applicable to the 2027 Bonds shall be determined by the Board pursuant to Section 207(D) below. In connection with such determination, the following provisions shall apply:

(1) If any excess funds with respect to the 2027 Bonds are to be disbursed or transferred from the Debt Service Reserve Account pursuant to subsection 2 of Section 508 of the Electric System Revenue Bond Resolution, then the Board may determine that, notwithstanding the provisions of the first sentence of subsection 2 of Section 508 of the Electric System Revenue Bond Resolution, such funds shall be disbursed by the Fiscal Agent as directed in writing by an Authorized Board Representative provided there is also delivered to the Fiscal Agent with such written direction an Opinion of Counsel to the effect that the proposed disbursement and use of such funds is permitted under applicable law and will not cause interest on the 2027 Bonds or, if applicable, the Refunded Bonds, to be included in gross income of the owners thereof for federal income tax purposes.

(2) If the Debt Service Reserve Requirement applicable to the 2027 Bonds as determined by the Board is greater than zero when the 2027 Bonds are issued, such amount shall be fully funded and deposited into the Debt Service Reserve Account at the closing of the issuance of the 2027 Bonds. If at any time after the issuance of the 2027 Bonds the Metropolitan Government is required to fund the Debt Service Reserve Account with respect to the 2027 Bonds, or to increase the amount in the Debt Service Reserve Account with respect to the 2027 Bonds due to an increase in the Debt Service Reserve Requirement for the 2027 Bonds, then the Board may determine that, notwithstanding any provision of Section 505 of the Electric System Revenue Bond Resolution to the contrary, such amount may be funded in up to twelve (12) substantially equal consecutive monthly deposits commencing not later than the month following the receipt of audited financial statements for the Electric System for the preceding Fiscal Year establishing the requirement to fund, or to increase the amount of, the Debt Service Reserve Account with respect to the 2027 Bonds. The foregoing provisions of this paragraph relate only to the deadline for the initial funding of the Debt Service Reserve Requirement for the 2027 Bonds and for the funding of any subsequent increase in the Debt Service Reserve Requirement for the 2027 Bonds and shall not limit or reduce the thirty-six (36) month period allowed pursuant to Section 505 of the Electric System Revenue Bond Resolution for the replenishment

of the Debt Service Reserve Account following a withdrawal pursuant to subsection 1 of Section 508 of the Electric System Revenue Bond Resolution or a reduction in the value of securities as a result of the valuation thereof pursuant to the Electric System Revenue Bond Resolution.

207. Delegation to the Board. (A) There is hereby delegated to the Board, subject to the limitations contained in the Electric System Revenue Bond Resolution, the power with respect to the 2027 Series A Bonds to determine the following:

(i) the principal amount of 2027 Series A Bonds to be issued, provided that the principal amount of 2027 Series A Bonds to be issued shall not exceed the amount set forth in Section 201(A) of this Thirty-Second Supplemental Resolution;

(ii) the maturity date or dates and the principal amount of each maturity of the 2027 Series A Bonds, provided that the first maturity date shall be a date on or after May 15, 2027, and the last maturity date shall be a date not later than May 15, 2062;

(iii) the interest rate or rates for each maturity of the 2027 Series A Bonds, provided that the interest rate for each maturity of the 2027 Series A Bonds shall not exceed the maximum lawful rate;

(iv) which, if any, of the 2027 Series A Bonds shall be issued as Capital Appreciation Bonds, and all matters pertaining thereto;

(v) which, if any, of the 2027 Series A Bonds shall be insured by a bond insurance policy issued by a bond insurance company, and all matters pertaining thereto;

(vi) which, if any, of the 2027 Series A Bonds shall be issued with the intention that the interest thereon shall be included in the gross income of the owners thereof for federal income tax purposes, and all matters pertaining thereto, including, if deemed appropriate by the Board, the designation of the tax-exempt 2027 Series A Bonds as "Electric System Revenue Bonds, 2027 Series A-1," and the designation of the federally taxable 2027 Series A Bonds as "Electric System Revenue Bonds, 2027 Series A-2 (Federally Taxable)";

(vii) the optional redemption provisions, if any, applicable to the 2027 Series A Bonds, including without limitation the Redemption Prices and dates of redemption applicable thereto;

(viii) the amount of interest on the 2027 Series A Bonds during the period of acquisition and construction of the 2027 System Improvements and for six (6) months thereafter, if any, which shall be payable from the proceeds of the 2027 Series A Bonds;

(ix) the amount of proceeds of the 2027 Series A Bonds, if any, to be used to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2027 Series A Bonds; and

(x) the terms of the sale of the 2027 Series A Bonds, to be set forth in a purchase contract for the sale and purchase of the 2027 Series A Bonds to be executed by the Metropolitan Mayor in accordance with Section 302(A), provided such purchase contract shall be in substantially the form attached hereto as Exhibit B.

(B) There is hereby delegated to the Board, subject to the limitations contained in the Electric System Revenue Bond Resolution, the power with respect to the 2027 Series B Bonds to determine the following:

(i) the principal amount of 2027 Series B Bonds to be issued, provided that the principal amount of 2027 Series B Bonds to be issued shall not exceed the lesser of (i) the amount set forth in Section 201(B) of this Thirty-Second Supplemental Resolution, or (ii) the amount determined by the Board to be necessary, together with any amounts that may be contributed by the Board, to accomplish the purposes set forth in Section 202(B) of this Thirty-Second Supplemental Resolution;

(ii) the maturity date or dates and the principal amount of each maturity of the 2027 Series B Bonds, provided that (a) the first maturity date shall be a date on or after May 15, 2027, and the last maturity date shall be a date not later than May 15, 2042, and (b) in each Fiscal Year in which Debt Service on the Refunded Bonds would have been payable without regard to the refunding thereof, the Debt Service on the 2027 Series B Bonds shall not exceed the Debt Service on the Refunded Bonds which would have been payable in such Fiscal Year without regard to the refunding thereof;

(iii) the interest rate or rates for each maturity of the 2027 Series B Bonds, provided that the interest rate for each maturity of the 2027 Series B Bonds shall not exceed the maximum lawful rate;

(iv) which, if any, of the 2027 Series B Bonds shall be issued as Capital Appreciation Bonds, and all matters pertaining thereto;

(v) which, if any, of the 2027 Series B Bonds shall be insured by a bond insurance policy issued by a bond insurance company, and all matters pertaining thereto;

(vi) which, if any, of the 2027 Series B Bonds shall be issued with the intention that the interest thereon shall be included in the gross income of the owners thereof for federal income tax purposes, and all matters pertaining thereto, including, if deemed appropriate by the Board, the designation of the tax-exempt

2027 Series B Bonds as "Electric System Revenue Refunding Bonds, 2027 Series B-1," and the designation of the federally taxable 2027 Series B Bonds as "Electric System Revenue Refunding Bonds, 2027 Series B-2 (Federally Taxable)";

(vii) the optional redemption provisions, if any, applicable to the 2027 Series B Bonds, including without limitation the Redemption Prices and dates of redemption applicable thereto;

(viii) the amount of proceeds of the 2027 Series B Bonds, if any, to be used to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2027 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds; and

(ix) the terms of the sale of the 2027 Series B Bonds, to be set forth in a purchase contract for the sale and purchase of the 2027 Series B Bonds to be executed by the Metropolitan Mayor in accordance with Section 302(A) hereof, provided such purchase contract shall be in substantially the form attached hereto as Exhibit B.

(C) There is hereby delegated to the Board, subject to the limitations contained in the Electric System Revenue Bond Resolution, the power with respect to the Refunded Bonds to determine the following:

(i) which portion, or all, of the Outstanding 2015 Series A Bonds, the Outstanding 2017 Series A Bonds and the Outstanding 2017 Series B Bonds shall be refunded as provided in this Thirty-Second Supplemental Resolution (i.e., selecting and determining the Refunded Bonds);

(ii) the date or dates, if any, prior to maturity that the Refunded Bonds shall be redeemed in accordance with their respective terms; and

(iii) whether the 2027 Series B Bonds shall be issued or not;

provided, that the Board shall make each such determination based on the Board's best judgment that such determination will reduce, or enhance the reduction in, the debt service expense to the System or will otherwise promote the financial interests of the System; and, provided further, that the 2027 Series B Bonds shall not be issued unless the net present value savings to the System attributable to such refunding at least equals or exceeds three and five tenths percent (3.5%) of the par amount of the Refunded Bonds, or, if applicable, such smaller amount of savings as shall be permitted under the Debt Management Policy as adopted by the Metropolitan Government and then in effect.

(D) There is hereby delegated to the Board the power to determine the Debt Service Reserve Requirement for the 2027 Bonds and those matters relating thereto as contemplated in subparagraphs (1) and (2) of Section 206 above.

(E) To evidence the determinations made by the Board as contemplated in this Section 207, the Authorized Board Representative shall deliver to the Fiscal Agent on or before the date of issuance of the 2027 Bonds written certification of such determinations, specifying all determinations which have been made, which may consist of a certified copy of a resolution adopted by the Board, and, if applicable, such written certification shall set forth such terms and provisions as are required by any bond insurer in connection with the issuance of a bond insurance policy for the 2027 Bonds.

208. Authentication and Delivery of the 2027 Bonds. The Fiscal Agent shall authenticate and deliver the 2027 Bonds to the purchasers thereof if, and only if, the terms and conditions set forth in Section 202 of the Electric System Revenue Bond Resolution shall be satisfied.

209. Application of Proceeds of 2027 Bonds. (A) The proceeds of the 2027 Series A Bonds shall be applied simultaneously with the delivery of such Bonds, as follows:

(i) There shall be deposited in the Debt Service Reserve Account in the Debt Service Fund the amount, if any, required to cause the amount on deposit in the subaccount for the 2027 Bonds to equal the Debt Service Reserve Requirement for the 2027 Bonds;

(ii) There shall be deposited in the Construction Fund for application to the payment of interest to accrue on the 2027 Series A Bonds during the construction period for the 2027 System Improvements and six (6) months thereafter the amount of such interest, if any, to be paid from the proceeds of the 2027 Series A Bonds as determined by the Board;

(iii) There shall be paid over to the Board to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2027 Series A Bonds the amount of such costs and expenses, if any, to be paid from the proceeds of the 2027 Series A Bonds as determined by the Board; and

(iv) The balance shall be deposited in the Construction Fund for application to payment of the Cost of Acquisition and Construction of the 2027 System Improvements.

(B) The proceeds of the 2027 Series B Bonds shall be applied simultaneously with the delivery of such Bonds, as follows:

(i) There shall be deposited in the Debt Service Reserve Account in the Debt Service Fund the amount, if any, required to cause the amount on deposit in the subaccount for the 2027 Bonds to equal the Debt Service Reserve Requirement for the 2027 Bonds, but only if and to the extent that, considering the requirements set forth in the Tax Certificate, as such Tax Certificate may be amended from time to time, proceeds of the 2027 Series A Bonds cannot be used

to fund the entire amount of the Debt Service Reserve Requirement for the 2027 Bonds;

(ii) There shall be deposited cash to be held uninvested or there shall be purchased and deposited with the Fiscal Agent in trust, as provided in subsection 2 of Section 1201 of the Electric System Revenue Bond Resolution, Investment Securities permitted thereunder, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Board with the Fiscal Agent at the same time, shall be sufficient to provide for the refunding of the Refunded Bonds and to comply with the provisions of subsection 2 of Section 1201 with respect to the defeasance of such Bonds; and

(iii) The balance, if any, shall be paid over to the Board to pay the administrative, legal, financing and other costs and expenses incurred in connection with the issuance of the 2027 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds as determined by the Board to be paid from the proceeds of the 2027 Series B Bonds.

210. Form of 2027 Bonds and Fiscal Agent's Certificate of Authentication. (A) Subject to the provisions of the Electric System Revenue Bond Resolution, the form of the 2027 Bonds and the Fiscal Agent's certificate of authentication thereon for each shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by the Electric System Revenue Bond Resolution:

[FORM OF 2027 BONDS]

UNITED STATES OF AMERICA

STATE OF TENNESSEE

THE METROPOLITAN GOVERNMENT

OF NASHVILLE AND DAVIDSON COUNTY

ELECTRIC SYSTEM REVENUE [REFUNDING] BOND, 2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]

No. R-

[Interest Rate] [Approximate Yield to Maturity]	Maturity Date	[Original Issue Date]	Dated Date	CUSIP

Registered Owner:

Principal Amount: $_____ [$_____ per $5,000 Amount Due at Maturity]

[Amount Due at Maturity: $_____]

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "Metropolitan Government"), a public body, corporate and politic of the State of Tennessee, acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or registered assigns in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of Regions Bank, Nashville, Tennessee (such bank and any successors thereto being herein called the "Paying Agent"), or at such other locations as the Paying Agent shall designate, [the Principal Amount stated hereon and to pay on November 15 and May 15 in each year, commencing May 15, 2026, until the Metropolitan Government's obligation with respect to the payment of such Principal Amount shall be discharged to the Registered Owner hereof, interest on such Principal Amount at the Interest Rate per annum stated hereon from the Dated Date hereof by check or draft of the Fiscal Agent hereinafter mentioned mailed on the interest payment date to the Registered Owner hereof who shall appear as of the first day of the calendar month in which such interest payment date shall occur on the registration books of the Metropolitan Government maintained by the Fiscal Agent, as Bond Registrar.] [the Amount Due at Maturity stated hereon, constituting the Principal Amount stated hereon and interest thereon from the Original Issue Date stated hereon, compounded on each November 15 and May 15 during the period from the Original Issue Date to the Maturity Date, such interest being the difference between the Amount Due at Maturity stated hereon and the Principal Amount stated hereon. The "Accreted Value" of this bond shall mean, as of any date of computation, an amount equal to the Principal Amount hereof plus the interest accrued thereon to the November 15 or May 15 next preceding the date of computation or the date of computation if a November 15 or May 15, plus, if such date of computation shall not be a November 15 or May 15, a portion of the difference between the Accreted Value as of the immediately preceding November 15 or May 15 (or the Original Issue Date if the date of computation is prior to May 15, 2026) and the Accreted Value as of the immediately succeeding November 15 or May 15, calculated based upon an assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. The Accreted Value per $5,000 Amount Due at Maturity of this bond on each November 15 and May 15 is set forth in a table attached hereto. This bond, if redeemed or otherwise paid prior to the Maturity Date, shall be paid in an amount equal to the then current Accreted Value plus any applicable premium.]

This bond is one of a duly authorized series of bonds of the Metropolitan Government designated "Electric System Revenue [Refunding] Bonds, 2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]" (herein called the "2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds"), in the aggregate principal amount of [$_____], issued under and in full compliance with the Constitution and statutes of the State of Tennessee, including, without limitation, the Revenue Bond Law (Tennessee Code Annotated Sections 7-34-101 through 7-34-118 et seq.), as amended and supplemented (herein called the "Act"), and under and pursuant to the Charter of the Metropolitan Government, which was approved by referendum on June 28, 1962, and a resolution adopted by the Metropolitan Government on November 5, 1985, entitled "Electric System Revenue Bond Resolution", as amended and supplemented (said Resolution as

heretofore and hereinafter amended and as supplemented for the issuance of the 2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds being herein called the "Resolution").

As provided in the Resolution, the 2027 Series [A][A-1][A-2 (Federally Taxable)] [B][B-1][B-2 (Federally Taxable)] Bonds, and all other bonds issued under the Resolution on a parity with the 2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds (herein collectively called the "bonds") are special obligations of the Metropolitan Government payable solely from and secured as to payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the Pledged Funds (as defined in the Resolution). Other than the Pledged Funds, no other funds or other assets or other resources of the Metropolitan Government, and neither the full faith and credit nor the taxing power of the Metropolitan Government, are pledged to the repayment of the 2027 Series [A][A-1][A-2 (Federally Taxable)] [B][B-1][B-2 (Federally Taxable)] Bonds. Pledged Funds under the Resolution includes the Net Revenues (as defined in the Resolution), and all funds and accounts established under the Resolution (other than the Rate Stabilization Account), including securities held in any such funds and accounts thereunder, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, together with all proceeds and revenues of the foregoing and all of the Metropolitan Government's and the Electric Power Board of the Metropolitan Government's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or redemption price of, and interest on, the bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Metropolitan Government and at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as Fiscal Agent under the Resolution, or its successor (herein called the "Fiscal Agent"), and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the bonds with respect thereto, the terms and conditions upon which the bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Metropolitan Government under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Fiscal Agent.

Resolution No. RS2011-42 adopted on October 18, 2011 ("Resolution No. RS2011-42") provided for certain amendments to the Resolution which became effective on February 16, 2021, being the date upon which all bonds outstanding on the date of the adoption of Resolution No. RS2011-42 were paid or defeased. For a complete description of such amendments, reference is hereby made to Resolution No. RS2011-42.

As provided in the Resolution, bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution

provided. The aggregate principal amount of bonds which may be issued under the Resolution is not limited, and all bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Metropolitan Government, with the written consent of the holders of at least a majority in principal amount of the bonds outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of bonds then outstanding are affected thereby, with such consent of at least a majority in principal amount of the bonds of each series so affected and outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like series and maturity remain outstanding under the Resolution, the consent of the holders of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding bonds. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installments) or maturity of the principal of any outstanding bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Fiscal Agent or of any Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the registration books of the Metropolitan Government kept for that purpose at the above mentioned office of the Fiscal Agent, as Bond Registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon, and upon payment of the charges prescribed in the Resolution, a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution. The Metropolitan Government, the Fiscal Agent and any Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

[This bond shall not be subject to optional redemption prior to maturity.] [This bond shall be subject to redemption prior to maturity, at the election of the Metropolitan Government, on the direction of the Electric Power Board of the Metropolitan Government, upon mailed notice as provided in Article IV of the Resolution, as a whole or in part (and if in part the particular maturities to be selected by the Metropolitan Government), at any time, on or after May 15, ____, at the Redemption Price (expressed as a percentage of the principal amount of this bond or portion thereof to be redeemed) set forth below, together with accrued interest to the redemption date:

Redemption Period (dates inclusive)	Redemption Price
May 15, ____ to May 14, ____	___%
May 15, ____ to May 14, ____	___%
May 15, ____ to May 14, ____	___%
May 15, ____ and thereafter	100%]

[Sinking Fund Installments (as defined in the Resolution) have been established for this bond. Such installments shall become due on May 15 of each of the years set forth in the following table in the respective principal amounts set forth opposite such years in said table:

Year	Principal Amount
____	$_____
____ (maturity)	$_____]

The principal of and interest on the 2027 Series [A][A-1][A-2 (Federally Taxable)] [B][B-1][B-2 (Federally Taxable)] Bonds are payable solely from the Pledged Funds, and the bonds, including the 2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bonds, shall not constitute a debt of the Metropolitan Government within the meaning of any statutory limitation. Neither the State of Tennessee nor any political subdivision thereof shall be liable on the bonds, and the bonds shall not constitute a debt or liability of the State of Tennessee or of any such political subdivision.

Section 67-5-205 of the Tennessee Code Annotated, as amended, provides that neither the principal nor the interest of any bonds or notes issued by any incorporated town or city, or any agency thereof, shall be taxed by the State of Tennessee or by any county or municipality of said State. Other provisions of said Tennessee Code Annotated indicate, however, that such exemption from taxation may not be available with respect to certain taxes including franchise and excise taxes.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the Metropolitan Government, complies in all respects with the applicable laws of the State of Tennessee, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Fiscal Agent of the Fiscal Agent's Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Metropolitan Mayor and countersigned by the manual or facsimile signature of its Metropolitan Treasurer, and its corporate seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Metropolitan Clerk, all as of the Dated Date hereof.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor of The Metropolitan Government of Nashville and Davidson County

Countersigned:

_____
Metropolitan Treasurer of The Metropolitan Government of Nashville and Davidson County

Attest:

_____
Metropolitan Clerk of The Metropolitan Government of Nashville and Davidson County

(SEAL)

[TO BE ATTACHED TO 2027 CAPITAL APPRECIATION BONDS ONLY]

ACCRETED VALUE PER $5,000 AMOUNT DUE AT MATURITY

The Accreted Value per $5,000 Amount Due at Maturity of each 2027 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)] Bond maturing on May 15, ____ on each November 15 and May 15 shall be as follows:

Date	Accreted Value	Date	Accreted Value
May 15, _____	$_____	May 15, _____	$_____
November 15, ____	$_____	November 15, ____	$_____

[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL 2027 BONDS]

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within-mentioned Resolution.

Regions Bank, as Fiscal Agent

By: _____
Authorized Officer

[FORM OF ASSIGNMENT FOR ALL 2027 BONDS]

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

_____
(please print or typewrite name and address of transferee)

_____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

In the presence of:

_____

_____
NOTICE. The signature of this assignment must correspond with the name as written upon the face of the bond in every particular without alteration or enlargement or any change whatsoever.

(B) In the event that a securities depository is no longer serving pursuant to Section 211 below and the Metropolitan Government issues Bond certificates as provided in Section 211(C)(3), a portion of each Bond form may be printed on the front side thereof and the remaining portion may be printed on the reverse side thereof, as determined by the Metropolitan Government, provided that the following paragraph shall be on the front side thereof:

The terms and provisions of this bond and definitions of certain terms used herein may be continued on the reverse side of this bond and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth on the front of this bond.

211. Depository Trust Company Registration of 2027 Bonds. (A) As per the direction of the initial purchasers of the 2027 Bonds, The Depository Trust Company ("DTC"), New York, New York, shall serve, subject to this Section 211, as securities depository for the 2027 Bonds, and the ownership of one fully registered Bond for each maturity of the 2027 Series A Bonds and the 2027 Series B Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of DTC.

(B) The 2027 Series A Bonds and the 2027 Series B Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of each said Series. With respect to 2027 Bonds so registered in the name of Cede, the Metropolitan Government, the Fiscal Agent and the Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such Bonds. Without limiting the immediately preceding sentence, the Metropolitan Government, the Fiscal Agent and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the 2027 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to such Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, such Bonds. The Metropolitan Government, the Fiscal Agent and the Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each 2027 Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal or Redemption Price of, and interest on, each such Bond, (ii) giving notices of redemption and other matters with respect to such Bonds and (iii) registering transfers with respect to such Bonds. The Paying Agent shall pay the principal or Redemption Price of, and interest on, all 2027 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Metropolitan Government's obligations with respect to such principal or Redemption Price, and interest, to the extent of the sum or sums so paid. No person other than DTC shall receive a 2027 Bond evidencing the obligation of the Metropolitan Government to make payments of principal or Redemption Price of, and interest on, such Bond pursuant to the Electric System Revenue Bond Resolution. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Thirty-Second Supplemental Resolution shall refer to such new nominee of DTC.

(C) (1) DTC may determine to discontinue providing its services with respect to the 2027 Bonds at any time by giving written notice to the Metropolitan Government, the Fiscal Agent and the Paying Agent and discharging its responsibilities with respect thereto under applicable law.

(2) The Metropolitan Government, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the 2027 Bonds if the Metropolitan Government determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of such Bonds or is burdensome to the Metropolitan Government.

(3) Upon the termination of the services of DTC with respect to the 2027 Bonds pursuant to subsection (C) of this Section 211, such 2027 Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede; provided, however, the Metropolitan Government may within ninety (90) days thereafter appoint a substitute securities depository which, in the opinion of the Metropolitan Government, is willing and able to undertake the functions of securities depository under this Thirty-Second Supplemental Resolution upon reasonable and customary terms. If no such successor can be found within such period, the 2027 Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede. In the event that the 2027 Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede, (a) the Metropolitan Government shall execute and the Paying Agent shall authenticate Bond certificates as requested by DTC of like principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owner's beneficial ownership interests in such 2027 Bonds, and (b) the Metropolitan Government shall notify the Paying Agent that such 2027 Bonds are no longer restricted to being registered in the registration books kept by the Paying Agent in the name of Cede.

(4) Anything in this Thirty-Second Supplemental Resolution to the contrary notwithstanding, payment of the Redemption Price of a 2027 Bond, or portion thereof, called for redemption prior to maturity may be paid to DTC by check mailed to DTC or by wire transfer. Anything in this Thirty-Second Supplemental Resolution to the contrary notwithstanding, such Redemption Price may be paid without presentation and surrender to the Paying Agent of the 2027 Bond, or portion thereof, called for redemption; provided, however, that payment of (a) the principal payable at maturity of a 2027 Bond, and interest accrued in the case of 2027 Capital Appreciation Bonds, and (b) the Redemption Price of a 2027 Bond as to which the entire principal amount thereof has been called for redemption shall be payable only upon presentation and surrender of such 2027 Bond to the Paying Agent; and provided, further, that no such redemption price shall be so payable without presentation and surrender unless such 2027 Bond shall contain or have endorsed thereon a legend to the following effect:

> "AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE THIRTY-SECOND SUPPLEMENTAL RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE

CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC AS OWNER OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT THEREOF OR SUBSTITUTION THEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, CEDE & CO., HAS AN INTEREST HEREIN."

Anything in this Thirty-Second Supplemental Resolution to the contrary notwithstanding, upon any such payment to DTC without presentation and surrender, for all purposes of (i) the 2027 Bond as to which such payment has been made and (ii) this Thirty-Second Supplemental Resolution, the unpaid principal amount of such 2027 Bond Outstanding shall automatically be reduced by the principal amount so paid. In such event, the Paying Agent shall note the particular 2027 Bond as to which such payment has been made, and the principal amount of such 2027 Bond so paid, on the registration books of the Metropolitan Government maintained by it, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such 2027 Bond Outstanding as provided in this subsection.

(5) For all purposes of the Electric System Revenue Bond Resolution authorizing or permitting the purchase of 2027 Bonds by, or for the account of, the Metropolitan Government for cancellation, and anything in the Electric System Revenue Bond Resolution to the contrary notwithstanding, a portion of a 2027 Bond may be deemed to have been purchased and cancelled without surrender thereof upon delivery to the Paying Agent of a certificate executed by the Metropolitan Government and a participant of DTC therefor, agreed to and accepted by DTC in writing, to the effect that a beneficial ownership interest in such 2027 Bond, in the principal amount stated therein, has been purchased by, or for the account of, the Metropolitan Government through the participant of DTC executing such certificate; provided,

however, that any purchase for cancellation of the entire principal amount of a 2027 Bond shall be effective for purposes of the Electric System Revenue Bond Resolution only upon surrender of such 2027 Bond to the Paying Agent; and provided, further, that no portion of a 2027 Bond may be deemed to have been so purchased and cancelled without surrender thereof unless such 2027 Bond shall contain or have endorsed thereon the legend referred to in subsection (C)(4) above. Anything in the Electric System Revenue Bond Resolution to the contrary notwithstanding, upon delivery of any such certificate to the Paying Agent, for all purposes of (i) the 2027 Bond to which such certificate relates and (ii) the Electric System Revenue Bond Resolution, the unpaid principal amount of such 2027 Bond Outstanding shall automatically be reduced by the principal amount so purchased. In such event, the Paying Agent shall note such reduction on the registration books of the Metropolitan Government maintained by it, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such 2027 Bond Outstanding as provided in this subsection.

(6) Anything in the Electric System Revenue Bond Resolution to the contrary notwithstanding, DTC may make a notation on a 2027 Bond (i) redeemed in part or (ii) purchased by, or for the account of, the Metropolitan Government in part for cancellation, to reflect, for informational purposes only, the date of such redemption or purchase and the principal amount thereof redeemed or cancelled, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such 2027 Bond Outstanding as provided in subsection (C)(4) or (C)(5) of this Section 211, as the case may be.

212. Tax Covenant. The Metropolitan Government hereby covenants and agrees with the Holders of the 2027 Series A Bonds (other than those 2027 Series A Bonds, if any, issued with the intention that the interest thereon shall be included the gross income of the owners thereof for federal income tax purposes as determined pursuant to Section 207(A)(vi)) and the 2027 Series B Bonds (other than those 2027 Series B Bonds, if any, issued with the intention that the interest thereon shall be included the gross income of the owners thereof for federal income tax purposes as determined pursuant to Section 207(B)(vi)) to do the following:

(1) The Metropolitan Government shall comply with each applicable requirement of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to maintain the exclusion of interest on the 2027 Series A Bonds and the 2027 Series B Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the Metropolitan Government agrees to comply with the provisions of the Tax and Arbitrage Certificate (the "Tax Certificate") to be prepared by Bond Counsel for the 2027 Series A Bonds and the 2027 Series B Bonds and to be executed by the Metropolitan Government on the date of the initial issuance and delivery of the 2027 Series A Bonds and the 2027 Series B Bonds, as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code, and the Metropolitan Mayor, the Treasurer of the Metropolitan Government and the Director of Finance of the Metropolitan Government, any one of whom may act alone, are hereby authorized and directed to execute and deliver the Tax Certificate on behalf of and in the name of the Metropolitan Government.

(2) The Metropolitan Government shall make any and all payments required to be made to the United States Department of the Treasury in connection with the 2027 Series A

Bonds and the 2027 Series B Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established under the Electric System Revenue Bond Resolution, as heretofore and hereafter amended and supplemented, or otherwise available therefor.

(3) Notwithstanding any provision of the Electric System Revenue Bond Resolution to the contrary, so long as necessary to maintain the exclusion from gross income of interest on the 2027 Series A Bonds and the 2027 Series B Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2027 Series A Bonds and the 2027 Series B Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 1201 of the Electric System Revenue Bond Resolution.

ARTICLE III
APPROVAL OF DOCUMENTS

301. Official Statement. (A) The Preliminary Official Statement describing the 2027 Bonds, in substantially the form attached hereto and by this reference made a part hereof as Exhibit C, is hereby in all respects approved, and the use of the Preliminary Official Statement in substantially such form, with such changes, corrections, deletions, insertions, variations, additions or omissions as may be approved by the Authorized Board Representative and the Director of Finance, in connection with the offering and sale of the 2027 Bonds is hereby approved, such approval by the Authorized Board Representative and the Director of Finance being conclusively evidenced by the delivery of instructions to so use the Preliminary Official Statement in connection with the offering and sale of the Bonds. After the 2027 Bonds have been sold, the Authorized Board Representative and the Director of Finance shall be authorized to make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Thirty-Second Supplemental Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(f)(3) of the Securities Exchange Act of 1934, as amended. The Authorized Board Representative shall arrange for the delivery to such underwriters as described therein of a reasonable number of copies of the Official Statement within seven (7) business days after the 2027 Bonds have been sold for delivery by such underwriters to each potential investor requesting a copy of the Official Statement.

(B) The Authorized Board Representative and the Director of Finance are authorized to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended, except for the omission from the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date, except for the omission in the Preliminary Official Statement of such pricing and other information.

302. Execution by Metropolitan Government. (A) The authority to sell the 2027 Bonds is hereby delegated to the Metropolitan Mayor, and, accordingly, the Metropolitan Mayor

is hereby authorized and directed to execute, upon proper presentation to the Metropolitan Mayor by the Board, a bond purchase agreement relating to the 2027 Bonds in substantially the form attached hereto as Exhibit B.

(B) The Metropolitan Mayor, the Treasurer of the Metropolitan Government and the Director of Finance of the Metropolitan Government, either one of whom may act alone, are hereby authorized and directed to execute, upon proper presentation to the Metropolitan Mayor, the Treasurer or the Director of Finance, as applicable, by the Board, (i) the final Official Statement as contemplated in Section 301, (ii) an escrow agreement relating to the refunding of the Refunded Bonds in substantially the form attached hereto as Exhibit D, along with irrevocable instructions to redeem those Refunded Bonds to be redeemed prior to maturity in substantially the form annexed as a schedule to such escrow agreement, and (iii) if any of the 2027 Bonds are to be insured as determined by the Board pursuant to Section 207 of this Thirty-Second Supplemental Resolution, such certificates and agreements as shall be required by such insurance provider.

303. Continuing Disclosure. The Metropolitan Government hereby delegates to the Board the responsibility to comply with the continuing disclosure requirements with respect to the 2027 Bonds set forth in Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and the Continuing Disclosure Agreement describing such continuing disclosure requirements, in the form attached as Appendix F to the Preliminary Official Statement attached hereto as Exhibit C, is hereby in all respects approved.

304. Miscellaneous Acts. The appropriate officers of the Metropolitan Government are hereby authorized, empowered and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable, file or record, or cause to be filed or recorded, in any appropriate public officers, all such documents, instruments and certifications, in addition to those acts, things, documents, instruments and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Thirty-Second Supplemental Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance and delivery by the Metropolitan Government of the 2027 Bonds.

ARTICLE IV
MISCELLANEOUS

401. Resolution to Remain in Effect. Save and except as supplemented by this Thirty-Second Supplemental Resolution, the Electric System Revenue Bond Resolution as heretofore supplemented and amended shall remain in full force and effect.

402. Effective Date. This Thirty-Second Supplemental Electric System Revenue Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

[signatures on following page]

RECOMMENDED BY:

General Counsel
Electric Power Board

APPROVED AS TO FORM AND LEGALITY:

Director of Law

INTRODUCED BY:

MEMBERS OF COUNCIL

EXHIBIT A

FORM OF ACCEPTANCE OF OFFICE OF PAYING AGENT

_____, 2027

The Metropolitan Government of
Nashville and Davidson County
Nashville, Tennessee

Dear Sirs:

The undersigned hereby accepts the duties and obligations of Paying Agent for the Electric System Revenue Bonds, 2027 Series A, and the Electric System Revenue Refunding Bonds, 2027 Series B, both of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") imposed upon the undersigned by the Electric System Revenue Bond Resolution of the Metropolitan Government adopted November 5, 1985, as amended and supplemented (the "Resolution"). Further, the undersigned hereby agrees that the Metropolitan Government shall have cause to remove the undersigned as Paying Agent for the 2027 Series A Bonds and the 2027 Series B Bonds pursuant to Section 908 of the Resolution in the event the undersigned assigns its obligations as Paying Agent for the 2027 Series A Bonds or the 2027 Series B Bonds without the prior written consent of the Metropolitan Government or in the event the undersigned sells, transfers, assigns or in any way disposes of all or substantially all of its corporate trust business, including its rights as Paying Agent for the 2027 Series A Bonds or the 2027 Series B Bonds.

Regions Bank, as Paying Agent

By: _____

Name: _____

Title: _____

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D

FORM OF ESCROW AGREEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____ __, 2027

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The 2027 Series A and B Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2027 Series A and B Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

New Issues - Book-Entry Only

Ratings:
Moody's: [___]
Fitch: [___]
(See "RATINGS" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, interest on the 2027 Series A and B Bonds (defined below) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the 2027 Series A and B Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, interest on the 2027 Series A and B Bonds is exempt from state, county and municipal taxation in the State of Tennessee. The opinion of Bond Counsel will address these aspects of the tax status of the 2027 Series A and B Bonds and should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed. For a more complete description, see "TAX EXEMPTION" herein.

NES

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

$[260,000,000]* ELECTRIC SYSTEM REVENUE BONDS, 2027 SERIES A
$[140,000,000]* ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2027 SERIES B

Dated: Date of Delivery **Due: May 15 as shown on the inside cover***

The $[260,000,000]* Electric System Revenue Bonds, 2027 Series A (the "2027 Series A Bonds") and the $[140,000,000]* Electric System Revenue Refunding Bonds, 2027 Series B (the "2027 Series B Bonds" and, collectively with the 2027 Series A Bonds, the "2027 Series A and B Bonds") of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") will be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2027 Series A and B Bonds. Individual purchases of the 2027 Series A and B Bonds will be made in book-entry form only. See "DESCRIPTION OF THE 2027 SERIES A AND B BONDS – Book-Entry-Only System" herein.

Interest on the 2027 Series A and B Bonds will be payable semiannually on May 15 and November 15 of each year, commencing [_____ __], 202[_]*. Ownership of the 2027 Series A and B Bonds will be registered on the registration books kept by Regions Bank, Nashville, Tennessee (the "Fiscal Agent"). Payment of principal, redemption price, if applicable, and interest will be made by the Fiscal Agent directly to Cede & Co., as nominee of DTC, and will be subsequently disbursed by DTC through the Direct Participants (as defined herein) and thereafter to Beneficial Owners (as defined herein). Purchasers will not receive physical delivery of the 2027 Series A and B Bonds. See "DESCRIPTION OF THE 2027 SERIES A AND B BONDS – Book-Entry-Only System" herein.

The 2027 Series A and B Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE 2027 SERIES A AND B BONDS – Redemption" herein.

MATURITIES, AMOUNTS, INTEREST RATES, PRICE OR YIELD AND CUSIP NUMBERS – SEE INSIDE COVER

The 2027 Series A Bonds are being issued to provide funds to finance a portion of the costs of the acquisition, expansion and improvement of the Metropolitan Government's electric transmission and distribution system (the "Electric System") and to pay costs of issuance of the 2027 Series A Bonds. The 2027 Series B Bonds are being issued to refund certain of the Metropolitan Government's outstanding debt as described herein and to pay costs of issuance of the 2027 Series B Bonds. See "PLAN OF FINANCING AND REFUNDING" and "SOURCES AND USES" herein.

The 2027 Series A and B Bonds will be issued pursuant to the Bond Resolution and are limited obligations of the Metropolitan Government, payable from the Pledged Funds (as defined herein), including the Net Revenues (as defined herein) of the Electric System, on a parity of lien with respect to such Pledged Funds with certain Outstanding Bonds (as defined herein), Additional Bonds (as defined herein) and certain other obligations that may hereafter be issued on a parity of lien with respect to such Pledged Revenues, all as more fully described herein.

The 2027 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2027 Series A and B Bonds shall ever have the right to compel the Metropolitan Government to exercise its taxing power to pay principal, redemption price of or interest on the 2027 Series A and B Bonds. See "SECURITY FOR THE BONDS" and "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein.

*The 2027 Series A and B Bonds are offered when, as and if issued by the Metropolitan Government, subject to approval as to legality by Bradley Arant Boult Cummings LLP, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed upon for the Electric Power Board of The Metropolitan Government of Nashville and Davidson County by Laura Smith, Esq., Vice President – General Counsel to the Board, and for the Underwriters by their counsel, Bass, Berry & Sims PLC, Nashville, Tennessee. Certain other legal matters will be passed upon for the Metropolitan Government by Tyler Chance Yarbro, Esq., Director of Law. It is expected that the 2027 Series A and B Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about February [_], 2027.**

Raymond James

BofA Securities **FHN Financial Capital Markets** **Jefferies**
J.P. Morgan **Siebert Williams Shank & Co.** **TD Financial Products**

Dated January __, 2027

* Preliminary, subject to change.

$[260,000,000]* ELECTRIC SYSTEM REVENUE BONDS, 2027 SERIES A

Maturity*	Principal Amount*	Interest Rate	Yield	CUSIP No.**

[$[_____]* ____% Term Bond Due May 15, 20[__]*, Yield ____% CUSIP No.** _____]

$[140,000,000]* ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2027 SERIES B

Maturity*	Principal Amount*	Interest Rate	Yield	CUSIP No.**

* Preliminary, subject to change.

** Copyright, American Bankers Association (the "ABA"). Initial CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of purchasers of the 2027 Series A and B Bonds only at the time of issuance of the 2027 Series A and B Bonds, and neither the Underwriters nor the Metropolitan Government makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2027 Series A and B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2027 Series A and B Bonds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Honorable Freddie O'Connell, Metropolitan County Mayor

Austin Kyle, Metropolitan Clerk
Jenneen Reed, Director of Finance
Tyler Chance Yarbro, Esq., Director of Law

ELECTRIC POWER BOARD

Casey Santos, Chair
Clifton Harris, Vice Chair
Robert McCabe
Ian Prunty
Jaz Boon
[Update to include newly appointed members]

MANAGEMENT

Teresa Broyles-Aplin, President and Chief Executive Officer
Tabitha Beach, Interim Vice President and Chief Financial Officer
Laura Smith, Esq., Vice President – General Counsel

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Arlington, Virginia

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Nashville, Tennessee

FISCAL AND ESCROW AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bradley Arant Boult Cummings LLP
Nashville, Tennessee

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") from time to time, is an Official Statement with respect to the 2027 Series A and B Bonds described herein that is deemed final by the Metropolitan Government as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the 2027 Series A and B Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement is furnished in connection with the sale of securities as referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. No dealer, broker, sales person or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the 2027 Series A and B Bonds and, if given or made, such information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy by any person in any jurisdiction in which it is unlawful for such person to make such offer or solicitation in such jurisdiction.

The information contained in this Official Statement has been obtained from the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the "Board"), the Metropolitan Government, the Tennessee Valley Authority, public documents and records and other sources considered to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. In making an investment decision, investors must rely on their own examination of the Metropolitan Government, the Board and the terms of the offering, including the merits and risks involved.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor the sale of any of the 2027 Series A and B Bonds implies that there has been no change in the affairs of the Metropolitan Government, the Board or the Electric System or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE 2027 SERIES A AND B BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2027 SERIES A AND B BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NO REGISTRATION STATEMENT RELATING TO THE 2027 SERIES A AND B BONDS HAS BEEN FILED WITH THE SECURITIES EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES AGENCY. THE 2027 SERIES A AND B BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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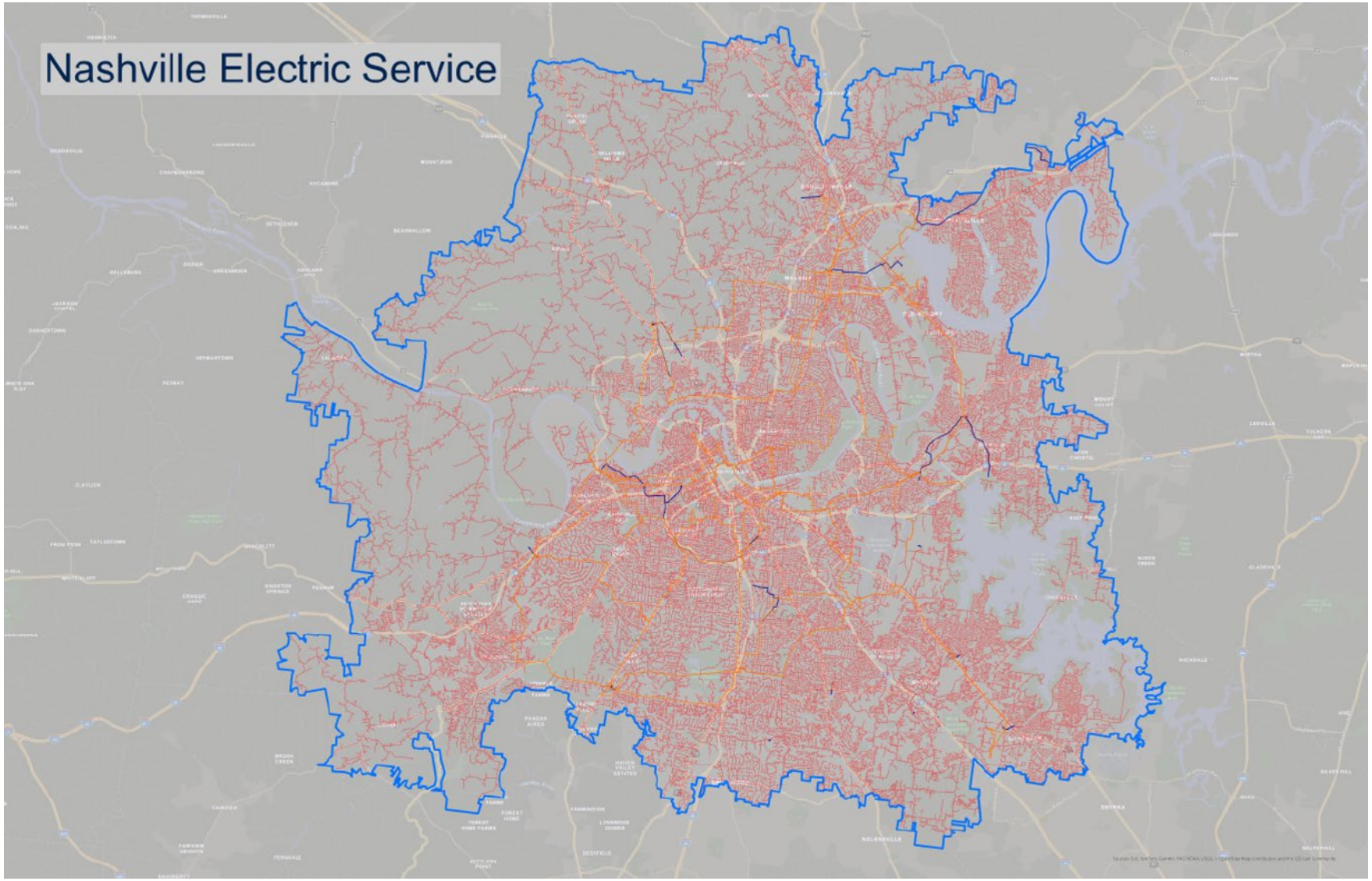
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Nashville Electric Service

OFFICIAL STATEMENT

Relating to

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

$[260,000,000]* Electric System Revenue Bonds, 2027 Series A
$[140,000,000]* Electric System Revenue Refunding Bonds, 2027 Series B

INTRODUCTION

This Official Statement (including the cover page hereof and the Appendices hereto) is furnished by The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") to provide information concerning the electric transmission and distribution system (the "Electric System") operated by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (the "Board"), which does business as the Nashville Electric Service ("NES"), and the issuance of the Metropolitan Government's $[260,000,000]* Electric System Revenue Bonds, 2027 Series A (the "2027 Series A Bonds") and $[140,000,000]* Electric System Revenue Refunding Bonds, 2027 Series B (the "2027 Series B Bonds" and, collectively with the 2027 Series A Bonds, the "2027 Series A and B Bonds") for the use and benefit of the Board.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement and incorporated by reference herein, including the cover page and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein. The offering of the 2027 Series A and B Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The 2027 Series A and B Bonds are being issued by the Metropolitan Government under and pursuant to Chapter 34, Title 7, Tennessee Code Annotated, Sections 7-34-101 through 7-34-118, as amended (the "Act"), the Charter of the Metropolitan Government (the "Metropolitan Charter") which was approved by referendum on June 28, 1962, as amended, and a resolution of the Metropolitan Government adopted on November 5, 1985, entitled "Electric System Revenue Bond Resolution" as amended and supplemented (the "Bond Resolution"), including specifically, as supplemented by the Thirty-Second Supplemental Electric System Revenue Bond Resolution adopted by the Metropolitan Government on [November 17, 2026] (the "Supplemental Resolution"). The 2027 Series A and B Bonds and all other bonds heretofore and hereafter issued under and pursuant to the Bond Resolution on a parity each with the other and Outstanding are hereinafter referred to as the "Bonds".

The 2027 Series A Bonds are being issued to provide funds to finance a portion of the costs of the acquisition, expansion and improvement of the Metropolitan Government's electric transmission and distribution system (the "Electric System") and to pay costs of issuance of the 2027 Series A Bonds. The 2027 Series B Bonds are being issued to refinance all or a portion of the Metropolitan Government's (i)

* Preliminary, subject to change.

Electric System Revenue Refunding Bonds, 2015 Series A, maturing [___], 20[__] through [___], 20[__], (ii) Electric System Revenue Bonds, 2017 Series A, maturing [___], 20[__] through [___], 20[__], and (iii) Electric System Revenue Refunding Bonds, 2017 Series B, maturing [___], 20[__] through [___], 20[__]. See "PLAN OF FINANCING AND REFUNDING" and "SOURCES AND USES" herein.

To the extent Outstanding, the following Bonds issued by the Metropolitan Government under the Bond Resolution have a lien on the Pledged Funds as described under the Bond Resolution: Electric System Revenue Refunding Bonds, 2015 Series A (the "2015 Series A Bonds"); Electric System Revenue Bonds, 2017 Series A (the "2017 Series A Bonds"), Electric System Revenue Refunding Bonds, 2017 Series B (the "2017 Series B Bonds"), Electric System Revenue Bonds, 2021 Series A (the "2021 Series A Bonds"), Electric System Revenue Bonds, 2024 Series A (the "2024 Series A Bonds"), and the Electric System Revenue Refunding Bonds, 2024 Series B (the "2024 Series B Bonds" and, collectively with the 2015 Series A Bonds, the 2017 Series A Bonds, the 2017 Series B Bonds, the 2021 Series A Bonds and the 2024 Series A Bonds, the "Parity Debt Obligations"). See "PARITY DEBT OBLIGATIONS" herein. The 2027 Series B Bonds are being issued in part to refund all or a portion of the 2015 Series A Bonds, the 2017 Series A Bonds, and the 2017 Series B Bonds. See "PLAN OF FINANCING AND REFUNDING" herein.

The 2027 Series A and B Bonds, Parity Debt Obligations and all other Bonds issued under the Bond Resolution are limited obligations of the Metropolitan Government payable solely from and secured as to the payment of the principal, Redemption Price, if applicable, and interest thereon, in accordance with their terms, and the terms of the Bond Resolution, solely by a pledge of the Pledged Funds on a parity and equality of lien with respect to such Pledged Funds with the Bonds. Pledged Funds are defined in the Bond Resolution to include, among other sources, the Net Revenues of the Electric System. See "SECURITY FOR THE BONDS" and "Appendix C - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein.

Unless otherwise defined herein or where the context would clearly indicate otherwise, capitalized terms used herein shall have the meaning set forth in the Bond Resolution. See "Appendix C - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION". Copies of the Bond Resolution may be obtained from the office of the Interim Vice President and Chief Financial Officer, Nashville Electric Service, 1214 Church Street, Nashville, Tennessee 37246; telephone (615) 747-3831.

The 2027 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2027 Series A and B Bonds shall ever have the right to compel the Metropolitan Government to exercise its taxing power to pay the principal or Redemption Price of or interest on the 2027 Series A and B Bonds.

PLAN OF FINANCING AND REFUNDING

2027 Series A Bonds

The proceeds of the sale of the 2027 Series A Bonds, together with all other available funds, will be used to finance a portion of the costs incurred in connection with the acquisition, expansion and improvement of the Electric System in accordance with the Board's capital improvement plan. For a discussion of the Board's construction program and additional financing requirements for the Electric System, see "CONSTRUCTION AND FINANCING PROGRAM" herein. See also "THE ELECTRIC SYSTEM – Capital Improvement Plan" herein. The Metropolitan Government through the Board will use the remaining proceeds of the 2027 Series A Bonds to pay costs of issuing the 2027 Series A Bonds.

2027 Series B Bonds

The proceeds of the sale of the 2027 Series B Bonds, together with other available funds, if applicable, will be used to refinance all or a portion of the Metropolitan Government's outstanding (i) 2015 Series A Bonds, maturing [___], 20[__] through [___], 20[__] (the "2015 Series A Refunded Bonds"), (ii) 2017 Series A Bonds, maturing [___], 20[__] through [___], 20[__] (the "2017 Series A Refunded Bonds"), and (iii) 2017 Series B Bonds, maturing [___], 20[__] through [___], 20[__] (the "2017 Series B Refunded Bonds" and collectively with the 2015 Series A Refunded Bonds and the 2017 Series A Refunded Bonds, the "Refunded Bonds").

The proceeds of the 2027 Series B Bonds will be used to make a deposit to an escrow fund (the "Escrow Fund") created pursuant to an escrow trust agreement, dated as of February __, 2027 (the "Escrow Agreement"), between the Metropolitan Government, the Board and Regions Bank, Nashville, Tennessee, as escrow agent thereunder (the "Escrow Agent"). The Escrow Agent shall hold in cash or invest monies on deposit in the Escrow Fund in direct obligations of, or obligations unconditionally guaranteed by, the United States of America (the "Escrowed Securities"). The principal of and interest on the Escrowed Securities will be verified by [_____], (see "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein) to be sufficient to provide for the payment of the principal of and interest and redemption premium, if any, on the Refunded Bonds. Neither the principal of nor the interest on the Escrowed Securities will be available for the payment of the 2027 Series B Bonds or any other Bonds. Upon such deposit of the Escrowed Securities and moneys in the Escrow Fund and in compliance with other provisions of the Bond Resolution, the Refunded Bonds will be deemed paid and will cease to be entitled to any lien, benefit or security under the Bond Resolution and all covenants, agreements and obligations of the Metropolitan Government to the holders of the Refunded Bonds shall cease, terminate and become void and be discharged and satisfied. Upon issuance of the 2027 Series B Bonds, the Metropolitan Government will irrevocably instruct Regions Bank, Nashville, Tennessee, as Fiscal Agent (the "Fiscal Agent"), to redeem the Refunded Bonds on [May 15, 2027]. The Metropolitan Government, through the Board, will use the remaining proceeds of the 2027 Series B Bonds to pay costs of issuing the 2027 Series B Bonds.

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SOURCES AND USES OF FUNDS

The sources and uses of funds are estimated as follows*:

Sources of Funds:	2027 Series A Bonds	2027 Series B Bonds
Bond Par Amount	$	$
[Net] Reoffering Premium		
[2015A Debt Service Fund Release]	-	
[2017A Debt Service Fund Release]	-	
[2017B Debt Service Fund Release]	-	
Total Sources	$	$
Uses of Funds:		
Costs of Issuance(1)	$	$
Deposit to Escrow Fund	-	-
Deposit to Construction Fund		
Total Uses	$	$

(1) Includes underwriter's discount and rounding amounts.

DESCRIPTION OF THE 2027 SERIES A AND B BONDS

Principal Amount, Interest, Maturity and Date

The 2027 Series A and B Bonds will be issued as fully registered bonds in the aggregate principal amount of $[_____]* and will be initially dated the date of delivery.

Interest on the 2027 Series A and B Bonds will be payable semiannually on May 15 and November 15 of each year, commencing [___], 2027*, at the rates set forth on the inside cover page hereof. The 2027 Series A and B Bonds will mature on the dates set forth on the inside cover page hereof.

Redemption*

Optional Redemption

* Preliminary, subject to change.

The 2027 Series A and B Bonds are subject to redemption at the option of the Metropolitan Government, on the direction of the Board, on or after [May 15, 20[__]], in whole or in part at any time at a Redemption Price of 100% of par plus accrued interest to the redemption date.

Mandatory Redemption from Sinking Fund Installments

2027 Series A Bonds. The 2027 Series A Bond maturing May 15, 20__ (the "2027 Series A Term Bond") is subject to mandatory redemption, in part, on each Sinking Fund Installment due date for the 2027 Series A Term Bond, at a Redemption Price equal to the principal amount thereof from the Sinking Fund Installments specified below. The following shall be the Sinking Fund Installments for the 2027 Series A Term Bond. Such Sinking Fund Installments shall be due on May 15 of each of the years set forth in the following table in the respective amounts set forth opposite such years:

2027 Series A Bond Due May 15, 20__

Year	**Principal Amount**

** Maturity

2027 Series B Bonds. The 2027 Series B Bond maturing May 15, 20__ (the "2027 Series B Term Bond") is subject to mandatory redemption, in part, on each Sinking Fund Installment due date for the 2027 Series B Term Bond, at a Redemption Price equal to the principal amount thereof from the Sinking Fund Installments specified below. The following shall be the Sinking Fund Installments for the 2027 Series B Term Bond. Such Sinking Fund Installments shall be due on May 15 of each of the years set forth in the following table in the respective amounts set forth opposite such years:

2027 Series B Bond Due May 15, 20__

Year	**Principal Amount**

** Maturity

Selection of Bonds for Redemption

If less than all of the 2027 Series A and B Bonds are to be so redeemed, the Board may select the maturity or maturities to be redeemed. If less than all of the 2027 Series A and B Bonds of any maturity are to be redeemed, the particular Bonds of such maturity or portions thereof to be redeemed shall be selected at random by the Fiscal Agent in such manner as the Fiscal Agent in its discretion may deem fair and appropriate. The portion of any Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple thereof, and in selecting portions of such Bonds for redemption, the Fiscal Agent will treat each such Bond as representing that number of Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Bond by $5,000.

Notice of Redemption

Notice of the redemption of 2027 Series A and B Bonds shall be mailed by the Fiscal Agent, postage prepaid, not less than twenty-five days prior to the redemption date, to the registered holders of any 2027 Series A and B Bonds or portions of 2027 Series A and B Bonds to be redeemed, at their last addresses appearing upon the registration books of the Metropolitan Government, but failure to give any such notice by mail or any defect in any such notice shall not affect the validity of the proceedings for the redemption of any other 2027 Series A and B Bonds. Any notice that is mailed in the manner described in the preceding sentence shall be conclusively presumed to have been duly given, whether or not the registered holder receives such notice.

Effect of Redemption

If, on the redemption date, moneys for the redemption of all the 2027 Series A and B Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Paying Agent so as to be available therefore on the redemption date and if notice of redemption shall have been given as described above, the 2027 Series A and B Bonds or portions of 2027 Series A and B Bonds so called for redemption shall become due and payable at the applicable Redemption Price plus accrued interest; the interest on such 2027 Series A and B Bonds or portions of such 2027 Series A and B Bonds shall cease to accrue; the 2027 Series A and B Bonds or portions of 2027 Series A and B Bonds so called for redemption shall cease to be entitled to any benefit or security under the Bond Resolution; and the registered holders of such 2027 Series A and B Bonds or portions of such 2027 Series A and B Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest and to receive 2027 Series A and B Bonds for any unredeemed portion of 2027 Series A and B Bonds.

Transfer and Exchange

When in book-entry form, ownership of 2027 Series A and B Bonds held by DTC or its nominee, Cede & Co., may be transferred and exchanged in accordance with the rules and procedures of DTC.

When not in book-entry form, the 2027 Series A and B Bonds shall be transferable only upon the registration books of the Metropolitan Government, which shall be kept for such purpose at the principal corporate trust office of Regions Bank, Nashville, Tennessee (the "Bond Registrar"), by the registered holder thereof or by his attorney duly authorized in writing, upon surrender thereof together with an instrument of assignment duly executed by the registered holder or his duly authorized attorney, in form satisfactory to such Bond Registrar.

The 2027 Series A and B Bonds, upon surrender to the Bond Registrar, may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of registered 2027 Series A and B Bonds of any Authorized Denomination or Denominations.

The Metropolitan Government or the Bond Registrar may make a charge for every such exchange or transfer of 2027 Series A and B Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid, but no other charge shall be made to any registered holder for the privilege of exchanging or transferring 2027 Series A and B Bonds.

Book-Entry-Only System

DTC will act as securities depository for the 2027 Series A and B Bonds. The 2027 Series A and B Bonds will be issued as fully registered 2027 Series A and B Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2027 Series A and B Bond certificate will be issued for each maturity and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P Global's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 2027 Series A and B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2027 Series A and B Bonds on DTC's records. The ownership interest of each actual purchaser of 2027 Series A and B Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in 2027 Series A and B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2027 Series A and B Bonds, except in the event that use of the book-entry system for the 2027 Series A and B Bonds is discontinued.

To facilitate subsequent transfers, all the 2027 Series A and B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other

name as may be requested by an authorized representative of DTC. The deposit of 2027 Series A and B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of 2027 Series A and B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2027 Series A and B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER TO RECEIVE NOTICES (INCLUDING NOTICES OF REDEMPTION) AND OTHER INFORMATION REGARDING 2027 Series A and B BONDS THAT MAY BE SO CONVEYED TO DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS.

Redemption notices shall be sent to DTC. If less than all of the 2027 Series A and B Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2027 Series A and B Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Metropolitan Government as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2027 Series A and B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on 2027 Series A and B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Metropolitan Government or the Fiscal Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Metropolitan Government or the Fiscal Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Metropolitan Government or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to 2027 Series A and B Bonds at any time by giving reasonable notice to the Metropolitan Government or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the 2027 Series A and B Bonds are required to be printed and delivered.

The Metropolitan Government may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the 2027 Series A and B Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Metropolitan Government believes to be reliable. The Metropolitan Government makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

NEITHER THE METROPOLITAN GOVERNMENT, THE BOARD, THE BOND REGISTRAR NOR THE UNDERWRITER (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE METROPOLITAN GOVERNMENT NOR THE BOND REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON 2027 Series A and B BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF 2027 Series A and B BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF 2027 Series A and B BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF 2027 Series A and B BONDS.

SECURITY FOR THE BONDS

Pledge Under the Bond Resolution

The 2027 Series A and B Bonds constitute Bonds as defined in the Bond Resolution. All Bonds are limited obligations of the Metropolitan Government payable solely from and secured as to the payment of the principal and Redemption Price thereof and interest thereon, in accordance with their terms and the terms of the Bond Resolution, solely by a pledge of the Pledged Funds on a parity and equality of lien with respect to such Pledged Funds with Parity Debt Obligations in addition to Additional Bonds. Pledged Funds are defined in the Bond Resolution to be the Net Revenues of the Electric System and the moneys and Investment Securities held in all funds and accounts established under the Bond Resolution (other than the Rate Stabilization Account), and subject to application as provided in the Bond Resolution. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

The 2027 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2027 Series A and B Bonds shall ever have the right to compel the Metropolitan Government to exercise its taxing power to pay the principal or Redemption Price of or interest on the 2027 Series A and B Bonds.

Debt Service Fund

The Bond Resolution creates various funds and accounts, including the Debt Service Fund, which is held by the Fiscal Agent, and consists of the Debt Service Account and the Debt Service Reserve Account. All Revenues of the Electric System are deposited as received into the Revenue Fund, then monthly to the Operating Fund to provide for the next month's Operating Expenses, and then to the Debt Service Fund. See, Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Establishment of Funds and Accounts – Application of Revenues".

Debt Service Account

On or before each principal and interest payment date, the Fiscal Agent pays the Paying Agents all amounts required to pay debt service coming due on the Parity Debt Obligations and any Additional Bonds. See, Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Application of Revenues – Debt Service Account".

Debt Service Reserve Account

The Bond Resolution requires the Metropolitan Government to accumulate and maintain in the Debt Service Reserve Account an amount equal to the Debt Service Reserve Requirement. The Debt Service Reserve Requirement, if any, may be established separately for each Series of Bonds. Amounts in the Debt Service Reserve Account are to be applied to make up any deficiencies in the Debt Service Account. In the event that there shall be any Debt Service Reserve Account Deficiency, the Debt Service Reserve Account is required to be restored from the General Reserve Fund, the Reserve and Contingency Fund and the Subordinated Debt Fund, in that order. Amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement (after taking into account any surety bond, insurance policy or letter of credit deposited therein pursuant to the Bond Resolution) shall be deposited in the Revenue Fund.

The Debt Service Reserve Requirement applicable to the 2027 Series A and B Bonds will be as follows:

(1) If the Net Revenues for the fiscal year preceding the fiscal year in which the 2027 Series A and B Bonds are issued or for any fiscal year ending after the issuance of the 2027 Series A and B Bonds equal or exceed one hundred fifty percent (150%) of the Aggregate Debt Service for such fiscal year, the Debt Service Reserve Requirement for the 2027 Series A and B Bonds for such immediately succeeding fiscal year shall be zero.

(2) If, for the fiscal year preceding the fiscal year in which the 2027 Series A and B Bonds are issued or for any fiscal year ending after the issuance of the 2027 Series A and B Bonds, the Net Revenues are less than one hundred fifty percent (150%) of the Aggregate Debt Service for such fiscal year, the Debt Service Reserve Requirement for the 2027 Series A and B Bonds for such immediately succeeding fiscal year shall be an amount equal to:

(i) Ten percent (10%) of the greatest amount of Aggregate Debt Service for the 2027 Series A and B Bonds for any fiscal year if the Net Revenues for the previous fiscal year were less than one hundred fifty percent (150%), but were greater than or equal to one hundred forty percent (140%), of the Aggregate Debt Service for the previous fiscal year;

(ii) Twenty percent (20%) of the greatest amount of Aggregate Debt Service for the 2027 Series A and B Bonds for any fiscal year if the Net Revenues for the previous fiscal year were less than one hundred forty percent (140%), but greater than one hundred thirty percent (130%), of the Aggregate Debt Service for the previous fiscal year;

(iii) Thirty percent (30%) of the greatest amount of Aggregate Debt Service for the 2027 Series A and B Bonds for any fiscal year if the Net Revenues for the previous fiscal year were less than one hundred thirty percent (130%), but greater than or equal to one hundred twenty percent (120%), of the Aggregate Debt Service for the previous fiscal year;

(iv) Forty percent (40%) of the greatest amount of Aggregate Debt Service for the 2027 Series A and B Bonds for any fiscal year if the Net Revenues for the previous fiscal year were less than one hundred twenty percent (120%), but greater than or equal to one hundred ten percent (110%), of the Aggregate Debt Service for the previous fiscal year; and

(v) Fifty percent (50%) of the greatest amount of Aggregate Debt Service for the 2027 Series A and B Bonds for any fiscal year if the Net Revenues for the previous fiscal year were less than one hundred ten percent (110%) of the Aggregate Debt Service for the previous fiscal year.

Upon the issuance of the 2027 Series A and B Bonds, the Board anticipates that the Debt Service Reserve Requirement for the 2027 Series A and B Bonds will be zero. If for any fiscal year the Net Revenues are less than one hundred fifty percent (150%) of the Aggregate Debt Service for such fiscal year, the Debt Service Reserve Requirement for the 2027 Series A and B Bonds will be adjusted as provided above. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Definitions" and "– Debt Service Reserve Account."

Rate Covenant

The Bond Resolution provides that the Board shall at all times establish and collect rates, fees and charges for the use or the sale of the output, capacity or service of the Electric System as shall be required in order that in each fiscal year the Net Revenues, together with other available Revenues plus the amount of any transfers from the Rate Stabilization Account to the Operating Fund during such fiscal year minus the amounts, if any, required by the Bond Resolution to be deposited from Net Revenues into the Debt Service Reserve Account, the Subordinated Debt Fund, the Reserve and Contingency Fund and the General Account during such fiscal year shall equal at least the Aggregate Debt Service on the Bonds for such fiscal year and the deposits made into the Rate Stabilization Account during such fiscal year, and in any event, as shall be required, together with other available funds, to pay or discharge all other indebtedness, charges or liens whatsoever payable out of the Revenues under the Bond Resolution. Promptly upon any material change in the circumstances which were contemplated at the time such rates, fees and charges were most recently reviewed, but not less frequently than once in each fiscal year, the Board shall review the rates, fees and charges so established and shall promptly revise such rates, fees and charges as necessary to comply with the foregoing requirements, provided that such rates, fees and charges shall in any event produce moneys sufficient to enable the Metropolitan Government and the Board to comply with all their covenants under the Bond Resolution.

The Act requires the Metropolitan Government to prescribe and collect reasonable rates, fees or charges for the services, facilities and commodities of the Electric System, and revise such rates, fees or charges from time to time whenever necessary so that the Electric System shall be and always remain self-supporting. The rates, fees and charges prescribed shall be such as will produce revenue at least sufficient (a) to pay when due all Bonds and interest thereon, for the payment of which the Revenues of the Electric System is or shall have been pledged, charged or otherwise encumbered, including reserves therefor, and (b) to provide for all expenses of operation and maintenance of the Electric System, including reserves therefor.

Pursuant to the Metropolitan Charter, the Metropolitan Government has vested in the Board exclusive authority to prescribe and collect rates and charges for the Electric System obligations or indebtedness.

Failure to comply with the rate covenant set forth in the Bond Resolution shall not constitute an Event of Default so long as the Board (i) shall, no later than sixty (60) days after discovering such noncompliance and in all events no later than sixty (60) days after receipt by the Board of audited financial statements for a particular fiscal year which show such non-compliance, retain the Consulting Engineer or another independent consultant or firm of consultants having a favorable reputation for skill and experience in the field of reviewing and recommending rates, fees and charges for electric systems (a "Qualified Independent Consultant"), for the purpose of reviewing the Electric System fees, rates, rents, charges and surcharges, (ii) shall either (A) implement the recommendations of such Qualified Independent Consultant with respect to fees, rates, rents, charges and surcharges for the Electric System necessary to comply with the rate covenant, or, (B) if the Qualified Independent Consultant shall be of the opinion that it would be impracticable at the time to charge such fees, rates, rents, charges and surcharges as would provide funds sufficient to comply with the rate covenant, impose such schedule of fees, rates, rents, charges and surcharges as in the opinion of such Qualified Independent Consultant will allow the Board to, as nearly as then practicable, comply with such rate covenant, and (iii) in any event shall be in compliance with such rate covenant no later than the end of the second fiscal year following the fiscal year in which such noncompliance requiring the engagement of the Qualified Independent Consultant occurred. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

Additional Bonds

Under the Bond Resolution, the Metropolitan Government may issue Bonds ("Additional Bonds") in addition to the 2027 Series A and B Bonds and, to the extent Outstanding, the 2015 Series A Bonds, the 2017 Series A Bonds, the 2017 Series B Bonds, the 2021 Series A Bonds, the 2024 Series A Bonds and the 2024 Series B Bonds and ranking on a parity therewith as to security and payment for the purpose of paying all or a portion of the Cost of Acquisition and Construction of any part of the Electric System or for any other lawful purpose of the Board in connection with the Electric System. Neither the Metropolitan Government nor the Board shall issue or cause to be issued any Additional Bonds unless an authorized representative of the Board (the "Authorized Board Representative"), files with the Fiscal Agent either (i) a certificate stating that the amount of Net Revenues during any twelve (12) consecutive months selected by the Board of the eighteen (18) months immediately preceding the issuance of said Additional Bonds were not less than one hundred ten percent (110%) of the greatest amount of debt service scheduled to occur in any future fiscal year, with such debt service calculated to be the Adjusted Aggregate Debt Service in any future fiscal year on the then Outstanding Bonds and the Additional Bonds then proposed to be issued; provided, that, in the event that any adjustment in the rates, fees and charges collected by the Board for the services of the Electric System shall be effective at any time on or prior to the date of authentication and delivery of the Bonds then proposed to be issued, the Authorized Board Representative shall reflect in his certificate the Net Revenues he estimates would have been collected in such twelve month period if such new rates, fees and charges had been in effect for the entire twelve month period, or (ii) a certificate of a consulting engineer (the "Consulting Engineer") stating that the Net Revenues for each of the full fiscal years in the period specified in the next sentence, as such Net Revenues are estimated by the Consulting Engineer in accordance with the Bond Resolution, shall be at least equal to one hundred ten percent (110%) of the Adjusted Aggregate Debt Service. The period to be covered by such certificate of the Consulting Engineer shall be the period beginning with the fiscal year in which the series of Additional Bonds is authenticated and delivered and ending with the later of (a) the fifth full fiscal year after such date of authentication and delivery or (b) the first full fiscal year in which less than 10% of the interest coming due on Bonds estimated by the Consulting Engineer to be Outstanding is to be paid from deposits made from Bond proceeds in the Debt Service Account in the Debt Service Fund.

Under the Bond Resolution, the Metropolitan Government may issue bonds ("Refunding Bonds") for the purpose of refunding any Outstanding Bonds and Subordinate Debt. Refunding Bonds issued to refund any Outstanding Bonds may be issued without complying with any earnings test whatsoever. Refunding Bonds issued for any other purpose shall comply with the earnings test described in the immediately preceding paragraph.

For a more extensive discussion of the terms and provisions of the Bond Resolution, the levels at which the funds and accounts established thereby are to be maintained and the purposes to which moneys in such funds and accounts may be applied, see "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

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PARITY DEBT OBLIGATIONS

The table below shows the projected debt service requirements for Bonds payable from Net Revenues of the Electric System following the issuance of the 2027 Series A and B Bonds.

	Outstanding Debt Service[1]			Plus: 2027 Series A Debt Service[1]			Less: Refunded Bonds Debt Service[1][2]			Plus: 2027 Series B Debt Service[1]			Total Outstanding Debt Service Post Issuance[1]		
Year Ending	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
5/15/2027	$36,980,000	$30,194,363	$67,174,363												
5/15/2028	38,820,000	28,345,363	67,165,363												
5/15/2029	40,765,000	26,404,363	67,169,363												
5/15/2030	29,205,000	24,366,113	53,571,113												
5/15/2031	28,645,000	22,905,863	51,550,863												
5/15/2032	27,475,000	21,473,613	48,948,613												
5/15/2033	28,850,000	20,099,863	48,949,863												
5/15/2034	23,465,000	18,657,363	42,122,363												
5/15/2035	24,635,000	17,484,113	42,119,113												
5/15/2036	25,865,000	16,252,363	42,117,363												
5/15/2037	27,165,000	14,959,113	42,124,113												
5/15/2038	28,520,000	13,600,863	42,120,863												
5/15/2039	29,945,000	12,174,863	42,119,863												
5/15/2040	24,595,000	10,749,163	35,344,163												
5/15/2041	25,745,000	9,593,863	35,338,863												
5/15/2042	26,960,000	8,384,013	35,344,013												
5/15/2043	20,755,000	7,036,013	27,791,013												
5/15/2044	21,790,000	5,998,263	27,788,263												
5/15/2045	22,880,000	4,908,763	27,788,763												
5/15/2046	24,060,000	3,730,863	27,790,863												
5/15/2047	15,020,000	2,492,175	17,512,175												
5/15/2048	15,810,000	1,703,625	17,513,625												
5/15/2049	16,640,000	873,600	17,513,600												
5/15/2050															
5/15/2051															
5/15/2052															
Total	**$604,590,000**	**$322,388,550**	**$926,978,550**												

(1) Totals may not add due to rounding. Represents a full year of debt service in the year ending 5/15/2027, regardless of payments that may have been previously made throughout the year.
(2) Net of Debt Service Fund contributions for the year ending 5/15/2027.

Note: Does not include Commercial Paper Notes (as defined herein), outstanding in the principal amount of [$_____] as of [_____, 2027], which Commercial Paper Notes are Subordinate Debt under the Bond Resolution and payable from and secured by Net Revenues on a lien subordinate to that of the 2027 Series A and B Bonds and Parity Debt Obligations.

CONSTRUCTION AND FINANCING PROGRAM

Construction Program

The Board's construction program for the fiscal years ending June 30, 2027, through June 30, 2031, consists of capital improvements and construction of the transmission and distribution facilities described herein under "THE ELECTRIC SYSTEM," and includes those construction costs related to damage to the Electric System caused by Winter Storm Fern (as further described herein, the "Storm"). The estimated construction costs to be incurred by the Board in each of the fiscal years 2027 through 2031 and additional information on certain improvements are set forth herein under "THE ELECTRIC SYSTEM – Capital Improvement Plan." The Board believes that these cost estimates contain sufficient allowances for inflation, cost escalation and other possible increases. However, for a number of reasons, including unforeseen inflation, compliance with governmental procedures and regulations and changes in the Board's plan, actual costs may vary from the construction program estimates.

Financing Program

Under the Board's current financing plans, the estimated construction costs shown in "THE ELECTRIC SYSTEM – Capital Improvement Plan" would be funded with proceeds from internally generated funds, from proceeds of Bonds, including the 2027 Series A Bonds, and from proceeds of Commercial Paper Notes (as hereinafter defined). In December 2026, the Metropolitan Government, at the request of the Board, established a commercial paper program pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated, as amended, and a resolution adopted by the Metropolitan Council on November 17, 2026, under which the Metropolitan Government may issue its Electric System Revenue Commercial Paper Notes, Series 2026A (Tax-Exempt) and Electric System Revenue Commercial Paper Notes, Series 2026B (Federally Taxable) (collectively, the "Commercial Paper Notes"), from time to time, in an aggregate principal amount outstanding at any time not to exceed $100,000,000. Proceeds of the Commercial Paper Notes are used to finance or refinance, on an interim basis, costs to extend or improve the Electric System, including costs to reconstruct, replace, repair and improve the Electric System as necessary or appropriate to repair damage caused by the Storm, in anticipation of the issuance of Bonds. Payment of the principal of and interest on the Commercial Paper Notes is supported by an Irrevocable Transferable Direct-Pay Letter of Credit issued by TD Bank, N.A., and amounts owed to TD Bank, N.A. by the Metropolitan Government in connection therewith are evidenced by promissory notes of the Metropolitan Government (the "Commercial Paper Bank Notes"). The Commercial Paper Notes and the Commercial Paper Bank Notes were issued as Subordinate Debt under the Bond Resolution and are payable from and secured by a lien on Net Revenues subordinate to the lien thereon securing the 2027 Series A and B Bonds and all other Bonds. **[**As of [_____], 2027, $[_____] in aggregate principal amount of Commercial Paper Notes was outstanding.**]** The Board anticipates the Commercial Paper Notes will be retired from proceeds of reimbursements from the Federal Emergency Management Agency ("FEMA"), proceeds of Bonds or other available sources of the Board.

In the opinion of management of the Board, proceeds of the 2027 Series A Bonds and the Commercial Paper Notes will be sufficient to complete the financing of the Board's construction program through fiscal year [___], including the construction costs summarized above and, to the extent applicable, interest during construction and provisions for reserves, bond discount and other financing expenses.

In addition to the debt obligations described above, the Metropolitan Government, acting by and through the Board, has established a $25 million non-revolving line of credit attached to its banking contract (the "2027 Line of Credit") with Pinnacle Bank for the purchase of electric power in case of a natural disaster. The 2027 Line of Credit became effective January 1, 2027, and expires on December 31, 2027. There have currently been no borrowings under the 2027 Line of Credit. Any borrowings under the 2027

Line of Credit will bear interest at a variable rate and will be secured by Net Revenues, [subject to the prior pledge of Net Revenues in favor of the Bonds and subject to the prior pledge of Net Revenues in favor of the Commercial Paper Notes and the Commercial Paper Bank Notes]. In the event of a default in the terms of the 2027 Line of Credit, Pinnacle Bank has the option to accelerate payment of all amounts due under the 2027 Line of Credit. The Metropolitan Government, acting by and through the Board, intends to renew the 2027 Line of Credit upon its expiration. The Metropolitan Government, acting by and through the Board, has established similar lines of credit with one or more banks since fiscal year 2015 for the emergency purchase of power, and there were no borrowings in those prior fiscal years.

THE ELECTRIC POWER BOARD

Organization and History

The Board was established in 1939 as a separate administrative agency of the City of Nashville pursuant to Chapter 262 of the Private Acts of the Legislature of Tennessee for 1939 (amended by Chapter 246 of the Private Acts of 1947 and is now Appendix III of the Charter of the Metropolitan Government) to exercise control and jurisdiction over the Electric System. In 1963, the Metropolitan Government was created, consolidating the governments of the City of Nashville and Davidson County. The provisions of the Charter of the City of Nashville relating to the Board were incorporated into the Metropolitan Charter, which took effect on April 1, 1963. In conducting the operations of the Electric System, the Board does business as NES. The principal objective of the Board is to deliver electric power to the homes, businesses, and industries of the service area at the lowest possible cost while maintaining a safe, reliable and efficient electrical distribution system with a strong financial base.

[The Board is composed [nine] members. [Five] members are appointed by the Metropolitan Mayor (the "Mayor") and confirmed by the Metropolitan Council. Pursuant to legislation enacted by the Tennessee General Assembly in 2026, providing for out-of-county representation on the governing boards of certain municipal electric systems, including NES, the mayors of Rutherford County, Sumner County, Williamson County and Wilson County are each entitled to appoint one member to the Board, subject to confirmation by the respective county commissions. Such out-of-county members have been appointed and confirmed, and the terms of each such out-of-county member commenced in January 2027.]

The Board appoints the President and Chief Executive Officer. The President and Chief Executive Officer is responsible for the day-to-day operation of the electric system, including the hiring of employees. Except for the appointment of Board members and approval of bond issues, neither the Mayor nor the Metropolitan Council, nor any other board, officer, or agency of the Metropolitan Government, has any control over the operation or management of the Electric System or the Board.

NES currently purchases nearly all of its power from the Tennessee Valley Authority ("TVA") pursuant to a Power Contract dated December 19, 1977 (the "Power Contract"). The Power Contract had an initial term of 20 years, beginning on December 19, 1977, and on each subsequent anniversary thereof, the contract was automatically extended for additional one-year renewal terms beyond its then existing time of expiration, subject to termination by either party on not less than 10 years' written notice. Effective August 28, 2019, a Long-Term Partnership Agreement extended the termination notice provision to 20 years with certain provisions around wholesale rate stability that, if not met by TVA, could revert the termination provision back to 10 years. In exchange for an extended termination notice period, TVA reduced certain non-fuel wholesale rates and authorized NES to purchase up to 5% of its demand from non-TVA sources. That agreement, titled Flexibility 2.0, empowered NES to enter into a three-party agreement with TVA and Silicon Ranch for the development of a 166 MW solar project.

The Board maintains the funds, accounts, and records relating to the Electric System separate and distinct from all other funds of the Metropolitan Government.

Board Members

Mr. Clifton Harris, *Board Member*, has been a member of the Board since 2022. Since 2016, he has served as the President and CEO of the Urban League of Middle Tennessee ("ULMT"), a historic civil rights and urban advocacy organization that provides direct services to improve the lives of thousands in underserved Middle Tennessee communities. In 2005, Mr. Harris was appointed by the then-Mayor of the Metropolitan Government to organize and lead the Metropolitan Homelessness Commission, where Mr. Harris created and hosted the Metropolitan Government's first Project Homeless Connect, which assisted thousands of individuals in need of various services. In 2012, he served as the Vice President of Marketing and Sales for CitiValet, Inc. From 2013 to 2016, he served as the Executive Director for Sophia's Heart. In his current role at ULMT, Mr. Harris focuses on the organization's mission to enable African-Americans, other minorities and disenfranchised groups secure economic self-reliance, power, parity, and civil rights by providing resources and support to create workforce development, economic development, educational services, and civic engagement opportunities for Middle Tennesseans. Mr. Harris graduated from St. Augustine's College, specializing in nonprofit management, economic and workforce development. His current term on the Board expires in [2029].

Mr. Robert McCabe, *Board Member*, has been a member of the Board since 2009. He serves as Chairman of the Board of Pinnacle Financial Partners and Pinnacle Bank and is also a director of National Health Investors of Murfreesboro, Tennessee, a registered public healthcare real estate investment company. Mr. McCabe has been active in various civic organizations within his community, including Leadership Knoxville and Leadership Nashville. He is a member of the World President's Organization, Chief Executives Organization, served as the immediate past Chairman of the Board of Trustees of The Ensworth School and is past chairman of Cheekwood Botanical Gardens and Museum of Art. He is also the past chairman of the Middle Tennessee Boy Scout Council, The Nashville Symphony and the Nashville Downtown Partnership. His current term on the Board expires in [2028].

Mr. Ian Prunty, *Board Member*, has been a member of the Board since 2025. He has more than 16 years of experience in the energy technology sector, with a career focused on innovative solutions for energy efficiency and data strategy. Currently serving as an Account Executive at Snowflake, Mr. Prunty helps large enterprises optimize their data strategy. He previously led business development at energy forecasting startup Myst.AI until its acquisition by Snowflake. A graduate of DePauw University and Vanderbilt University's Owen Graduate School of Management, he continues to be active in community-based organizations. His current term on the Board expires in [2030].

Mr. Robert D. "Jaz" Boon II, *Board Member,* has been a board member since July 2026. Mr. Boon is a member of the law firm Sherrard Roe Voigt & Harbison litigation practice. Prior to joining the Firm, Mr. Boon served as an Assistant General Counsel at Bridgestone Americas, Inc. where he provided legal advice and support for the environmental, health and safety, and sustainability needs of the business. He earned his J.D. from Belmont University College of Law and went on to clerk for the Honorable Richard H. Dinkins of the Tennessee Court of Appeals. He graduated with a degree in Biology from Lipscomb University. He currently sits on the Board of Directors for the Urban Green Lab and serves as Vice Chair of the Environmental Law Section of the Tennessee Bar Association. His current term on the Board expires in [2031].

Ms. Casey Santos, *Board Chair*, has been a member of the Board since 2022. She is the Chief Information Officer for Asurion, a leading global tech protection and support company. As CIO, Ms. Santos is responsible for Asurion's core technology development and operations behind the company's tech care

products and services. She began her career at NASA's Mission Control as an aerospace engineer supporting multiple Space Shuttle missions, including the first Mir/Space Shuttle docking mission and the first Hubble Space Telescope repair mission. She left NASA to be an IT consultant, implementing technology to serve multiple industries. Ms. Santos consulted with McKinsey & Company before embarking on a career as a technology executive in the finance industry. Following consulting, she held senior technology leadership roles at McKinsey's private investment office, General Atlantic, and AllianceBernstein. Ms. Santos holds a B.S. in Aeronautics and Astronautics from the Massachusetts Institute of Technology, an M.B.A. from the Wharton School and an M.A. in International Studies from the Lauder Institute at the University of Pennsylvania. She is currently the board chair-elect for the Nashville Technology Council, as well a board observer for Horizon Blue Cross Blue Shield of New Jersey. She formerly has served on the boards of British-American Business, Wall Street Technology Association, Women's Forum of New York and the YMCA of Greater New York where she co-chaired the Hispanic Achiever's event. She has twice been awarded honors as a HITEC (Hispanic Information Technology Executive Council) 100 as well as the Constellation Research Transformation 150. She also serves or has served on the advisory boards of Aiden, Box, Zoom, Masergy, Agio, and the Financial Technology Forum. Her current term on the Board expires in [2027].

Management

Ms. Teresa Broyles-Aplin, CPA, *President and Chief Executive Officer*, has served as President and Chief Executive Officer since 2022. Prior to her promotion to this role, she was the Executive Vice President and Chief Financial Officer and Secretary/Treasurer to the Board. She has been with NES since 2006. Prior to joining NES, Ms. Broyles-Aplin spent approximately 9 years in public accounting with most of that time in the assurance and advisory practice of Deloitte & Touche LLP. While working at Deloitte, she served as the lead manager on the NES audit. Ms. Broyles-Aplin provided consultation services in connection with bond offerings and pension accounting for Metropolitan Nashville Airport Authority, Metropolitan Government of Nashville and Davidson County, and Nashville Electric Service. She has also led the internal audit departments of two publicly-traded companies.

Ms. Broyles-Aplin graduated from Belmont University with a Master of Accountancy and from Austin Peay State University with a Bachelor of Business Administration. She has acted as a subject-matter expert and guest speaker for educational seminars on the topic of Sarbanes-Oxley compliance and risk management. She has also served on the Board of Directors, the Executive Committee, and as the chair of the Finance and Audit Committee for the Nashville Area Chamber of Commerce. Ms. Broyles-Aplin has been awarded the Belmont Massey Graduate School Distinguished Graduate Award and the Chief Financial Officer of the Year award by the *Nashville Business Journal*.

Tabitha Beach, CPA, *Interim Vice President and Chief Financial Officer, is* an experienced accounting and finance leader with over 25 years of experience in financial reporting, budgeting, forecasting, accounting operations, internal controls, and audit. Since joining NES in October 2011, Ms. Beach has held positions of increasing responsibility within the Finance department, including Financial Planning and Analysis Manager and Corporate Controller. In these roles, she has supported financial planning, budget development, financial reporting, and the preparation of information used by executive leadership, the Electric Power Board, and external stakeholders.

Prior to joining NES, Ms. Beach served in accounting controller roles for Tennessee-based organizations and began her career as an auditor in public accounting. She is a Certified Public Accountant in the State of Tennessee and holds a bachelor's degree from the University of North Carolina.

Ms. Laura Smith, Esq., *Vice President – General Counsel*, joined NES in July 1993. She has held several positions in the Legal and Corporate Affairs departments and today oversees all internal and

external legal matters, governmental relations, community involvement, and strategic and business continuity planning for NES. Ms. Smith graduated from the University of Florida with a B.A. in Political Science and received her J.D. from the University of Florida College of Law. She has served on the Board of Directors for the Nashville Bar Association and has been named a Fellow of both the Nashville Bar Foundation and the Tennessee Bar Foundation. She is a past president of the Nashville Bar Association.

Active in community endeavors, Ms. Smith has served as president or chair of The Women's Fund of the Community Foundation of Middle Tennessee, FiftyForward, CABLE, Big Brothers of Nashville, WIN, Girl Scouts of Middle Tennessee and the Nashville Women's Political Caucus.

Only the Chair, Vice-Chair, and Board members, as designated above, have a vote on matters before the Board.

THE ELECTRIC SYSTEM

The Electric System was established in 1939 through the purchase of certain properties of the Tennessee Electric Power Company by the city of Nashville. Pursuant to the Metropolitan Charter, the Electric System is owned by the Metropolitan Government and operated by the Board.

Service Area

According to the 2026 Public Power Statistical Report, a periodic publication of the APPA, NES is the ninth largest public electric utility in America based on electric revenues and the tenth largest public electric utility in America based on customers served. In addition, NES is the eighteenth largest public electric utility in America based on megawatt-hour sales. The service area of the Electric System covers approximately 700 square miles and includes Davidson County and small portions of the adjacent counties of Cheatham, Rutherford, Robertson, Sumner, Wilson and Williamson Counties. The major portions of the adjacent counties listed above are served by cooperative utilities. On June 30, 2026, the Board served approximately 479,000 customers—434,000 residential and the remaining being commercial, industrial, and municipal customers. Breakdown of kilowatt-hour sales and revenues by major customer classification for the year ended June 30, 2026, is as follows:

Customer type	Kilowatt-hours sales		Revenues[†]
Residential revenue	42.8%		46.8%
Commercial, Industrial, Municipal	56.4%		51.6%
Municipal Lighting	0.8%		1.6%

[†]Miscellaneous revenue accounted for the remainder of total operating revenue for this period.

Source of Electric Power

Except as noted under the subheading "Power from Expanded Flexibility Arrangements with TVA" below regarding certain solar generating capacity, NES has no generating capacity and purchases all of its power from TVA, an agency of the United States Government established in 1933 to develop the resources of the Tennessee Valley. TVA provides electric power to most of Tennessee, northern Alabama, northeastern Mississippi, and southwestern Kentucky. It also supplies power to small areas of Georgia, North Carolina and Virginia. TVA is the nation's largest public power company, providing power to approximately 10 million residents. TVA also maintains a navigable channel for the Tennessee River,

performs flood control on the same river along with assistance to flood control on two other rivers, develops and introduces improved soil fertilizers, and encourages agricultural and industrial development and better forestry in the region. TVA's operations fall into two classes: power and non-power. Most of its revenues and assets are provided by the power program. TVA is a self-supporting entity.

The Power Contract provides that the Board may sell power to all customers in its service area, except federal installations having contract demands greater than 5,000 kW and large customers as determined by a calculation outlined in TVA's Industrial Service Policy whom TVA may serve directly. At the present time, TVA does not directly serve any customer located within the service area of the Electric System.

The Power Contract contains provisions that establish the wholesale rates, retail rates and terms and conditions under which power is to be purchased by TVA and distributed to the customers of NES. Under the Power Contract, TVA, on a monthly basis, may determine and make adjustments in the wholesale rate schedule with corresponding adjustments in retail rate schedules necessary to enable TVA to meet all requirements of the Tennessee Valley Authority Act of 1933, as amended (the "TVA Act"), and the tests and provisions of TVA's bond resolutions.

The Electric System receives its power from TVA at 27 delivery points. The total rated capacity for these 27 delivery points is 6,203 megavolt amperes, providing a substantial margin over the Electric System's highest demand of 2,838 megawatts on January 17, 2024.

TVA generates much of the electrical power and energy provided to its distributors, including NES, but also purchases some of its electrical power and energy from third parties. The TVA system includes nuclear, fossil, hydroelectric and natural gas plants. In addition, TVA generates renewable energy from solar, wind and biogas (methane) and, as of calendar year 2021, has reduced carbon emissions by 57% from calendar year 2005. TVA has stated goals of being 70% carbon-free by 2030, 80% by 2035 and net-zero by 2050. TVA anticipates meeting the carbon-free goals primarily through the expansion of hydro, solar and nuclear facilities as well as other measures, such as energy efficiencies. In addition, the planned retirement of current coal plants will facilitate TVA in meeting its carbon-free goals. The generated or purchased energy is sold to distributors via TVA's transmission system. TVA also directly serves a limited number of large customers and federal installations. The power sold to the Board is not supplied by one specific generating facility but from the entire TVA system.

The Power Contract provides that TVA shall make every reasonable effort to increase the generating capacity of its system and to provide the transmission facilities required to deliver output thereof so as to be in a position to supply additional power when and to the extent needed by the Board. Neither TVA nor the Board is liable for breach of contract if the availability or use of power is interrupted or curtailed or either is prevented from performing under the Power Contract by circumstances reasonably beyond their control. The amount of power supplied by TVA and the contractual obligation to supply such power are limited by the capacity of TVA's generating and transmission facilities and the availability of power purchased from other generating facilities. The cost and availability of power to the Board may be affected by, among other things, factors relating to TVA's nuclear program, fuel supply, environmental considerations such as stricter emissions standards and future legislation regulating the use of fossil fuel, changes in TVA's wholesale rate design, the construction and financing of future generating and transmission facilities, weather conditions and other factors relating to TVA's ability to supply the power demands of its customers, including NES. NES cannot determine with any precision its future cost of wholesale power purchased from TVA, and the Board's wholesale power costs could be impacted by any combination of the above or other factors.

For more information concerning TVA, its generation capacity and its financial condition, including some of those factors discussed above, see the annual, quarterly and current reports filed by TVA with the Securities and Exchange Commission ("SEC"). Annual financial information about TVA can be found in TVA's Annual Report filed on Form 10-K. Interim financial information can be found in TVA's Quarterly Reports filed on Form 10-Q. Additional information may be found from time to time on TVA's Current Reports filed on Form 8-K. These documents may be read and copied at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. In addition, TVA's SEC filings are available to the public from the SEC's website at www.sec.gov and from TVA's website at www.tva.gov. **Information contained in these reports and on TVA's website shall not be deemed to be incorporated into, or to be a part of, this Official Statement.**

Power from Expanded Flexibility Arrangements with TVA

In August 2023, TVA released its expanded flexibility agreement (the "Expanded Flexibility Agreement") and related guidelines and power purchase agreements ("PPA"). The Expanded Flexibility Agreement allows local power companies ("LPCs") to purchase or generate electricity from energy resources other than TVA, in an amount up to 5 percent of each LPC's average hourly capacity usage based on fiscal years 2015 through 2019. For NES, the 5 percent equates to 70 megawatts (MW) or 180 MW of solar based on TVA's solar technology factors.

In September 2023, the Board took several actions related to the Expanded Flexibility Agreement, including the following:

- Approved the Expanded Flexibility Agreement and related guidelines and all TVA forms necessary to execute the Expanded Flexibility Agreement.
- Approved a PPA with Silicon Ranch, a Tennessee-based solar energy company, for up to [160] MW of solar power.
- Approved TVA-hosted or TVA partner ("Valley Partner")-hosted purchase options at a set rate for 30 years and a not to exceed amount of $500 million. The PPA with Silicon Ranch has a set rate per MWh that is favorable to the TVA effective rate and will allow NES to lower overall purchased power costs by approximately $5 million to $15 million annually based on the avoided TVA fuel cost rate.
- Authorized management to establish the Valley Partner-hosted and end use customer-hosted guidelines and programs with customer-program power costs not to exceed $56 million over a ten-year period. These costs are expected to be offset by avoided wholesale purchase power costs from TVA.
- Authorized management to establish a Renewable Energy Certificate management program supported by a service contract with North American Renewables Registry, with customer-centric program pricing based on fair market value.
- Entered into negotiations with TVA to understand and transition TVA's Dispersed Power Production (DPP) applicable administrative responsibilities to NES.

The Valley Partner-hosted option allows an LPC to purchase all generation through a PPA from customers or solar developers' energy resources that connect directly to the LPC's distribution system. The end use customer-hosted option provides LPCs an opportunity to purchase excess power generated from a residential or general service customer's behind-the-meter energy resource. The TVA-hosted option allows LPCs to purchase power from energy resources outside of the LPC's territory, but still within the TVA territory.

Silicon Ranch evaluated multiple potential sites for solar generation facilities. Following this evaluation, in October 2024, the Board entered into a PPA with SR Magnolia, LLC, an indirect wholly-owned subsidiary of Silicon Ranch, for the entire output of a 160 MW solar facility under development in Monroe County, Mississippi. The project has an expected delivery date of June 30, 2027. The Expanded Flexibility Agreement and associated solar generation are expected to reduce carbon emissions in the NES service area by over 100,000 metric tons annually, equivalent to removing more than 22,000 gasoline-powered vehicles from the road or powering almost 13,000 homes.

NES is currently developing a marketing and communications plan to inform its residential and commercial customers of available renewable energy resource incentives and rebates and to encourage participation in NES's Valley Partner and end use customer-hosted programs. Such programs are just beginning to be developed, and the timing and amount of actual cost savings and carbon reductions will depend on the speed of development, changes that TVA makes in its own fleet of power generation, and the actual efficiencies and outputs of the solar projects.

Electric Rates

The Power Contract establishes the retail rates that NES and other distributors charge the ultimate power consumers. These rates are revised from time to time to reflect changes in costs, including changes in the wholesale cost of power and distribution costs. While the wholesale rates are uniformly applicable to all distributors of TVA power under the present power contracts with distributors such as NES, the retail rates will vary among distributors of TVA power depending upon the respective distributor's retail customer distribution costs. The rates of TVA for the sale of electric power in the TVA region and its contracts with distributors, including NES, are structured with the intent to achieve the TVA Act's objective of the distributors of TVA power, including NES, to operate the respective distribution systems on a nonprofit basis and to provide a wide and ample supply of power at the lowest feasible rates.

The Power Contract provides that NES will use its gross revenues from its electric operations to pay for, in the following order, (1) current operating expenses; (2) current payment of interest and debt, including sinking fund payments, when due; (3) reasonable reserves for renewals, replacements, contingencies, and working capital; and (4) payments-in-lieu-of-taxes. Any revenues remaining over and above the preceding requirements are considered to be surplus, under the terms of the Power Contract, and may be used for Electric System construction or retirement of Electric System indebtedness before maturity. Within certain discretionary parameters concerning various factors affecting the earnings of NES and its future financial needs, rates and charges are to be reduced to practicable levels.

NES's retail rates are subject to TVA's review and approval under the provisions, terms, and conditions of the Power Contract. The Power Contract provides for revisions to the retail rates that may be charged by NES when necessary to permit NES to operate on a self-supporting and financially sound basis. NES is not aware of any pending legislation that would propose to make its retail electric rates subject to regulation by any third party or agency other than TVA. The Power Contract further provides that if the retail rates set forth therein do not provide sufficient revenues for the operation and maintenance of the Electric System on a self-supporting, financially-sound basis, including debt service, TVA and NES shall agree to changes in rates to provide increased revenues. Similarly, if the rates and charges produce excess revenues, the Power Contract provides that the parties will agree to appropriate reductions. Since the date of the Power Contract, the wholesale and retail rates have been adjusted from time to time.

Effective September 2019, TVA approved a 3.1% decrease to wholesale base power rates, and NES retail rates remained constant. Effective October 2020 and expiring September 30, 2023, TVA temporarily decreased wholesale base power rates by 2.5% for twelve-month periods as part of its Pandemic Recovery Credit. These decreases were passed through to ratepayers after reductions for certain environmental, social

and governance (or ESG) projects and donations to nonprofits for bill assistance, decreasing retail rates 1.0%, 1.5%, and 1.1% each year, for the twelve months ending September 30, 2021, 2022, and 2023, respectively. Effective October 2022, the Board raised retail rates by 3.5%, resulting in increased annual revenues of approximately $46.7 million. Effective October 2023, TVA approved a 4.5% increase to the wholesale base power rates and ended the wholesale Pandemic Recovery Credit which, as stated above, had previously lowered wholesale costs by 2.5%, effectively increasing wholesale base rates by 7.0%; the pass-through effect of these actions equates to an increase in annual revenues of approximately 3.5%, or $55.0 million, for the twelve months ending September 2024. Effective October 2024, TVA approved a 5.25% increase to the wholesale base power rates, the pass-through effect of which equates to an increase in annual revenues of approximately 2.6%, or $37.3 million, for the twelve months ending September 2025.

TVA/NES Historical Rate Increase/Decrease

Month	NES Retail Increase	TVA Retail Impact Increase (Decrease)	TVA Wholesale Increase (Decrease)
October 2020	0.0%	(1.0%)[2]	(2.5%)[2]
October 2021	0.0%	(1.5%)[2]	(2.5%)[2]
October 2022	3.5%	(1.1%)[2]	(2.5%)[2]
October 2023	0.0%	3.5%[3]	7.0%[3]
October 2024	0.0%	2.6%[4]	5.25%[4]

(1) Rate was reduced as part of the Long-Term Partnership Agreement with TVA. See "THE ELECTRIC POWER BOARD – Organization and History" herein for more information on the Long-Term Partnership Agreement.

(2) Retail and wholesale rates were temporarily reduced as part of COVID-19 relief (Pandemic Recovery Credit) from the September 2019 rates. Each year of 2020, 2021, and 2022, the decrease from the 2019 rates were extended. The effect was not cumulative, but rather from the 2019 base year in each instance.

(3) TVA's Board approved a 4.5% adjustment to the wholesale base power rates and ended the wholesale Pandemic Recovery Credit which had previously lowered wholesale costs by 2.5%, effectively increasing wholesale base rates by 7.0%, the pass-through effect of which equated to a 3.5% increase for retail customers.

(4) TVA's Board approved a 5.25% adjustment to the wholesale base power rates, the pass-through effect of which equated to a 2.6% increase for retail customers.

Source: Nashville Electric Service.

Effective April 2011, TVA implemented a seasonal Time-of-Use (TOU) wholesale rate structure. With the TOU rate structure, TVA provides distributors with a monthly wholesale power cost invoice, calculated by applying the respective rates detailed below to usage measured at TVA's wholesale metering points. All usage measured from approximately five dozen separate wholesale metering points are combined by TVA and billed as a single wholesale meter. Qualifying industrial and commercial customer loads are removed from the total wholesale system load being billed on the TOU rate structure. The qualifying industrial and commercial customer loads are billed separately under a time-differentiated rate structure.

In addition, TVA applies a monthly fuel cost adjustment ("FCA") to TVA's wholesale energy rates based upon changing fuel and purchased power costs. The FCA for each month can either increase or decrease electric bills. The FCA is a pass-through to the Electric System's customers and does not directly affect the Electric System's operating income.

In addition to seasonal TOU energy (kilowatt-hour), demand (kilowatt), and FCA charges, TVA added a fixed cost recovery component to the wholesale rate structure effective October 2018. Designed to be revenue neutral, TVA reduced wholesale energy rates by $0.005 while implementing an offsetting flat, monthly Grid Access Charge ("GAC"). The GAC is based on the average of NES's annual energy (kilowatt) load during TVA's previous five fiscal years and is recalculated annually.

In previous years, TVA and distributors worked collaboratively to develop a Strategic Pricing Plan ("SPP") that focuses on TVA's long-term pricing strategy. The SPP serves as a guide for the long-term direction of TVA's wholesale rates and provides distributors the knowledge needed to make future business decisions and evaluate technology investments. As part of the SPP, effective October 2015, TVA changed the wholesale rate structure to send improved pricing signals that are more reflective of TVA's embedded (fixed) and marginal (variable) costs. Additionally, the wholesale rate structure provides more dynamic pricing and encourages technology investment through pricing and assistance with interval metering and data management. Retail customers experience different seasonal rates for each season of the year associated with the wholesale rate changes for each season of the year.

Effective October 1, 2026, TVA implemented a new wholesale rate classification for data center customers, removing such customers from the manufacturing service rate classification under which they had been billed since December 2008. TVA has estimated that the new classification will result in an average increase of approximately 10% in the amounts billed to data center customers, phased in over three consecutive fiscal years. In connection with the new classification, TVA also adopted a Capacity Commitment Charge applicable to new or expanding data center load in excess of 5 MW, which is intended to recover the incremental generation capacity costs attributable to such load rather than recovering such costs through base rates. The same TVA action (i) modified contract demand requirements so that customers are billed under rate classifications corresponding to their actual usage, (ii) provided a contract option for existing manufacturing customers with loads greater than 5 MW to maintain their existing rate structure for a period of time (which is only available to NES customers to the extent NES agrees in the future to participate) and (iii) updated TVA Board policy governing the approval of new power requirements in excess of 100 MW. TVA has stated that the new data center rate classification and Capacity Commitment Charge are intended to protect residential and manufacturing customers from subsidizing costs associated with the growth of data center load in the TVA service area, consistent with the Ratepayer Protection Pledge that TVA executed on July 23, 2026.

NES has adopted a corresponding retail rate classification, which is included in the Electric System rate schedules included below. NES is unable to predict the number of data center or other large load customers that may seek service from the Electric System under this classification, the amount of Revenues that may be derived from any such service, the amount of capital investment that may be required of NES in connection with serving any such load or the nature or effect of any future TVA rate actions or TVA Board policies relating to data centers or other large loads. See “FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY — TVA and General Industry Risk Factors” and “INVESTMENT CONSIDERATIONS – Future Legislation and Governmental Directives and Priorities”.

Following are the electric rates effective October 2026, including the FCA.

SCHEDULE OF UTILITY RATES IN FORCE – WHOLESALE (Including FCA)[1]
OCTOBER 2026 (UNAUDITED)

Standard Wholesale TOU	**U.S. Dollars**
Summer Season	
Demand Charge (per kW)	
On Peak kW	9.08
Max kW	3.35
Energy Charge (per kWh)	
On Peak kWh	0.06167
Off Peak kWh	0.03967
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00563
Winter Season	
Demand Charge (per kW)	
On Peak kW	8.04
Max kW	3.35
Energy Charge (per kWh)	
On Peak kWh	0.05099
Off Peak kWh	0.04099
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00563
Transition Season	
Demand Charge (per kW)	
On Peak kW	8.04
Max kW	3.35
Energy Charge (per kWh)	
On Peak kWh	0.04148
Off Peak kWh	0.04148
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00563
All seasons	
3.1% Long Term Partnership Reduction (non-fuel)	

[1] The above rates include TVA's October 2026 Fuel Cost Adjustment (FCA). This adjustment is revised monthly. For October 2026, the Standard Service wholesale FCA rate was $0.02052. The Time Differentiated Hours Use of Demand wholesale FCA rates for General Service and Manufacturing Service were $0.02010 and $0.02000, respectively.

Time Differentiated Hours Use of Demand (TDHUD) (Time of Use Service)	U.S. Dollars
TDHUD GSA (General Service) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	11.69
Maximum Demand Charge	4.46
Energy Charge - On Peak	0.10640
Energy Charge - Off Peak First 200 hours	0.07062
Energy Charge - Off Peak Next 200 hours	0.02527
Energy Charge - Off Peak Additional kWh	0.02204
Winter Season	
On Peak kW	10.67
Maximum Demand Charge	4.46
Energy Charge - On Peak	0.09007
Energy Charge - Off Peak First 200 hours	0.07379
Energy Charge - Off Peak Next 200 hours	0.02527
Energy Charge - Off Peak Additional kWh	0.02204
Transition Season	
On Peak kW	10.67
Maximum Demand Charge	4.46
Energy Charge - On Peak	0.07508
Energy Charge - Off Peak First 200 hours	0.07508
Energy Charge - Off Peak Next 200 hours	0.02527
Energy Charge - Off Peak Additional kWh	0.02204
TDHUD GSB (Demand = 5,001 - 15,000 kW)	
Summer Season	
On Peak kW	11.60
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.08958
Energy Charge - Off Peak First 200 hours	0.06297
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Winter Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.07745
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Transition Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.06263
Energy Charge - Off Peak First 200 hours	0.06263
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
TDHUD GSC (Demand = 15,001 - 25,000 kW)	
Summer Season	
On Peak kW	11.60
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.08958

	U.S. Dollars
Energy Charge - Off Peak First 200 hours	0.06297
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Winter Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.07745
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
Transition Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.06263
Energy Charge - Off Peak First 200 hours	0.06263
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02241
TDHUD GSD (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	11.60
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.08958
Energy Charge - Off Peak First 200 hours	0.06297
Energy Charge - Off Peak Next 200 hours	0.02483
Energy Charge - Off Peak Additional kWh	0.02241
Winter Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.07745
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02483
Energy Charge - Off Peak Additional kWh	0.02241
Transition Season	
On Peak kW	10.57
Maximum Demand Charge	4.45
Energy Charge - On Peak	0.06263
Energy Charge - Off Peak First 200 hours	0.06263
Energy Charge - Off Peak Next 200 hours	0.02483
Energy Charge - Off Peak Additional kWh	0.02241
TDHUD MSA (Manufacturing) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.07882
Energy Charge - Off Peak First 200 hours	0.05305
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

	U.S. Dollars
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.06667
Energy Charge - Off Peak First 200 hours	0.05542
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.05636
Energy Charge - Off Peak First 200 hours	0.05636
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

TDHUD MSB (Manufacturing) (Demand = 5,001 - 15,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08015
Energy Charge - Off Peak First 200 hours	0.05494
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06839
Energy Charge - Off Peak First 200 hours	0.05733
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05825
Energy Charge - Off Peak First 200 hours	0.05825
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122

TDHUD MSC (Manufacturing) (Demand = 15,001 - 25,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08044
Energy Charge - Off Peak First 200 hours	0.05373
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29

	U.S. Dollars
Energy Charge - On Peak	0.06825
Energy Charge - Off Peak First 200 hours	0.05611
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05704
Energy Charge - Off Peak First 200 hours	0.05704
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
TDHUD MSD (Manufacturing) (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.07801
Energy Charge - Off Peak First 200 hours	0.05132
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06582
Energy Charge - Off Peak First 200 hours	0.05367
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05461
Energy Charge - Off Peak First 200 hours	0.05461
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
TDHUD DCA (Data Center) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	10.94
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.07882
Energy Charge - Off Peak First 200 hours	0.05305
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

U.S. Dollars

Winter Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.06667
Energy Charge - Off Peak First 200 hours	0.05542
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	2.69
Energy Charge - On Peak	0.05636
Energy Charge - Off Peak First 200 hours	0.05636
Energy Charge - Off Peak Next 200 hours	0.02376
Energy Charge - Off Peak Additional kWh	0.02174

TDHUD DCB (Data Center) (Demand = 5,001 - 15,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08015
Energy Charge - Off Peak First 200 hours	0.05494
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06839
Energy Charge - Off Peak First 200 hours	0.05733
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05825
Energy Charge - Off Peak First 200 hours	0.05825
Energy Charge - Off Peak Next 200 hours	0.02324
Energy Charge - Off Peak Additional kWh	0.02122

TDHUD DCC (Data Center) (Demand = 15,001 - 25,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.08044
Energy Charge - Off Peak First 200 hours	0.05373
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29

U.S. Dollars

Energy Charge - On Peak	0.06825
Energy Charge - Off Peak First 200 hours	0.05611
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05704
Energy Charge - Off Peak First 200 hours	0.05704
Energy Charge - Off Peak Next 200 hours	0.02474
Energy Charge - Off Peak Additional kWh	0.02474

TDHUD DCD (Data Center) (Demand = > 25,000 kW)

Summer Season	
On Peak kW	10.94
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.07801
Energy Charge - Off Peak First 200 hours	0.05132
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Winter Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.06582
Energy Charge - Off Peak First 200 hours	0.05367
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231
Transition Season	
On Peak kW	9.90
Maximum Demand Charge	1.29
Energy Charge - On Peak	0.05461
Energy Charge - Off Peak First 200 hours	0.05461
Energy Charge - Off Peak Next 200 hours	0.02293
Energy Charge - Off Peak Additional kWh	0.02231

*****_TVA's fixed cost recovery charge, the basis of which is a rolling five-year average of NES standard service load ending each October._

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NES Retail Rates Effective October 31, 2026 (with FCA included)

RS Residential	**U.S. Dollars**
Customer Charge (per delivery point per month)	
Between 0 – 500 kWh*	12.06
Between 501 – 2,000 kWh*	16.96
Between 2,001 – 4,000 kWh*	24.96
Between 4,001 – 6,000 kWh*	30.66
Equal to and above 6,001 kWh*	36.70
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 500 kWh	4.50
12 Month Average kWh between 501 – 2,000 kWh	7.33
12 Month Average kWh between 2,001 – 4,000 kWh	7.33
12 Month Average kWh between 4,001 – 6,000 kWh	7.88
12 Month Average kWh equal to and above 6,001 kWh	7.88
Summer Season - Energy Charge (per kWh)	0.11401
Winter Season - Energy Charge (per kWh)	0.11036
Transition Season - Energy Charge (per kWh)	0.10811
SRS Supplemental Residential	
Customer Charge (per delivery point per month)	
Between 0 – 500 kWh*	15.60
Between 501 – 2,000 kWh*	20.50
Between 2,001 – 4,000 kWh*	28.50
Between 4,001 – 6,000 kWh*	34.20
Equal to and above 6,001 kWh*	40.24
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 500 kWh	2.25
12 Month Average kWh between 501 – 2,000 kWh	5.07
12 Month Average kWh between 2,001 – 4,000 kWh	5.07
12 Month Average kWh between 4,001 – 6,000 kWh	5.63
12 Month Average kWh equal to and above 6,001 kWh	5.63
Summer Season - Energy Charge (per kWh)	0.11627
Winter Season - Energy Charge (per kWh)	0.11262
Transition Season - Energy Charge (per kWh)	0.11037
General Power Rate Schedules	
GSA1 (Small Commercial – 0-50 kW)	
Customer Charge (per delivery point per month)	
One Phase Meter, between 0 – 500 kWh*	29.39
One Phase Meter, equal to and above 501 kWh*	36.89
Three Phase Meter, between 0 – 500 kWh*	43.30
Three Phase Meter, equal to and above 501 kWh*	50.50
TVA Grid Access Charge (per delivery point per month)	
One Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.25
One Phase Meter, 12 Month Average kWh equal to and above 501 kWh	2.25
Three Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.25
Three Phase Meter, 12 Month Average kWh equal to and above 501 kWh	5.63
Demand Charge (per delivery point per month)	
0 – 50 kW	5.45
Summer Season - Energy Charge (per kWh)	0.11177
Winter Season - Energy Charge (per kWh)	0.10815
Transition Season - Energy Charge (per kWh)	0.10589

	U.S. Dollars
GSA 2 (Large Commercial - 51-1,000 kW)	
Customer Charge (per delivery point per month)	190.87
TVA Grid Access Charge (All kWh) (per delivery point per month)	14.08
Demand Capacity Charge	1.34
Summer Season	
Demand Charge (per delivery point per month)	
0 – 50 kW	5.45
51–1,000 kW	20.83
Energy Charge (per kWh)	
1st 15,000 kWh	0.11177
All Additional kWh	0.05887
Winter Season	
Demand Charge (per delivery point per month)	
0 – 50 kW	5.45
51 – 1,000 kW	19.79
Energy Charge (per kWh)	
1st 15,000 kWh	0.10815
All Additional kWh	0.05887
Transition Season	
Demand Charge (per delivery point per month)	
0–50 kW	5.45
51 – 1,000 kW	19.79
Energy Charge (per kWh)	
1st 15,000 kWh	0.10589
All Additional kWh	0.05887
GSA3 (Large Commercial – 1,001 – 5,000 kW)	
Customer Charge (per delivery point per month)	1,454.84
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 150,000 kWh	225.80
12 Month Average kWh equal to and above 150,001 kWh	636.87
Summer Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	21.40
1,001 - 5,000 kW	21.78
Energy Charge	
1st 150,000 kWh	0.06885
All Additional kWh	0.05983
Winter Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	20.34
1,001 - 5,000 kW	20.73
Energy Charge	
1st 150,000 kWh	0.06885
All Additional kWh	0.05983
Transition Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	20.34
1,001 - 5,000 kW	20.73

	U.S. Dollars
Energy Charge	
1st 150,000 kWh	0.06885
All Additional kWh	0.05983
LS - Outdoor Lighting	
Customer Charge (per delivery point per month)	2.50
Summer Season	
Energy Charge - All kWh	0.08809
Winter Season	
Energy Charge - All kWh	0.08445
Transition Season	
Energy Charge - All kWh	0.08217
EVC – Electric Vehicle Charging	
Customer Charge (per delivery point per month)	100.00
All Seasons	
Energy Charge - All kWh On Peak	0.23897
Energy Charge - All kWh Off Peak	0.23897
Time of Day Rate Classes	
TGSA1 (Demand 0-50kW)	
Customer Charge (per delivery point per month)	326.79
TVA Grid Access Charge (per delivery point per month)	
One Phase Meter, All kWh	2.25
Three Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.25
Three Phase Meter, 12 Month Average kWh equal to and above 501 kWh	5.63
Summer Season	
Demand Charge	
0 – 50 kW	5.45
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.12172
Off-peak kWh	0.10715
Winter Season	
Demand Charge	
0 – 50 kW	5.45
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.11345
Off-peak kWh	0.10681
Transition Season	
Demand Charge	
0 – 50 kW	5.45
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.10589
Off-peak kWh	0.10589
TGSA2 (Demand = 51-1,000 kW)	
Customer Charge (per delivery point per month)	326.79
TVA Grid Access Charge (per delivery point per month)	
All kWh	14.08
Demand Capacity Charge	1.34

	U.S. Dollars
Summer Season	
Demand Charge	
1st 50 kW	5.45
Over 50 kW	20.83
Energy Charge	
On Peak kWh	0.12425
Off-peak kWh	0.10968
Winter Season	
Demand Charge	
1st 50 kW	5.45
Over 50 kW	19.79
Energy Charge	
On Peak kWh	0.11598
Off-peak kWh	0.10933
Transition Season	
Demand Charge	
1st 50 kW	5.45
Over 50 kW	19.79
Energy Charge	
On Peak kWh	0.10843
Off-peak kWh	0.10843
TGSA3 (Demand = 1,001-5,000 kW)	
Customer Charge	934.50
TVA Grid Access Charge (per delivery point per month)	
12 Month Average kWh between 0 – 150,000 kWh	225.80
12 Month Average kWh equal to and above 150,001 kWh	636.87
Summer Season	
Demand Charge	
1st 1,000 kW	21.40
Excess over 1,000	21.78
Energy Charge	
On Peak kWh	0.07767
Off-peak kWh	0.06309
Winter Season	
Demand Charge	
1st 1,000 kW	20.34
Excess over 1,000	20.73
Energy Charge	
On Peak kWh	0.07304
Off-peak kWh	0.06639
Transition Season	
Demand Charge	
1st 1,000 kW	20.34
Excess over 1,000	20.73
Energy Charge	
On Peak kWh	0.06772
Off-peak kWh	0.06772

Time Differentiated Hours Use of Demand (TDHUD) (Time of Use Service)	**U.S. Dollars**
TDHUD GSA (Demand = 1,001 - 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	12.04
Maximum Demand Charge	8.41
Energy Charge - On Peak	0.11357
Energy Charge - Off Peak First 200 hours	0.07671
Energy Charge - Off Peak Next 200 hours	0.03000
Energy Charge - Off Peak Additional kWh	0.02667
Winter Season	
On Peak kW	10.99
Maximum Demand Charge	8.41
Energy Charge - On Peak	0.09674
Energy Charge - Off Peak First 200 hours	0.07998
Energy Charge - Off Peak Next 200 hours	0.03000
Energy Charge - Off Peak Additional kWh	0.02667
Transition Season	
On Peak kW	10.99
Maximum Demand Charge	8.41
Energy Charge - On Peak	0.08130
Energy Charge - Off Peak First 200 hours	0.08130
Energy Charge - Off Peak Next 200 hours	0.03000
Energy Charge - Off Peak Additional kWh	0.02667
TDHUD GSB (Demand = 5,001 - 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.95
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.09344
Energy Charge - Off Peak First 200 hours	0.06603
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Winter Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.08095
Energy Charge - Off Peak First 200 hours	0.06848
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Transition Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.06568
Energy Charge - Off Peak First 200 hours	0.06568
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425

	U.S. Dollars
TDHUD GSC (Demand = 15,001 - 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.95
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.09344
Energy Charge - Off Peak First 200 hours	0.06603
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Winter Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.08095
Energy Charge - Off Peak First 200 hours	0.06848
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
Transition Season	
On Peak kW	10.89
Maximum Demand Charge	6.30
Energy Charge - On Peak	0.06568
Energy Charge - Off Peak First 200 hours	0.06568
Energy Charge - Off Peak Next 200 hours	0.02801
Energy Charge - Off Peak Additional kWh	0.02425
TDHUD GSD (Demand = > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.95
Maximum Demand Charge	6.29
Energy Charge - On Peak	0.09344
Energy Charge - Off Peak First 200 hours	0.06603
Energy Charge - Off Peak Next 200 hours	0.02675
Energy Charge - Off Peak Additional kWh	0.02425
Winter Season	
On Peak kW	10.89
Maximum Demand Charge	6.29
Energy Charge - On Peak	0.08095
Energy Charge - Off Peak First 200 hours	0.06848
Energy Charge - Off Peak Next 200 hours	0.02675
Energy Charge - Off Peak Additional kWh	0.02425
Transition Season	
On Peak kW	10.89
Maximum Demand Charge	6.29
Energy Charge - On Peak	0.06568
Energy Charge - Off Peak First 200 hours	0.06568
Energy Charge - Off Peak Next 200 hours	0.02675
Energy Charge - Off Peak Additional kWh	0.02425

	U.S. Dollars
TDHUD MSA (Manufacturing) (Demand = 1,001 - 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.08342
Energy Charge - Off Peak First 200 hours	0.05685
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.07090
Energy Charge - Off Peak First 200 hours	0.05928
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.06026
Energy Charge - Off Peak First 200 hours	0.06026
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
TDHUD MSB (Manufacturing) (Demand = 5,001 - 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08376
Energy Charge - Off Peak First 200 hours	0.05776
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07165
Energy Charge - Off Peak First 200 hours	0.06022
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.06117
Energy Charge - Off Peak First 200 hours	0.06117
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303

	U.S. Dollars
TDHUD MSC (Demand = 15,001 - 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08403
Energy Charge - Off Peak First 200 hours	0.05652
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07148
Energy Charge - Off Peak First 200 hours	0.05897
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.05993
Energy Charge - Off Peak First 200 hours	0.05993
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
TDHUD MSD (Demand = > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.27
Maximum Demand Charge	3.04
Energy Charge - On Peak	0.08153
Energy Charge - Off Peak First 200 hours	0.05403
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Winter Season	
On Peak kW	10.19
Maximum Demand Charge	3.04
Energy Charge - On Peak	0.06897
Energy Charge - Off Peak First 200 hours	0.05646
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Transition Season	
On Peak kW	10.19
Maximum Demand Charge	3.04
Energy Charge - On Peak	0.05742
Energy Charge - Off Peak First 200 hours	0.05742
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
DCA (Data Center) (Demand = 1,000 – 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.08342

Energy Charge - Off Peak First 200 hours	0.05685
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.07090
Energy Charge - Off Peak First 200 hours	0.05928
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	6.59
Energy Charge - On Peak	0.06026
Energy Charge - Off Peak First 200 hours	0.06026
Energy Charge - Off Peak Next 200 hours	0.02668
Energy Charge - Off Peak Additional kWh	0.02459
DCB (Data Center) (Demand 5,000= > 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08376
Energy Charge - Off Peak First 200 hours	0.05776
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07165
Energy Charge - Off Peak First 200 hours	0.06022
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.06117
Energy Charge - Off Peak First 200 hours	0.06117
Energy Charge - Off Peak Next 200 hours	0.02512
Energy Charge - Off Peak Additional kWh	0.02303
DCC (Data Center) (Demand 15,000= > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08403
Energy Charge - Off Peak First 200 hours	0.05652
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.07148
Energy Charge - Off Peak First 200 hours	0.05897
Energy Charge - Off Peak Next 200 hours	0.02666

Energy Charge - Off Peak Additional kWh	0.02666
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.05993
Energy Charge - Off Peak First 200 hours	0.05993
Energy Charge - Off Peak Next 200 hours	0.02666
Energy Charge - Off Peak Additional kWh	0.02666
DCD (Data Center) (Demand >25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On-Peak kW	11.27
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.08153
Energy Charge - Off Peak First 200 hours	0.05403
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Winter Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.06897
Energy Charge - Off Peak First 200 hours	0.05646
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415
Transition Season	
On-Peak kW	10.19
Maximum Demand Charge	3.05
Energy Charge - On Peak	0.05742
Energy Charge - Off Peak First 200 hours	0.05742
Energy Charge - Off Peak Next 200 hours	0.02480
Energy Charge - Off Peak Additional kWh	0.02415

*These customer charges are based on the highest monthly kWh usage during the latest 12-month period.

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The Board assigns retail rates and charges for customers with special load requirements including interruptible and time of day rates. The Board also establishes and collects additional charges for service connections, reconnections, and other services.

Transmission Lines and Substations

The current Electric System is connected to the TVA system at 27 interchange points with a total infeed capacity of 6,202,800 kilovolt amperes. This capacity consists of:

(a) seven bulk 161 kilovolt substations totaling 3,657,600 kilovolt amperes which step the voltage down to the 69 kilovolt level, the 23.9 kilovolt and the 13.8 kilovolt levels;

(b) three industrial customer 161 kilovolt substations totaling 126,000 kilovolt amperes;

(c) two 69 kilovolt hydroelectric plants totaling 156,000 kilowatt amperes; and

(d) seventeen 161-kilovolt-distribution substations totaling 2,329,600 kilovolt amperes, which step the voltage down to 23.9 kilovolt and 13.8 kilovolt levels.

Transmission from the interchange points with TVA into the Electric System consists of approximately 41 pole miles of 161 kilovolt lines and a network of approximately 267 circuit miles of 69 kilovolt lines feeding 40 substations. These substations step the voltage down either to (1) 23.9 kilovolts or 13.8 kilovolts for utilization on distribution circuits or (2) various other voltage levels for industrial customer applications.

Electric Distribution System

Approximately 300 distribution circuits operating at 23.9 kilovolts and 13.8 kilovolts originate at the distribution substation busses and are routed throughout Davidson County and into six surrounding counties to feed the Board's customers.

The concentrated downtown Nashville area is served by an underground network system. Outside the downtown area, new distribution lines are installed both underground and overhead with a preference for underground where they are physically and economically feasible. The distribution infrastructure serves as routes for competitive communication providers who license the electric infrastructure for their use.

Engineering, Construction and Maintenance

Most transmission, substation and distribution engineering is done by NES personnel. Five engineering sections combine efforts to prepare plans that will provide service to new customers, maintain adequate service to existing customers, and prepare long-range plans to accommodate electric loads for customers of the future.

Generally, NES employees perform most of the construction and maintenance work required. NES supplements its work force with contractors when needed for certain construction and maintenance work and storm restoration. For maintenance and repair of equipment and for making special apparatus of various kinds, the Board has shops, laboratory equipment, test apparatus, and instruments. Two-way radio systems and cellular units provide communications with mobile units to enhance the safety of the crews working on the System.

Smart Grid

NES has implemented Advanced Metering Infrastructure, or AMI, and a smart grid on the NES distribution system. NES provides voltage and demand reductions when requested by TVA during summer and winter periods using the smart grid infrastructure. NES estimates annual savings in purchased power costs in the range of $2.5 to $3.0 million. Savings in any year are dependent upon a number of factors, including degree days, weather and other factors.

AMI meters are used at over 415,000 points throughout the NES service territory. Below are a few long-term benefits of the AMI infrastructure:

- AMI technology enables meters to be read remotely.
- AMI provides useful information about the distribution network including automated notification of power outages and usage.
- Two-way communication with the electric grid improves service and power reliability.
- Ability to provide customers information on energy usage and patterns in order to better manage consumption.
- Fewer company vehicles are needed, reducing pollution, energy consumption, and traffic.

Prospective Financial Information

NES does not, as a matter of course, make public projections as to future sales, earnings, or other results. However, the management of NES has prepared the prospective financial information set forth below to present anticipated system growth and its capital improvement plan. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of NES management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of NES. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information.

Neither NES' independent auditor, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

System Growth

From the fiscal years 2017 to 2026, the annual average customer growth rate was 2.11]%, with total average customers increasing from 400,000 in 2017 to 479,000 in 2026. Yearly sales increased from 11.8 kilowatt-hours in fiscal year 2017 to 12.3 billion kilowatt-hours in fiscal year 2026. This represents a 0.5% annual average increase in kilowatt-hour sales during the period. Sales and customer growth have been impacted in the last ten (10) years by economic growth, weather, and increased use of energy efficient construction and equipment by NES customers.

NES prepares an annual forecast of both summer and winter MW peak demand as well as annual megawatt-hours of energy consumption. By 2037, NES system studies have forecasted a 18.3% growth in

MW peak demand. NES anticipates that continued economic growth, and change in weather patterns as evidenced by more degree days will be the primary drivers of the forecasted growth in peak demand.

Year	Forecasted Peak Demand (MW)
2025	2,834*
2026	2,802
2027	2,848
2032	3,093
2037	3,354

*Actual System Peak.

Capital Improvement Plan

Capital expenditures are budgeted and expected to be approximately in the amounts listed below for the respective fiscal years. The planned allocation to projects is also provided in the table below. The Board believes that these estimated construction costs contain sufficient allowances for inflation, cost escalation and other possible increases. However, for a number of reasons, including unforeseen inflation, compliance with governmental procedures and regulations and changes in the Board's plan, actual costs may vary from the construction program estimates.

NES Capital Improvement Plan
(000's omitted)

Fiscal Year	NES Business Capital Requirements	Technology Strategy Capital Requirements	East Bank	Total Capital Requirements
2027	$191,100	$0	$3,900	$195,000
2028	183,400	0	2,000	185,400
2029	195,400	42,000	0	237,400
2030	204,400	42,000	0	246,400
2031	213,700	0	0	213,700

Source: Nashville Electric Service

The Technology Strategy implementation is currently planned to begin in fiscal year 2028 and will replace the work and asset management and financial components of the enterprise resource management system. The values included above are preliminary estimates.

The East Bank project is a development consisting of 338 acres of underutilized land directly across the river from Downtown Nashville. The development includes the new stadium for the Tennessee Titans. NES' planned capital expenditures of $5.9 million stem from underground cable installations.

NES has historically funded approximately 50 percent of its capital needs through bond proceeds but plans to reduce this to 45 percent to [strengthen the debt position]. NES plans to utilize cash on hand, however, to fund capital requirements for the Technology Strategy. Management plans to repair, replace

and restore capital assets according to the approved capital budget funding within plus or minus 5.0 percent. However, due to unforeseen circumstances, expenditures may arise that exceed forecasted funding levels. If this occurs, Management would request Board approval of any additional funding required to meet the needs of the Electric System.

Insurance

The Board is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. As an agency of the Metropolitan Government, the Board is a governmental entity and is covered under the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated Sections 29-20-101, et seq. Tennessee Code Annotated Section 29-20-403 provides for minimum limits of not less than $300,000 for bodily injury or death of any one person in any one accident, occurrence or act, $700,000 for bodily injury or death of all persons in any one accident, occurrence or act and $100,000 for injury to or destruction of property of others in any one accident. The Board is immune from any award of judgment for death, bodily injury, and/or property damage in excess of the limits described above. Therefore, the Board has not secured insurance coverage in excess of those limits.

The Board has secured property insurance for coverage of all property losses, effective November 1, 2025. The property insurance program is placed with Starr Technical Risks, AEGIS Insurance Services, Inc., and Allianz. The insurance companies participate on a quota share basis with Starr Technical providing 60% of the capacity, AEGIS providing 25%, and Allianz 15%. The limit of liability per insurance company is $150,000,000 and some of the key sub-limits are as follows:

General plant, contents, substations, and construction in progress:	$150,000,000
Includes flood per occurrence and in the annual aggregate, except;	
Locations in Flood Zone A or V	$5,000,000
Earth Movement per occurrence and in the annual aggregate	$50,000,000
Miscellaneous Unnamed Locations	$1,000,000
Newly Acquired Property (90 days reporting)	$5,000,000
Boiler and Machinery	$150,000,000

The Board provides health benefits to its employees through a self-insured plan with no lifetime claim limit for essential health benefits and a $2,000,000 lifetime claim limit for non-essential health benefits per insured. The Board has secured a stop-loss reinsurance policy for individual medical claims over $450,000.

FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

The electric utility industry has been and will continue to be affected by a number of factors that will have an impact on the business, operations and financial conditions of both public and private electric utilities, including the Board. These include deregulation, compliance with North American Electric Reliability Corporation's ("NERC") electric reliability standards and Smart Grid initiatives.

In the past, one of these factors was the efforts at both the national and local levels to restructure the electric utility industry from a heavily regulated monopoly to an industry in which there is more (or open) competition for power supply service at both the wholesale and retail level. Historically, electric utilities have operated as monopolies within their service territories, subject to certain exceptions. Under this arrangement, utilities have generally been able to charge rates primarily determined by their costs of

service, rather than by competitive forces. There has been little activity regarding deregulation in recent years due to the perception of rapid escalation of electric rates in areas that have been deregulated. There can be no assurance that this arrangement will continue for the Board, and the Board is already subject to certain competitive forces and other factors as described below.

Competitive Environment in Tennessee

In the late 1990s and early 2000s, various regulatory and legislative bodies in Tennessee considered a wide range of issues associated with the advisability of retail competition in the electric utility industry. None of these groups recommended that Tennessee actively pursue full retail competition at that time, and there are no currently pending state legislative or regulatory initiatives to provide for retail competition in Tennessee at this time.

Transmission Access to Wholesale Power

The Board's ability to access the wholesale power markets is limited, and TVA currently enjoys substantial insulation from wholesale competition. TVA operates under the TVA Act. Under the TVA Act, subject to certain minor exceptions, TVA may not currently enter into contracts that would have the effect of making it or the Board and other distributors a source of TVA power supply outside a statutorily-specified area. However, under a special provision of the Energy Policy Act of 1992 (the "anti-cherry-picking provision"), TVA is not required to provide its competitors with access to its transmission system to transmit power for consumption within the area that TVA or the Board and other distributors of TVA's power may serve. Thus, while TVA may not sell power outside its current service area, except for certain pre-existing arrangements, its competitors are not allowed to obtain transmission service from TVA to sell power within TVA's service areas under present law. Pending and future legislative and regulatory actions could impact the Board's ability to access the wholesale market, and modification of TVA's historically protected service area could adversely affect TVA's financial and operating condition.

Federal Energy Policy Act of 2005

The Energy Policy Act of 2005 authorizes the Federal Energy Regulatory Commission ("FERC") to require "unregulated transmitting utilities" to provide open access to their transmission systems on comparable terms and conditions as those "unregulated transmitting utilities" provide transmission service to themselves. While the Board meets the minimum kilowatt-hour sales threshold to be an "unregulated transmission utility" under Section 201(f) of the Federal Power Act, it is unclear the extent to which, if any, the Board's facilities would be considered subject to these requirements. The Board is unable to predict at this time the impact of these requirements on the Board's operations and finances.

The Energy Policy Act of 2005 provides certain "load serving entities" holding firm transmission rights the ability to continue to use those rights to serve their customers, and one provision of the Energy Policy Act of 2005 purports to provide these rights to wholesale customers of TVA like the Board. It is currently unclear whether these or other provisions of the Energy Policy Act of 2005 will fundamentally change the Board's power supply arrangements with TVA or the Board's ability to access the wholesale generation markets at a future point in time.

The Energy Policy Act of 2005 also subjected electric utilities like the Board to certain amendments to the Public Utility Regulatory Policies Act of 1978 ("PURPA"). The purposes of PURPA in 1978 were, and continue to be, to help the nation facilitate the conservation of energy, optimize efficiency, and provide for the establishment of equitable rates. As originally enacted, PURPA required certain utilities to consider and, if appropriate, adopt certain service practice and rate standards. As amended, PURPA now requires consideration of five new standards: (i) Net Metering; (ii) Fuel Source Diversity; (iii) Fossil Fuel

Generation Efficiency; (iv) Smart Metering (time-based metering and communications); and (v) Interconnection Standards for Independent Power Producers. Under the revised PURPA standards, the TVA Board is the Board's regulatory authority for purposes of PURPA. The potential financial implications for some of the standards are currently unknown.

NERC Electric Reliability Standards Compliance

With the passage of the Energy Policy Act of 2005 ("EPAct") Congress authorized FERC to establish an Electric Reliability Organization ("ERO") to protect the reliability of the bulk electric power system in the United States. The North American Electric Reliability Corporation ("NERC") was certified by FERC as the ERO. Owners, operators, and users of the bulk power system are required to be registered with NERC and the appropriate Regional Entities, or in NES's case, the Southeastern Electric Reliability Corporation ("SERC"). NERC intends to comprehensively and thoroughly protect the reliability of the U.S. power grid. To support this goal, NERC will include in its compliance registry each entity that NERC concludes can materially impact the reliability of the bulk power system. Based on NERC's "functional model", NES has registered with SERC/NERC as a "Distribution Provider" (DP), "Transmission Owner" (TO), and "Transmission Planner" (TP). NES also meets the requirements to register as a "Transmission Operator" (TOP); however, NES has executed an agreement with TVA that delegates the TOP function to TVA.

NES has developed "Policies, Guidelines, & Procedures (PGP's) documents for all applicable NERC Reliability Standards and their associated requirements. In order to ensure compliance with each of these requirements, NES fosters a "culture of compliance" and has established an organizational structure to provide employees with annual reliability compliance training and to document all related testing and maintenance activities related to NES' electric facilities that can materially impact the bulk electric system.

TVA and General Industry Risk Factors

Because the Board purchases all of its power from TVA, any risk factors affecting or potentially affecting the business operations of TVA may also affect the Board. TVA may mitigate some of these risks by increasing the rates it charges for its power. As a federal governmental instrumentality, TVA's operations may also be affected as federal administrations change. A discussion of the risk factors affecting TVA's operations can be found in "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in TVA's Annual Report. TVA's Annual Report is available to the public from the SEC's website at www.sec.gov and from the TVA's website at www.tva.gov.

In addition to risks discussed above, the electric utility industry in general has been, or in the future may be, affected by a number of other factors which could impact the financial condition of the Board. Such factors include, among others, the following: (i) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative other than those described elsewhere in this Official Statement; (ii) changes resulting from conservation and load management programs on the timing and use of electric energy; (iii) changes in national, regional or state energy policy; (iv) competition from other utilities, independent power producers, marketers and brokers; (v) competition with customer-owned generation, such as "self-generation" or "distributed generation," which might include microturbines, fuel cells, and other generation resources; (vi) shifts in the availability and relative costs of different fuels, whether such fuels are competitive alternatives to electricity or are used in the generation of electricity; (vii) other federal, state or local legislative or regulatory changes; (viii) loss of large municipal, industrial or commercial customers; and (ix) changes in the economy. Any of these factors (as well as other factors) could have an adverse effect on the financial condition of any electric utility and will likely affect individual utilities in different ways.

The Board is unable to predict what impact any of the foregoing factors will have on its operations and financial conditions, but the impact could be significant. This Official Statement includes a brief discussion of certain of these factors. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date of this Official Statement. Extensive information on the electric utility industry is available in the public domain, and potential purchasers of the 2027 Series A and B Bonds should obtain and review such information.

ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION

Pension Plans and Other Post-Employment Benefits

The information relating to the Nashville Electric Service Retirement Annuity and Survivors' Benefit Plan (the "DB Plan"), the Defined Contribution Retirement Plan (the "DC Plan") and other post-employment benefits ("OPEB Plan") (together, the "Plans") contained herein relies on information produced by the Plans and their independent actuaries. The actuarial assessments are forward-looking information that reflect the judgment of the fiduciaries of the Plans. Actuarial assessments are based upon a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future.

Defined Benefit Pension Plan

The DB Plan is a single employer defined benefit pension plan administered by the Board. The DB Plan provides retirement and survivors' benefits to participants and beneficiaries. The authority to establish and maintain the DB Plan is assigned to the Board by the Charter of the Metropolitan Government.

All full-time regular employees hired before July 1, 2012 were eligible to participate in the DB Plan. Employees hired on or after July 1, 2012 are eligible to participate in the NES Defined Contribution Plan ("DC Plan"). As of April 1, 2026, there were a total of 1,497 vested participants, including 983 currently receiving benefits, and 113 terminated participants entitled to receive benefits in the future. Participants who retire at or after age 65 are entitled to annual retirement benefits payable monthly for life in an amount equal to two percent of final average compensation multiplied by years of participation in the DB Plan up to 35 years. A participant is eligible for early retirement at age 52½ with 15 years of credited service or at age 50 with 30 years of credited service. The amount of the benefit that would otherwise be payable at age 65 is reduced according to a formula specified in the DB Plan. However, if a participant has attained age 52½, and the participant's age plus service totals 80 or greater, there is no reduction for payment of the participant's benefit before age 65. A survivor benefit is paid to the spouse of a participant who dies while employed equal to 35 percent of the participant's final average compensation for life, and monthly survivor benefits are paid for certain surviving children until their 23rd birthday.

The Board establishes and may amend the contribution requirements for the DB Plan. All contributions to the DB Plan are made by the Board; participants are not required or permitted to contribute to the DB Plan (although participant contributions have been required for participation in the past). The Board's general practice is to fund at least the minimum required contribution as determined by USI Consulting Group the DB Plan's independent actuary (the "Plan's Actuary").

Source: The Plan's Actuary.

The Board's contributions for plan years ended March 31, 2022 through 2026, respectively, are as follows:

Plan Year Ended March 31	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed	Percent of Annual Covered Payroll
2022	$31,886,367	$31,900,000	100.0%	50.0%
2023	$31,589,376	$31,600,000	100.0%	51.3%
2024	$34,229,916	$34,250,000	100.0%	54.5%
2025	$32,698,650	$32,700,000	100.0%	54.1%
2026	$33,872,253	$38,203,000	112.8%	61.7%

Sources: Actuarial Valuation and Reports for the DB Plan prepared by the Plan's Actuary for applicable plan years (the "Pension Actuarial Valuations") and the Board's Financial Statements for applicable years (the "Financial Statements").

The annual pension expense for the years ended June 30, 2022, 2023, 2024, 2025, and 2026 were $37.1 million, $45.3 million, $36.8 million, $69.6 million, and $20.4 million, respectively. Fluctuations for the periods were related primarily to the difference between actual investment income and actuarially determined investment income.

Sources: The Pension Actuarial Valuations and the Financial Statements.

The minimum required employer contribution and the estimated liability of the DB Plan to pay future benefits are determined by the Plan's Actuary on an annual basis in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68 ("GASB 68"). The Plan's Actuary uses demographic and other data (such as employee age, salary and service credits) and various assumptions (such as estimated salary increases, interest rates, employee turnover and mortality) to determine the amount that the Board should contribute in a given year in order for the DB Plan to accumulate sufficient funds to pay benefits when due. The Plan's Actuary then produces Pension Actuarial Valuations, which contain the actuary's report on the DB Plan's assets, liabilities and required contribution for the following year.

The annual required contribution was determined using the entry age method/ which evaluates the contribution needed an individual participant basis. The significant actuarial assumptions used by the Plan's Actuary in compiling the annual Pension Actuarial Valuations are based on study results conducted every five years (most recently in 2025) and on industry assumptions. Significant assumptions include (a) a 7.25 percent investment rate of return for plan years beginning April 1, 2023, and 7.5 percent investment returns for plan years 2022 and prior and (b) projected annual salary increases ranging from 4.14 to 8.14 percent and (c) mortality assumptions based on 102.0 percent of the Pub. G-2010 Mortality Table with adjustments for future mortality improvements utilizing scale MP-2021 projected generationally from the base year 2010. The assumptions also include an annual cost-of-living post-retirement benefit increase of two and a half percent per year for plan years beginning April 1, 2025, and an annual cost-of-living post-retirement benefit increase of two percent per year for plan years 2024 and prior. The effect of short-term volatility in the market value of investments is recognized in the net annual pension expense by amortizing the effects of differences between the "expected value" of assets on each valuation date (April 1) and actual results over a 5-year period.

The actuarial accrued liability ("AAL"), as determined by the Plan's Actuary, is an estimate of the present value of all future benefits that are based upon employment service performed up to the valuation

date and that are expected to be paid from the Plan to current and retired employees. The AAL is based on the valuation methodology and actuarial assumptions that are being used. Any difference between the AAL and the actuarial value of assets is called the "Unfunded Actuarial Accrued Liability" or "UAAL." The Plan's Actuary also calculates the "Funded Ratio," which is the result obtained by dividing the actuarial value of plan assets by the AAL. The "asset smoothing" method described above is an accepted practice under GASB 68. It reduces large fluctuations in the actuarial value of assets and the UAAL that would otherwise occur as a result of market volatility.

Benefits for certain retirees who terminated before July 1, 1996 are being paid by John Hancock Insurance Company under a non-participating annuity contract. In addition, a portion of the benefits of retirees attributable to participant contributions to the DB Plan during the time period when such contributions were permitted are and will be paid by John Hancock. Because John Hancock is guaranteeing the payment of these benefits, neither the assets held by John Hancock for payment nor the liability of the DB Plan for these benefits is reflected in the Actuarial Valuations. The present value of these benefits guaranteed by John Hancock is estimated to be less than $9.3 million, as April 1, 2026. Should the Board ever be required to pay for or fund any of these benefits from the DB Plan for these benefits guaranteed by John Hancock, future contributions and the UAAL could be significantly increased.

Effective April 1, 2015, the actuarial valuation method for the DB Plan was changed to the current method. This change was made in accordance with GASB 68 and state law. It set a 25-year period, commencing on April 1, 2015, for amortization of the DB Plan's UAAL.

The Board's contributions are held in trust. Studies and recommendations involving investment allocations are currently provided by SEI Investments Management Corp. ("SEI"). The recommendations from SEI are presented to an investment committee of the Board consisting of two management members and two non-management members. Recommendations from this committee must be approved by the Board to be implemented. Since the obligations of the DB Plan are long-term in nature, the investment policy is aimed toward performance and return over a number of years. The management of the DB Plan fund is governed by the Statement of Investment Objectives and Guidelines of the Investment Committee, most recently revised January 23, 2008.

The Actuarial Valuation assumes an investment rate of return equal to 7.25 percent. Due to the volatility of the investment marketplace, however, the actual rate of return on the assets of the DB Plan will be higher or lower than the assumed rate. If the actual market performance should be less than the assumed rate of 7.25 percent, the liabilities of the DB Plan will be greater than shown in the actuarial valuation, the UAAL will be greater, and the future contributions will have to be increased to enable the DB Plan to pay benefits. The following table shows the actual rate of return on the DB Plan's assets for the past 10 years**.**

Investment Rate of Return

Plan Year Ended March 31	Rate of Return
2017	12.1%
2018	11.0%
2019	4.2%
2020	-5.9%
2021	40.5%
2022	4.0%
2023	-6.5%
2024	16.1%
2025	7.6%
2026	15.1%
Last 3-Year Average Return Per Annum	12.93%
Last 5-Year Average Return Per Annum	7.26%
Last 10-Year Average Return Per Annum	9.82%

Source: The Plan's Actuary.

In compiling the annual Pension Actuarial Valuation, as noted above, the Plan's Actuary determines the actuarial value of plan assets under an asset smoothing method. The result is that the actuarial value of assets is different from the market value and does not reflect the true value of DB Plan assets at the time of measurement. As a result, use of the asset smoothing method can be expected to provide a more or less favorable presentation of the DB Plan's current financial condition than would a method based solely on market value. The tables below show the differences in certain factors in the Pension Actuarial Valuation for the past 5 years by comparing the use of market value versus actuarial value for DB Plan assets. The AAL figures are the same in both tables.

Historical Funding Progress
Actuarial Value
($000 omitted)

Actuarial Valuation Date April 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Actuarial Asset Value	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$591,622	$781,992	$190,370	75.7%	$61,592	309.1%
2023	$606,847	$823,810	$216,963	73.7%	$62,837	345.3%
2024	$632,604	$830,867	$198,263	76.1%	$60,487	327.8%
2025	$672,207	$862,558	$190,351	77.9%	$61,942	307.3%
2026	$687,978	$898,633	$210,655	76.6%	$58,404	360.7%

Sources: The Pension Actuarial Valuations and the Financial Statements.

Historical Funding Progress
Market Value
($000 omitted)

Actuarial Valuation Date April 1	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Market Asset Value	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$632,195	$781,992	$149,797	80.8%	$61,592	243.2%
2023	$570,270	$823,810	$253,540	69.2%	$62,837	403.5%
2024	$640,405	$830,867	$190,462	77.1%	$60,487	314.9%
2025	$664,284	$862,558	$198,274	77.0%	$61,942	320.1%
2026	$732,474	$898,633	$166,159	81.5%	$58,404	284.5%

Source: The Plan's Actuary.

The tables above also illustrate the changes in the UAAL and the Funded Ratio during the periods indicated. The Funded Ratio and the UAAL are useful in measuring the financial health of the DB Plan. An increasing UAAL or a decreasing Funded Ratio from year to year generally signals a deterioration in the financial health of the DB Plan because it indicates an increasing gap between the liabilities of the DB Plan for future benefit payments and the value of assets available in the DB Plan to pay those liabilities as they become due. Conversely, a decreasing UAAL or an increasing Funded Ratio generally indicates an improvement in the financial health of the DB Plan because such a change reflects a closing of the above-mentioned gap.

Under current Tennessee law, as interpreted by the Tennessee Supreme Court, a governmental employer such as the Board is generally not permitted to change the terms of a pension plan to reduce an accrued benefit, or the right to accrue future benefits, of any participant who is eligible to receive benefits under the plan (i.e., any vested participant) unless that participant consents to the decrease or reduction in benefits. However, a pension plan can be amended so as to exclude new employees. In that manner, the risk of future increases in the UAAL, whether anticipated or not, resulting from the entry of new participants can be eliminated.

The Public Employee Defined Benefit Financial Security Act of 2014 (the "2014 Act") was signed into law by the Governor of the State on May 22, 2014. The 2014 Act, as amended, requires, among other things, each political subdivision which provides defined benefit plans not administered by the Tennessee Consolidated Retirement System to (a) adopt a resolution delineating a funding policy for fiscal years beginning after June 15, 2015; (b) begin funding any unfunded accrued liability via the level dollar amortization method no later than the plan fiscal year commencing on or before June 15, 2020; (c) annually make a payment to the pension plan of no less than 100 percent of the actuarially determined annual required contribution that incorporates both the normal cost of benefits and the amortization of the pension plan's unfunded accrued liability (the "ADC"), provided however, the affected political subdivision may make a payment of more than 100 percent of the ADC. Any underpayment must be made up in the next fiscal year as an addition to the subsequent year's ADC. If the political subdivision fails to fund the ADC, the 2014 Act permits the State Commissioner of Finance and Administration, at the direction of the Comptroller of the Treasury, to withhold such amount or part of such amount from any state-shared taxes that are otherwise apportioned to such political subdivision. The money withheld from state-shared taxes will be paid to the political subdivision's pension plan.

The 2014 Act further provides that (a) for all affected employees of the political subdivision hired on or after the effective date of the 2014 Act, the political subdivision may freeze, suspend or modify benefits, employee contributions and plan terms and design on a prospective basis (except as to those employees employed prior to the effective date of the 2014 Act where applicable law provides otherwise); and (b) for any pension plan that is funded below 60 percent, the affected political subdivision may not establish benefit enhancements unless approved by the State Treasurer.

The Board implemented changes in funding calculations to comply with the minimum requirements beginning in fiscal year 2016 and has complied with such requirements since that time.

Defined Contribution Retirement Plan

Effective July 1, 2012, the Board established a Defined Contribution Retirement Plan (the "DC Plan") for all new employees. The DC Plan is intended to be a defined contribution money purchase pension plan. Its purpose is to provide retirement benefits to eligible employees who were hired after July 1, 2012. Participants who were not vested in the DB Plan as of July 1, 2012 were able to choose whether to continue to participate in the DB Plan or to participate in the new DC Plan.

All contributions to the DC Plan are made by the Board; participants are not required or permitted to contribute to the DC Plan. The Board makes contributions to the DC Plan based on the normal cost for the DB Plan under the current actuarial cost method. However, investment risk is shifted from the Board to the participants in the DC plan preventing any underfunding exposure to the Board with respect to future employees. As of April 1, 2026, the contribution quotient for the DC Plan is 17.46 percent of covered payroll. The investments of the DC plan are held in a Trust managed by the Board. During FY26, the DC Plan transitioned its investment lineup from a selection of individual mutual funds to a target date fund structure. Previously the investment in mutual funds resulted in all participants having the same allocation regardless of their age or years to retirement exposing older employees to too much risk and younger employees to too little risk.

Members of the DC Plan are also eligible to participate in the OPEB Plan discussed below.

Other Post-Employment Benefits

The Board also provides post-employment medical, dental and life insurance benefits to eligible retirees (the "OPEB Plan"). Medical and dental benefits are also provided to their spouses. Retirees are eligible for these post-retirement benefits once the sum of their age at retirement and service reaches 70 with a minimum of 5 years of service. As of April 1, 2026, approximately 743 retirees and 216 beneficiaries met those eligibility requirements. Retirees eligible for Medicare who reach age 65 after January 1, 2006 are required to enroll in Medicare as primary insurance but will be covered under the OPEB Plan for secondary coverage. Retirees are required to pay a share of the group medical rate for coverage under the OPEB Plan. The OPEB Plan was funded on a pay-as-you-go basis prior to June 30, 2008. Effective with the year ending June 30, 2008, the Board also established a trust fund to hold its contributions to the OPEB Plan.

The independent actuarial firm of USI Consulting Group, which produces the Actuarial Valuations for the DB Plan, also determines the required contribution for the OPEB Plan based on an annual valuation (the "OPEB Actuarial Valuations"). The actuarial method used is the entry age normal method. Under this method, the actuarial present value of the projected benefits of each individual employee is allocated on a level basis over the service of that individual between hire date and assumed retirement date. This is an individual, and not aggregate, actuarial method. The actuarial assumptions include (a) a 7.5 percent investment rate of return, (b) annual increase in healthcare costs determined using the Getzen model and a

5.16 percent to 4.04 percent trend, and (c) mortality assumptions based on 102.0 percent of the Pub. G-2010 Mortality Table with adjustments for future mortality improvements utilizing scale MP-2021 projected generationally from the base year 2010. The actuarial value of OPEB Plan assets is determined by a technique of asset smoothing analogous to the method described above that is used for the DB Plan.

OPEB Actuarial Valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions about future employment, mortality and the healthcare cost trend are based upon studies conducted every five years (most recently in 2025) and industry assumptions. One or more of these actuarial assumptions may prove to be inaccurate or be changed in the future. If the assumption for healthcare cost trends should prove to be less than the actual increases over time for covered medical expenses under the OPEB Plan, and if this increase is not offset through a corresponding increase in the retiree's cost-sharing obligation, the OPEB Plan's unfunded actuarial accrued liability ("UAAL") will be greater than stated in the current financial statements and unanticipated increases in the required contribution would be required in future years.

The Actuarial Valuation assumes an investment rate of return equal to 7.5 percent. Due to the volatility of the investment marketplace, however, the actual rate of return on the assets of the OPEB Plan will be higher or lower than the assumed rate. If the actual market performance should be less than the assumed rate of 7.5 percent, the liabilities of the OPEB Plan will be greater than shown in the actuarial valuation, the UAAL will be greater, and the future contributions will have to be increased to enable the OPEB Plan to pay benefits. The following table shows the actual rate of return on the OPEB Plan's assets for the past 10 years**.**

Investment Rate of Return

Plan Year Ended March 31	Rate of Return
2017	12.9%
2018	11.2%
2019	4.5%
2020	-6.6%
2021	41.6%
2022	3.8%
2023	-6.0%
2024	16.5%
2025	7.7%
2026	15.1%
Last 3-Year Average Return Per Annum	13.1%
Last 5-Year Average Return Per Annum	7.4%
Last 10-Year Average Return Per Annum	10.1%

Source: The OPEB Actuarial Valuation as of April 1, 2026.

The Board's contributions for the past five years are as follows:

Plan Year Ended March 31	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
2022	$22,232,930	$22,300,000	100.0%
2023	$23,020,968	$23,100,000	100.0%
2024	$23,019,059	$23,100,000	100.0%
2025	$23,343,315	$23,400,000	100.0%
2026	$21,649,793	$21,700,000	100.0%

Sources: The OPEB Actuarial Valuations.

The annual OPEB expense for the years ended June 30, 2022, 2023, 2024, 2025, and 2026 were $17.0 million, $13.4 million, $4.6 million, $(3.7) million, and $(8.4) million, respectively.

In compiling the annual OPEB Actuarial Valuations, the Plan's Actuary determines the actuarial value of plan assets under an asset smoothing method as noted above. As is the case with the DB Plan, use of this asset smoothing method might provide a more favorable or less favorable presentation of the Plan's current financial condition than would a method based solely on market value.

The tables below show the difference in certain factors in the OPEB Actuarial Valuations for the past 5 years by comparing the use of market value versus actuarial value for OPEB Plan assets.

Historical Funding Progress
Actuarial Value
($000 omitted)

Actuarial Valuation Date April 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Actuarial Asset Values	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$191,054	$345,715	$154,662	55.3%	$97,761	158.2%
2023	$208,217	$342,558	$134,342	60.8%	$103,368	130.0%
2024	$233,217	$348,998	$115,781	66.8%	$109,346	105.9%
2025	$259,037	$340,046	$81,009	76.2%	$115,051	70.4%
2026	$289,676	$339,651	$49,975	85.3%	$118,526	42.2%

Source: The OPEB Actuarial Valuations.

Historical Funding Progress
Market Value
($000 omitted)

Actuarial Valuation Date April 1	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) Market Asset Values	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2022	$200,801	$345,715	$144,914	58.1%	$97,761	148.2%
2023	$197,021	$342,558	$145,537	57.5%	$103,368	140.8%
2024	$237,128	$348,998	$111,870	67.9%	$109,346	102.3%
2025	$262,231	$340,046	$77,816	77.1%	$115,051	67.6%
2026	$305,342	$339,651	$34,309	89.9%	$118,526	28.9%

Source: The Plan's Actuary.

The tables above also illustrate the changes in the UAAL and the Funded Ratio during the periods indicated. The Funded Ratio and the UAAL are useful in measuring the financial health of the OPEB Plan. An increasing UAAL or a decreasing Funded Ratio from year to year generally signals a deterioration in the financial health of the OPEB Plan because it indicates an increasing gap between the liabilities of the DB Plan for future benefit payments and the value of assets available in the DB Plan to pay those liabilities as they become due. Conversely, a decreasing UAAL or an increasing Funded Ratio generally indicates an improvement in the financial health of the OPEB Plan because such a change reflects a closing of the above-mentioned gap.

Miscellaneous Revenues

The Board derives revenues from a variety of sources other than the Electric System, including charges to local telephone and cable television companies for pole attachments. The aggregate revenue from all of these activities was approximately $25,324,000 for the fiscal year ended June 30, 2026.

Payments-in-Lieu-of-Taxes

The Board is one of the largest payers of taxes or in-lieu-of-taxes in the Metropolitan Government. The terms and conditions of the Power Contract provide, in part, that the Board may use its revenues to pay taxes or in-lieu-of-taxes to the Metropolitan Government and to other jurisdictions in which it has property and customers. The State of Tennessee has enacted into law specific statutes for the calculation and process for payment of an amount in-lieu-of-taxes for municipal electric systems. In 1987, the Tennessee General Assembly passed, and the Tennessee Governor signed into law the Municipal Electric System Tax Equivalent Law of 1987 (the "Tax Equivalent Law of 1987"). The Tax Equivalent Law of 1987 governs the timing, calculation, and payment of amounts in-lieu-of-taxes by municipal electric systems in an effort to achieve a more uniform system in Tennessee for the payment of the amounts in-lieu-of-taxes by the municipal electric systems to the municipality that owns such electric systems, as well as payments to other jurisdictions within which such municipal electric systems own property or operate their electric systems. The formula includes a property tax equivalency calculation plus four percent of operating revenue less power costs on a three-year average. For the Electric System's fiscal year ending June 30, 2026, the amount paid for payments in-lieu-of-taxes to all of the cities and counties in the Electric System's service area was approximately $45,867,000, which sum was equal to approximately 2.9% of Electric System revenues for that fiscal year.

SELECTED FINANCIAL DATA

The following selected financial data of the Board for the fiscal years presented have been summarized or derived from the Board's audited financial statements.

Statement of Revenues, Expenses and Changes in Net Position

(in thousands)

	Fiscal Year Ended June 30,				
	2026	2025 (3)	2024 (2)	2023	2022 (1)
Operating Revenues, net	$ 1,635,446	$ 1,582,789	$ 1,469,607	$ 1,500,081	$ 1,383,183
Operating Expenses	1,569,530	1,499,588	1,363,540	1,426,921	1,294,895
Operating Income	65,916	83,201	106,067	73,160	88,288
Other income and (deductions)	31,027	38,571	40,947	56,464	5,421
Income before Interest Charge	96,943	121,772	147,014	129,624	93,709
Interest Expense	20,221	21,098	20,745	15,949	16,594
Unusual or Infrequent Item	36,867	-	-	-	-
Net Increase in Net Assets/Change in Net Position	$ 39,855	$ 100,674	$ 126,269	$ 113,675	$ 77,115

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Statements of Net Position

(in thousands)

	Fiscal Year Ended June 30,				
	2026	2025 [3]	2024 [2]	2023	2022 [1]
Assets and Deferred Outflows of Resources					
Utility Plant, net	$ 1,727,395	$ 1,586,720	$ 1,473,099	$ 1,337,953	$ 1,265,667
Investment of Restricted Funds	12,439	169,323	258,481	53,241	166,992
Current Assets	758,911	759,522	699,371	710,450	611,799
Other Non-Current Assets	47,200	51,792	53,759	13,700	16,815
Total Assets	2,545,945	2,567,357	2,484,710	2,115,344	2,061,273
Deferred Outflows of Resources	$ 3,879	$ 13,749	$ 16,589	$ 68,511	$ 99,756
Total Assets and Deferred Outflows of Resources	$ 2,549,824	$ 2,581,106	$ 2,501,299	$ 2,183,855	$ 2,161,029
Liabilities and Deferred Inflows of Resources					
Long Term Debt, less current portion	$ 645,283	$ 691,914	$ 740,116	$ 517,086	$ 554,885
Current Liabilities	290,472	261,280	236,486	239,035	253,531
Current Liabilities Payable From Restricted Assets	50,480	50,127	53,285	36,960	46,426
Net Pension Liability	107,016	200,608	191,477	240,453	238,338
Net OPEB Liability	8,830	59,631	110,306	139,658	172,610
Other Non-Current Liabilities	29,713	27,486	27,044	13,700	14,932
Total Liabilities	$ 1,131,794	$ 1,291,046	$ 1,358,714	$ 1,186,892	$ 1,280,722
Deferred Inflows of Resources	$ 202,226	$ 114,111	$ 67,310	$ 47,957	$ 44,976
Net Position	$ 1,215,804	$ 1,175,949	$ 1,075,275	$ 949,006	$ 835,331
Total Liabilities, Deferred Inflows, and Net Position	$ 2,549,824	$ 2,581,106	$ 2,501,299	$ 2,183,855	$ 2,161,029

[1] As restated for adoption of Governmental Accounting Standards Board Statement No. 96 Subscription Based Information Technology

[2] As restated for adoption of Governmental Accounting Standards Board Statement No. 101 Compensated Absences.

[3] As restated for adoption of Governmental Accounting Standards Board Statement No. 103 Financial Reporting Model Improvements.

The following tables represent information relating to the number of customers, kilowatt-hour sales, maximum hourly demand, and data on largest customers.

Number of Customers (not Meters)

FISCAL YEAR	RESIDENTIAL	SMALL COMMERCIAL	LARGE COMMERCIAL & INDUSTRIAL	MUNICIPAL LIGHTING	TOTAL
2017	355,456	34,231	6,967	292	396,946
2018	361,427	34,437	7,140	289	403,293
2019	366,045	34,984	7,004	225	408,258
2020	373,798	35,457	6,882	209	416,346
2021	383,355	36,485	6,737	215	426,792
2022	392,689	36,758	6,871	219	436,537
2023	404,056	36,802	6,986	218	448,062
2024	416,398	37,155	6,947	215	460,715
2025	428,006	37,536	7,180	208	472,930
2026	434,397	37,172	7,269	206	479,044

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Sales in kWh and Maximum System Demand in kW

FISCAL YEAR	RESIDENTIAL	SMALL COMMERCIAL	LARGE COMMERCIAL & INDUSTRIAL	MUNICIPAL LIGHTING	TOTAL KWH	MAX HOURLY DEMAND IN KW
2017	4,659,830,693	810,856,131	6,274,265,762	136,995,640	11,881,948,226	2,395,195
2018	4,925,981,572	825,843,592	6,178,405,432	136,331,006	12,066,561,602	2,572,736
2019	4,914,037,499	819,866,983	6,156,401,981	136,563,983	12,026,870,446	2,466,445
2020	4,862,286,789	790,846,391	5,899,743,533	134,414,754	11,687,291,467	2,525,250
2021	4,922,652,706	791,374,963	5,742,857,217	133,626,219	11,590,511,105	2,472,763
2022	4,997,479,729	822,831,589	5,983,948,597	131,992,795	11,936,252,710	2,558,919
2023	4,857,612,548	800,619,495	5,953,430,800	130,433,946	11,742,096,789	2,779,973
2024	4,947,415,015	825,855,975	5,938,609,842	125,528,769	11,837,646,430	2,830,344
2025	5,196,225,065	831,589,528	6,056,560,445	113,553,261	12,197,928,299	2,840,846
2026	5,295,012,442	834,221,135	6,141,440,058	102,252,860	12,372,926,495	2,573,511

Ten Largest Customers

Fiscal Year Ended June 30,

Group Name	2026 Revenue	2026 % of Total	2026 kWH	2026 % of Total	2025 Revenue	2025 % of Total	2025 kWH	2025 % of Total
AT&T (1)	$ 7,089,509	0.44%	65,691,553	0.53%				
Metro Airport Authority	$ 7,290,962	0.45%	74,872,999	0.61%	$ 7,202,630	0.45%	74,602,076	0.60%
Fiberweb	7,833,095	0.49%	111,786,180	0.90%	7,866,158	0.49%	115,431,960	0.93%
Bridgestone/Firestone (2)					8,081,575	0.50%	100,040,302	0.81%
HCA	10,660,562	0.66%	105,842,726	0.86%	9,254,756	0.57%	95,447,216	0.77%
Metropolitan Government (all other departments)	13,837,455	0.86%	121,351,350	0.98%	14,331,912	0.89%	119,748,343	0.97%
Metropolitan Government District Energy System	15,180,105	0.94%	95,029,056	0.77%	14,731,391	0.91%	99,297,975	0.80%
State of Tennessee (all departments)	17,907,201	1.11%	153,509,707	1.24%	17,247,013	1.07%	151,584,346	1.23%
Metropolitan Board of Education	20,509,546	1.27%	145,406,803	1.18%	19,919,450	1.24%	143,914,329	1.16%
Metropolitan Government Water and Sewer	20,682,501	1.28%	214,267,014	1.73%	21,204,985	1.32%	218,081,242	1.76%
Vanderbilt University	28,225,597	1.75%	302,140,947	2.44%	25,975,372	1.61%	277,276,289	2.24%
	$ 149,216,533	9.27%	1,389,898,335	11.23%	$ 145,815,243	9.06%	1,395,424,078	11.28%
NES total electric sales and kWh	$ 1,610,122,000		12,372,926,495		$ 1,557,061,000		12,197,928,299	
Portion represented by non-governmental entities	$ 53,808,763	3.34%	$ 585,461,406	4.73%	$ 51,177,861	3.29%	$ 588,195,767 (3)	4.82%

(1) AT&T was not one of the ten largest customers in fiscal year 2025.
(2) Bridgestone/Firestone was not one of the ten largest customers in fiscal year 2026.
(3) Formula for non-governmental kwh inadvertently included governmental entities in 2025. Updated in current presentation to accurately reflect only non-governmental entities.

Summary of Changes in Net Position

($)

FISCAL YEAR	OPERATING REVENUES, NET	PURCHASED POWER	OPERATING EXPENSES (a)	DEPRECIATION & AMORTIZATION	TAX EQUIVALENTS (b)	OPERATING INCOME	NONCAPITAL SUBSIDIES (c)	OTHER INCOME (d)	OTHER DEDUCTIONS (e)	UNUSUAL OR INFREQUENT ITEMS (f)	CHANGES IN NET POSITION
2017	1,260,957,000	932,275,000	178,525,000	55,409,000	33,468,000	61,280,000		2,384,000	22,490,000		41,174,000
2018	1,324,224,000	943,511,000	182,932,000	58,719,000	30,551,000	108,511,000		6,700,000	21,019,000		94,192,000
2019	1,342,217,000	949,308,000	201,037,000	62,783,000	32,073,000	97,016,000		12,649,000	19,639,000		90,026,000
2020	1,278,700,000	887,729,000	220,035,000	66,266,000	31,866,000	72,804,000		8,229,000	17,643,000		63,390,000
2021	1,258,542,000	850,409,000	199,446,000	70,443,000	39,736,000	98,508,000		1,167,000	16,132,000		83,543,000
2022	1,383,183,000	946,804,000	232,467,000	76,873,000	38,751,000	88,288,000		5,421,000	16,594,000		77,115,000
2023	1,500,081,000	1,046,258,000	255,094,000	85,119,000	40,450,000	73,160,000		56,464,000	15,949,000		113,675,000
2024	1,469,607,000	995,556,000	240,744,000	90,885,000	36,355,000	106,067,000		40,947,000	20,745,000		126,269,000
2025	1,582,789,000	1,085,315,000	274,456,000	100,943,000	38,874,000	83,201,000	6,238,000	32,333,000	21,098,000		100,674,000
2026	1,635,446,000	1,136,985,000	279,116,000	107,562,000	45,867,000	65,916,000	5,924,000	25,103,000	20,221,000	36,867,000	39,855,000

a. Includes costs relating to customer accounts, sales and administrative and general expenses.
b. Tax equivalents inlcude payments made to local government in-lieu-of real property taxes from which the Board is exempt so long as the property is used for its tax-exempt purpose, and payments made to government agencies for employer taxes.
c. Updated retroactively for GASB 103 adopted in FY 2026.
d. Primarily interest income.
e. Primarily interest expense.
f. Effects of Winter Storm Fern in accordance with GASB 103.

NASHVILLE ELECTRIC SERVICE
Debt Service Coverage

(MODIFIED CASH BASIS IN ACCORDANCE WITH BOND RESOLUTION)
FISCAL YEAR ENDED JUNE 30,

FISCAL YEAR	CHANGES IN NET POSITION	PLUS ADJUSTMENTS				INCOME AVAILABLE FOR DEBT SERVICE	DEBT SERVICE			DEBT SERVICE COVERAGE
		DEPRECIATION & AMORTIZATION	INTEREST EXPENSE, NET	UNUSUAL/INFREQUENT (GAINS)LOSSES (c)	TAX EQUIVALENTS		INTEREST (a)	PRINCIPAL (b)	TOTAL	
2017	41,174,000	55,409,000	22,490,000	-	33,468,000	152,541,000	24,480,000	25,260,000	49,740,000	3.07
2018	94,192,000	58,719,000	21,019,000	-	30,551,000	204,481,000	28,362,000	27,288,000	55,650,000	3.67
2019	90,026,000	62,783,000	19,639,000	-	32,073,000	204,521,000	27,340,000	28,324,000	55,664,000	3.67
2020	63,390,000	66,266,000	17,643,000	-	31,866,000	179,165,000	26,171,000	36,222,000	62,393,000	2.87
2021	83,543,000	70,443,000	16,132,000	-	39,736,000	209,854,000	26,673,000	36,928,000	63,601,000	3.30
2022	77,115,000	76,873,000	16,594,000	-	38,751,000	209,333,000	26,782,000	35,446,000	62,228,000	3.36
2023	113,675,000	85,119,000	15,949,000	-	40,450,000	255,193,000	25,009,000	35,976,000	60,985,000	4.18
2024	126,269,000	90,885,000	20,745,000	-	36,355,000	274,254,000	27,669,000	29,876,000	57,545,000	4.77
2025	100,674,000	100,943,000	21,098,000	-	38,874,000	261,589,000	33,695,000	36,960,000	70,655,000	3.70
2026	39,855,000	107,562,000	20,221,000	36,867,000	45,867,000	250,372,000	31,847,000	37,667,000	69,514,000	3.60

a. EXCLUDES ACCRETED INTEREST EXPENSE ON ELECTRIC SYSTEM REVENUE BONDS, 1998 SERIES A ZERO COUPON BONDS.
b. INCLUDES ACCRETED INTEREST IN THE YEAR OF MATURITY. CALCULATED ON A PRORATA BASIS AT INTERIM DATES BASED ON BOND INSTRUCTIONS.
c. EFFECTS OF WINTER STORM FERN IN ACCORDANCE WITH GASB 103.

INVESTMENT CONSIDERATIONS

General

Set forth below are certain investment considerations related to the purchase of the 2027 Series A and B Bonds. All potential considerations are not included, and the discussion is not intended to be exhaustive.

Enforceability of Remedies

The remedies available to the owners of the 2027 Series A and B Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions, which are often subject to discretion and delay. The enforceability of remedies or rights with respect to the 2027 Series A and B Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Bond Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2027 Series A and B Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Additional Obligations

The Metropolitan Government may issue Additional Bonds on a parity of lien with the 2027 Series A and B Bonds and the Parity Debt Obligations with respect to the Pledged Funds or subordinate to the 2027 Series A and B Bonds and the Parity Debt Obligations in accordance with the provisions of the Bond Resolution. The issuance of Additional Bonds would increase the debt service requirements and could adversely affect debt service coverage on the 2027 Series A and B Bonds. See "SECURITY FOR THE BONDS - Additional Bonds."

Early Payment Prior to Maturity

The 2027 Series A and B Bonds are subject to optional redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2027 Series A and B Bonds —Redemption – *Optional Redemption*." A prospective investor should consider these rights when making any investment decision. Following a redemption, the owners of the 2027 Series A and B Bonds may not be able to reinvest their funds at a comparable interest rate.

Loss of Tax Exemption

There is no provision for the redemption of the 2027 Series A and B Bonds or for the payment of additional interest on the 2027 Series A and B Bonds in the event that interest on the 2027 Series A and B Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the 2027 Series A and B Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the 2027 Series A and B Bonds would likely be adversely affected. The Metropolitan Government and the Board have, however, covenanted not to do anything that would adversely affect the tax-exempt status of the 2027 Series A and B Bonds. See "TAX EXEMPTION."

Future Legislation and Governmental Directives and Priorities

The federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt obligations is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would completely eliminate the exemption for interest on all tax-exempt obligations. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on all tax-exempt obligations. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption.

Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt obligations already outstanding, including the 2027 Series A and B Bonds offered pursuant to this Official Statement, as well as obligations issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the 2027 Series A and B Bonds. Investors should consult their own tax advisors about the prospects and possible results of future legislation that could affect the exemption for interest on tax-exempt obligations.

In addition to future legislation, new administrations, including that of the President of the United States, may have new regulatory and/or financial directives and priorities that could impact TVA and NES. Any change to said directives and priorities, including executive orders related to the development of energy resources and corresponding changes to federal funding in connection therewith, could have an unknown impact on future projects of the Electric System.

In recent sessions of the Tennessee General Assembly, there has been an increase in the number of legislative proposals affecting municipal electric systems. Such legislation has included in the past, and may include in the future, proposals regarding the governance, scope of service area and divestiture of municipal electric systems. See "THE ELECTRIC POWER BOARD – Organization and History" regarding legislation adopted in 2026 changing member representation of the Board. Further, to the extent there is any legislation that has either not been adopted or been adopted in a manner that is inapplicable or immaterial to the finances and/or operations of NES, there can be no assurance that any such legislation will not be proposed for future consideration by the Tennessee General Assembly or amended by future action of the Tennessee General Assembly to apply to NES's finances or operations in a material manner.

Recently, the Tennessee General Assembly passed legislation addressing the allocation of infrastructure costs associated with large electric loads. Public Chapter 961 of the Tennessee Public Acts of 2026, passed and signed into law effective as of May 2026 (the "Data Center Act"), prohibits a municipality or an electric utility, including the Electric System, from paying or otherwise absorbing the cost of electrical infrastructure incurred to serve a data center (defined, generally, as a building that primarily contains equipment used to process, store or transmit digital information, together with related environmental control equipment, and that is projected to have a peak electric demand of fifty megawatts (50 MW) or more during the first three years of operation). An electric utility may, however, allocate a portion of such costs to general utility system improvements in specified circumstances, including where the associated improvements extend beyond those necessary to deliver electric service to the data center and may be used to deliver electric service outside the data center, and may reimburse a data center owner or operator for such costs in accordance with standard policies that are not exclusively applicable to data centers and that do not cause existing customers to incur a rate increase.

The Data Center Act also authorizes a data center to purchase electric energy, capacity and related or ancillary services from an independent power producer located in Tennessee, including by means of a direct interconnection behind the data center's meter. Where the data center takes electric service from an electric utility, such a behind-the-meter interconnection requires the written approval of that electric utility. Where an independent power producer instead seeks access to transmission or distribution facilities, such access is provided at the election of, and on terms and conditions established by, the owner of those facilities. The Data Center Act further provides that, to the extent its provisions conflict with a term, condition, rate schedule or requirement of TVA, the TVA provision controls and the electric utility is not required to comply with the Data Center Act to the extent of the conflict. Because NES purchases its power requirements from TVA under the Power Contract (except as otherwise provided herein) and its retail rates are subject to TVA review and approval, the practical effect of the Data Center Act on the Electric System will depend in part upon TVA's rate schedules and requirements, including the rate classifications described under "THE ELECTRIC SYSTEM" herein. NES does not expect the Data Center Act to have a material adverse effect on the operations or financial condition of the Electric System, but NES is unable to predict the extent to which data centers within its service area may in the future obtain electric service from independent power producers rather than from the Electric System, or the effect that any such arrangements would have on Revenues.

There may continue to be legislation proposed in the Tennessee General Assembly affecting municipal electric systems, such as the Electric System. NES cannot predict whether such legislation will be enacted or the effect of any such legislation, if enacted, upon NES or the Electric System.

See also "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY."

Adverse Weather Events and Other Catastrophic Events

The Metropolitan Government's location in the southern United States and proximity to several waterways, including the Cumberland River, increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the Metropolitan Government faces other threats due to adverse weather, including the possibility of drought conditions that could become increasingly severe and frequent.

Severe weather events and natural disasters, generally, including floods, droughts, extreme heat, tornadoes, snow and ice storms and other storm events, can affect the Board's operations and finances in a myriad of ways, including by potentially damaging Electric System infrastructure, interrupting service to customers, damaging customers' property in a way that changes their energy needs and disrupting the business operations of major contractors, vendors or other partners of the Electric System. Also, changing weather conditions may result in unexpected levels of energy usage and fluctuating revenues of the Electric System. For example, when temperatures are milder, customers often use less electricity, resulting in less revenue to the Electric System. Along with natural disasters, catastrophic events caused by human activity could also materially impact the Electric System in a manner that disrupts service to customers and decreases revenues and increases expenses of the Electric System.

Neither the Metropolitan Government nor the Board can predict the timing, extent or severity of adverse weather events and/or other catastrophic events and their impact on the Metropolitan Government's or the Board's operations and finances.

The Storm, as hereinabove defined, hit the Metropolitan Government and surrounding area on January 25, 2026, causing extensive and significant damage to portions of the Electric System's transmission and distribution infrastructure. The Storm was the largest ice storm in the Electric System's history and resulted in a state of emergency being called by the Mayor of the Metropolitan Government. It

caused widespread power outages affecting approximately 230,000 customers at its peak, with certain customers experiencing service interruptions lasting in excess of 12 days. NES deployed its full complement of line crews and supplemented its workforce with mutual aid crews from other utilities and contract workers to restore service. Full power restoration to all affected customers was achieved on or about February 7, 2026. The Storm resulted in extensive damage to power lines, utility poles, transformers and other Electric System equipment across the NES service territory.

NES currently estimates that the total cost of storm restoration and repair of damaged infrastructure resulting from the Storm will be approximately $103 million. NES intends to fund such costs from debt proceeds, including proceeds of the Commercial Paper Notes [and 2027 Series A Bonds], along with available revenues of the Electric System, insurance proceeds, available lines of credit and, to the extent available, reimbursement from FEMA. NES has submitted an application to FEMA for reimbursement of eligible Storm-related expenditures. The Board maintains property insurance with a total limit of liability of $150,000,000 per participating insurance company. See "ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION – Insurance."

Although the Electric System has been fully restored to pre-Storm conditions, the Storm resulted in increased operating expenses and capital expenditures in fiscal year 2026. Separately, NES projects increased operating expenses and capital expenditures in fiscal years 2027 and 2028 associated with both its normal course of business, due to current economic factors, and measures intended to mitigate the impacts of future storms. These measures include, but are not limited to, a revised vegetation management plan, expanded availability of contract resources to support crew staging, conversion of older infrastructure and increased deployment of system automation devices to isolate outages. NES has also developed a new Emergency Response Plan based on the National Incident Management System (NIMS) Incident Command System (ICS) framework.

Cyber Security

The Metropolitan Government and the Board utilize various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the Metropolitan Government and/or the Board may be the target of cyberattacks attempting to gain access to such information or disrupt operations of NES. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the Metropolitan Government and/or the Board to legal action. Neither the Metropolitan Government nor the Board has any knowledge of, nor historical record of, any successful material cyber-security breach or related attack.

Attempted cyber security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or entities similar to the Metropolitan Government and the Board. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. Utilities, in particular, are often the target of cyberattacks, and cyberattacks on U.S. utilities are increasing. To mitigate against such risks, the Metropolitan Government and the Board have instituted various technical controls, policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. The Board is subject to the requirements of NERC and complies with federal rules applicable to utilities owning certain types of assets on the bulk electric system. The Board undergoes regular monitoring and compliance audits in this regard. The Metropolitan Government and the Board also maintain insurance against cyber security

incidents. Despite the Metropolitan Government's and the Board's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

Public Health Emergencies and Global Conflicts

The emergence of an epidemic, pandemic or other widespread public health emergency would have an unknown impact on the Metropolitan Government, the Board and the Electric System. The global outbreak in 2020 of the COVID-19 respiratory disease led, from time to time, to quarantine and other "social distancing" measures across the world, including the Metropolitan Government. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers.

Though such quarantining and "social distancing" measures related to COVID-19 have since terminated, neither the Metropolitan Government nor the Board is able to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the Metropolitan Government, the Board or the Electric System.

Historical data on the financial performance of the Electric System as well as employment, income trends, and business activity in the Metropolitan Government are detailed in this Official Statement, including historical data collected both before and during the COVID-19 pandemic. See "SELECTED FINANCIAL DATA" above for historical information on revenues, expenses, changes in net position as well as information on sales and demand and debt service coverage for the Electric System. See also Appendix C attached hereto for historical economic and demographic information for the Metropolitan Government. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and ratepayers in the area may have been forced to reduce their business activities during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information and historical data on the Electric System, see Appendix A to the Official Statement.

The ongoing conflicts between Russia and Ukraine as well as the conflict in Iran have contributed to volatility in global energy and commodity markets and may have adverse economic impacts that could affect the Metropolitan Government and NES. NES currently is not experiencing significant delays in the delivery of materials as a result of these conflicts, though the cost of certain materials has increased. As part of its daily operations, NES consumes large quantities of gasoline and diesel fuel. Continued increases in material and fuel prices could increase the Electric System's operating expenses and capital expenditures. In addition, to the extent these conflicts increase the cost of fuel used by TVA to generate electricity, such increases could result in higher fuel cost adjustments, which would increase NES's purchased power costs and the amounts billed to customers. NES continues to monitor and respond to developments affecting its workforce, customers and suppliers and intends to take additional steps to mitigate negative business impacts, if and when appropriate.

Other Risk Factors

In the future, the following additional factors, among others, may adversely affect the operations of energy providers, including the Board, to an extent that cannot be determined at this time:

(1) The ability of, and costs to, the Board to insure or otherwise protect itself against property damage and general liability claims. See "ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION – Insurance."

(2) TVA's inability to provide electricity and other risk factors relating to the Board's relationship with TVA. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY – TVA and General Industry Risk Factors."

(3) Proposals to eliminate the tax-exempt status of bonds issued by the Metropolitan Government, or to limit the use of such tax-exempt bonds, as discussed above, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to the Board of financing future capital needs.

LITIGATION AND OTHER PROCEEDINGS

There are not now pending, nor to the knowledge of the Metropolitan Government or the Board are there threatened, any legal proceedings restraining, enjoining, or adversely affecting the issuance or delivery of the 2027 Series A and B Bonds, the fixing or collecting of rates and charges for the services of the Electric System, the pledge of the Pledged Funds, the proceedings and authority under which the 2027 Series A and B Bonds are to be issued, which affect in any way the validity of the 2027 Series A and B Bonds or which in any manner affect or call into question the right of the Board to operate the Electric System.

The Board, like other similar public bodies, is subject to a variety of lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation involving the Electric System with its General Counsel, the Board believes that, while the outcome of such litigation and proceedings cannot be predicted, the final resolution of these pending and threatened lawsuits, proceedings and claims against the Board and its officials in such capacity are not expected to have a material adverse effect upon the financial position or results of operations of the Electric System after taking into consideration the Board's insurance and self-insurance arrangements.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the 2027 Series A and B Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2027 Series A and B Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the 2027 Series A and B Bonds. The Metropolitan Government has covenanted in the Bond Resolution to maintain the exclusion of the interest on the 2027 Series A and B Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In the opinion of Bradley Arant Boult Cummings LLP, Nashville, Tennessee, Bond Counsel, under existing law, and assuming compliance with the aforementioned covenant, interest on the 2027 Series A and B Bonds is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that the 2027 Series A and B Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Code and, therefore, the interest on the 2027 Series A and B Bonds will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code. However, in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code

on "applicable corporations" (as defined in Section 59(k) of the Code), interest on the 2027 Series A and B Bonds is not excluded from the determination of adjusted financial statement income.

With respect to the 2027 Series A and B Bonds initially offered to the public at prices less than the amounts payable thereon at maturity, the difference between the principal amount of such 2027 Series A and B Bonds and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such 2027 Series A and B Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on such 2027 Series A and B Bonds. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each such 2027 Series A and B Bond, and the basis of each such 2027 Series A and B Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

With respect to the 2027 Series A and B Bonds initially offered to the public at prices greater than the amounts payable thereon at maturity, the difference between the principal amount of such 2027 Series A and B Bonds and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such 2027 Series A and B Bonds of the same maturity was sold constitutes original issue premium. As a result of the tax cost reduction requirements of the Code relating to amortization of original issue premium, under certain circumstances an initial owner of such 2027 Series A and B Bonds may realize a taxable gain upon the disposition of such 2027 Series A and B Bonds even though such 2027 Series A and B Bonds are sold or redeemed for an amount equal to such owner's original cost of acquiring such 2027 Series A and B Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the 2027 Series A and B Bonds may affect the tax status of interest on the 2027 Series A and B Bonds. No assurance can be given that future legislation, or amendments to the Code, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the 2027 Series A and B Bonds from gross income for Federal income tax purposes. Furthermore, Bond Counsel expresses no opinion as to any Federal, State or local tax law consequences with respect to the 2027 Series A and B Bonds, or the interest thereon, if any action is taken with respect to the 2027 Series A and B Bonds or the proceeds thereof upon the advice or approval of bond counsel other than Bond Counsel.

Although Bond Counsel has rendered an opinion that interest on the 2027 Series A and B Bonds is excluded from gross income for Federal and State income tax purposes, a Bondholder's Federal, state or local tax liability may otherwise be affected by the ownership or disposition of the 2027 Series A and B Bonds. The nature and extent of these other tax consequences will depend upon the Bondholder's other items of income or deduction. Without limiting the generality of the foregoing, prospective purchasers of the 2027 Series A and B Bonds should be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the 2027 Series A and B Bonds or, in the case of the financial institution, that portion of a holder's interest expense allocated to interest on the 2027 Series A and B Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the 2027 Series A and B Bonds, (iii) interest on the 2027 Series A and B Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the 2027 Series A and B Bonds, may be subject to Federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad

Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the 2027 Series A and B Bonds. Bond Counsel has expressed no opinion regarding any such other tax consequences.

In the opinion of Bond Counsel, under existing laws of the State of Tennessee, interest on the 2027 Series A and B Bonds is exempt from all present state, county, and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the 2027 Series A and B Bonds during the period the 2027 Series A and B Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the 2027 Series A and B Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee. Ownership of the 2027 Series A and B Bonds or interest thereon may be subject to state or local taxation in jurisdictions other than the State of Tennessee under applicable state or local laws, as to which Bond Counsel expresses no opinion. Each prospective investor and purchaser of the 2027 Series A and B Bonds should consult its, his or her own tax advisor regarding the status of the interest on the 2027 Series A and B Bonds in a particular state or local jurisdiction other than Tennessee.

The foregoing discussion does not address the effects of any applicable federal, state, local or foreign tax laws other than those specifically discussed above. Prospective purchasers are urged to consult their own tax advisor concerning the federal tax consequences of owning and disposing of the 2027 Series A and B Bonds, as well as any consequences under the laws of any state, local or foreign taxing jurisdiction.

See "INVESTMENT CONSIDERATIONS – Loss of Tax Exemption" and "INVESTMENT CONSIDERATIONS – Future Legislation and Governmental Directives and Priorities" herein for a discussion of certain risk factors relating to investment in the 2027 Series A and B Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[_____] (the "Verification Agent"), a firm of independent public accountants, will deliver to the Metropolitan Government, on or before the settlement date of the 2027 Series B Bonds, its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Metropolitan Government and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Escrowed Securities in the Escrow Fund to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the 2027 Series A and B Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

The examination performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Metropolitan Government and its representatives. The Verification Agent report of its examination will state that the Verification Agent has no obligation to update such report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization and issuance of the 2027 Series A and B Bonds are subject to the approval of Bradley Arant Boult Cummings LLP, Nashville, Tennessee, Bond Counsel, whose approving opinion in substantially the form attached hereto as Appendix D will be delivered with the 2027 Series A and B Bonds. Certain legal matters with respect to the Board will be passed upon by Laura Smith, Esq., Vice President – General Counsel to the Board, with respect to the Metropolitan Government, by Tyler Chance Yarbro, Esq., Director of Law, and, with respect to the Underwriters, by Bass, Berry & Sims PLC, counsel to the Underwriters.

UNDERWRITING

Pursuant to a Bond Purchase Agreement dated _____, 2027 (the "Bond Purchase Agreement") among the Metropolitan Government, the Board and Raymond James & Associates, Inc., as representative and on behalf of the underwriters (the "Underwriters"), the Underwriters have agreed to purchase the 2027 Series A Bonds at an aggregate purchase price of $_____ (consisting of the par amount of the 2027 Series A Bonds plus/less [net] original issue premium/discount of $_____, and less an Underwriters' discount of $_____). The obligation of the Underwriters to purchase the 2027 Series A Bonds is subject to certain conditions contained in the Bond Purchase Agreement.

Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase the 2027 Series B Bonds at an aggregate purchase price of $_____ (consisting of the par amount of the 2027 Series B Bonds plus/less [net] original issue premium/discount of $_____, and less an Underwriters' discount of $_____). The obligation of the Underwriters to purchase the 2027 Series B Bonds is subject to certain conditions contained in the Bond Purchase Agreement.

The 2027 Series A and B Bonds will be offered at the respective initial public offering prices shown on the inside cover page of this Official Statement. The Underwriters may offer and sell the 2027 Series A and B Bonds to certain dealers (including dealers depositing the 2027 Series A and B Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters in their discretion.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed and may in the future perform, various investment banking services for the Metropolitan Government and the Board for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Metropolitan Government and the Board.

BofA Securities, Inc., an Underwriter of the 2027 Series A and B Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2027 Series A and B Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC ("PFM") is employed by the Board to perform professional services in the capacity of financial advisor. In its role as financial advisor to the Board, PFM has provided advice on the plan of financing and refinancing and structure of the 2027 Series A and B Bonds, reviewed certain legal and disclosure documents, including this Official Statement, for financial matters, and reviewed and will give an opinion to the Board on the fairness of the pricing of the 2027 Series A and B Bonds by the underwriting syndicate. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the Metropolitan Government and other sources and the Metropolitan Government's and the Board's certification as to the Official Statement.

CONTINUING DISCLOSURE

Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (the "Rule"), prohibits an underwriter from purchasing or selling municipal securities unless it has determined that the issuer or other obligated person of such securities has committed to provide annually certain information, including audited financial information, and notice of various events described in the Rule. The Board has covenanted for the benefit of the holders of the Bonds that, consistent with the Rule, the Board will provide the following: (i) annual financial information for the Board, including audited financial statements of the Board, for each fiscal year ending on and after June 30, 2027, in a timely manner; (ii) notices of certain events with respect to the Bonds and (iii) notice of any failure of the Board to provide required annual financial information not later than June 30, 2028 or any June 30 thereafter.

[In the previous five years, the Board has not failed to comply in any material respect with any undertaking in a written contract or agreement specified in the Rule.] The proposed form of the Continuing Disclosure Agreement is in Appendix F.

INDEPENDENT AUDITORS

The financial statements as of June 30, 2026 and 2025, included in this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing herein.

RATINGS

Moody's Ratings and Fitch Ratings have given the ratings appearing on the front cover of this Official Statement to the 2027 Series A and B Bonds. Such ratings reflect only the view of such organizations, and an explanation of the significance of such rating may be obtained only from the respective rating agency. There is no assurance that such ratings will be maintained for any given period of time or that they will not be revised downward or be withdrawn entirely by the respective rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2027 Series A and B Bonds. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the 2027 Series A and B Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the 2027 Series A and B Bonds.

FORWARD-LOOKING STATEMENTS

Any statements made in this Official Statement, including in the appendices attached hereto, involving estimates or matters of opinion, whether or not so expressly stated as such, are set forth as estimates or matters of opinion and not as representations of fact. No representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the appendices attached hereto, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and the Metropolitan Government assumes no obligation to update any such forward-looking statement. It is important to note that actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including without limitation: risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates; possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions; and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Metropolitan Government. Any of such assumptions could be inaccurate. Therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices attached hereto, will prove to be accurate.

MISCELLANEOUS

The references herein to, and the summaries presented herein, of the Supplemental Resolution, the Bond Resolution, the Act and the Metropolitan Charter are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and the Act for full and complete statements of such provisions. The delivery of this Official Statement by the Board has been authorized by the Metropolitan County Council. The Fiscal Agent and its counsel have not participated in the preparation of this Official Statement, except for confirming the accuracy of any description of the Fiscal Agent contained herein, and hereby disclaim any responsibility for the accuracy or completeness of the information set forth in this Official Statement.

Use of the words "shall" or "will" in this Official Statement or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the 2027 Series A and B Bonds.

[Certification Page Follows]

CERTIFICATION AS TO OFFICIAL STATEMENT

The Metropolitan Government and the Board will represent to the Underwriters in the Bond Purchase Agreement that (i) the information and statements, including financial statements of or pertaining to the Metropolitan Government or the Board, contained in this Official Statement were and are correct in all material respects, and (ii) insofar as the Metropolitan Government or the Board and their affairs, including their financial affairs, are concerned, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: /s/
Title: Metropolitan Mayor

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: /s/
Title: Board Chair

APPENDIX A

Audited Financial Statements of the
Electric Power Board of the Metropolitan Government
of Nashville and Davidson County
for the Years Ended June 30, 2026, and June 30, 2025, and
Independent Auditor's Report

APPENDIX B

The Metropolitan Nashville and Davidson County Area – Economic and Demographic Information

APPENDIX C

Summary of Certain Provisions of the Bond Resolution

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution. This summary does not purport to be a full statement of the terms of the Bond Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not defined in this summary or in the Official Statement shall have the respective meanings set forth in the Bond Resolution.

Definitions

The following are summaries of certain definitions in the Bond Resolution:

Accreted Value shall mean with respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Bond Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series of Bonds, calculating the accrued Debt Service (notwithstanding the assumption concerning Variable Interest Rate Bonds set forth in the definition of "Debt Service" contained below) with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current Month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such Month. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Bond Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

Adjusted Aggregate Debt Service for any period shall mean, as of any date of calculation, the Aggregate Debt Service for such period except that, if any Refundable Principal Installment for any Series of Bonds is included in Aggregate Debt Service for such period, Adjusted Aggregate Debt Service shall mean Aggregate Debt Service determined as if each such Refundable Principal Installment had been payable over a period extending from the due date of such Principal Installment through the later of the 25th anniversary of the issuance of such Series of Bonds or the 10th anniversary of the due date of such Principal Installment, in installments which would have required equal annual payments of principal and interest over such period. Interest deemed payable in any fiscal year after the actual due date of any Refundable Principal Installment of any Series of Bonds shall be calculated at the average rate of interest actually payable on the Bonds of such Series at the time the calculation is made (using the true, actuarial method of calculation). For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of any Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Bond Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; provided, however, that for the purpose of estimating Aggregate Debt Service for any future period, any Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date or mandatory redemption date thereof.

Appreciated Value shall mean with respect to any Deferred Income Bonds, (A) (i) as of any Valuation Date, the amount set forth for such date in the Bond Resolution or the Supplemental Resolution authorizing such Deferred Income Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (B) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value of the Interest Commencement Date.

Authorized Investments shall mean any obligations in which municipal funds or the funds of municipally owned electric systems may be lawfully invested.

[Bank Notes shall mean the note or notes issued by the Metropolitan Government to The Industrial Bank of Japan, Limited, New York Branch or any Substitute Bank (as defined in the Subordinated Resolution) under and pursuant to (i) the Letter of Credit and Reimbursement Agreement, dated as of June 1, 1985, by and among the Metropolitan Government, the Board and The Industrial Bank of Japan, Limited, New York Branch, as amended and as the same may be amended, (ii) the Loan Agreement, dated as of June 25, 1985, by and among the Metropolitan Government, the Board and The Industrial Bank of Japan, Limited, New York Branch, as amended and as the same may be amended or (iii) any letter of credit agreement, reimbursement agreement or other similar agreement by and among the Metropolitan Government, the Board and any Substitute Bank.]

[Bond Ordinance shall mean Ordinance No. 1219 of the City of Nashville, Tennessee, entitled "An Ordinance Providing for the Issuance of Electric Power Revenue Bonds of the City of Nashville," enacted and approved on June 21, 1939, and ratified, adopted, confirmed and continued as an ordinance of the Metropolitan Government, as supplemented in accordance with the terms thereof.]

Capital Appreciation Bonds shall mean any Bonds as to which interest is payable only at the maturity or prior redemption of such Bonds. For the purposes of (i) receiving payment of the Redemption Price, if any, of a Capital Appreciation Bond that is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default as provided in the Bond Resolution or (iii) computing the principal amount of Bonds held by the holder of a Capital Appreciation Bond in giving to the Metropolitan Government, the Board or the Fiscal Agent any notice, consent, request, or demand pursuant to the Bond Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

Cost of Acquisition and Construction shall mean, with respect to the Electric System or any part thereof, the Metropolitan Government's or the Board's costs, expenses and liabilities paid or incurred or to be paid or incurred by the Metropolitan Government or the Board in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, operating, maintaining, retiring and disposing of the Electric System or any part thereof and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto.

Credit Facility shall mean a letter of credit, surety bond, loan agreement, or other credit agreement, facility or insurance or guaranty arrangement pursuant to which the Metropolitan Government is entitled to obtain funds to pay Bonds and interest thereon tendered for payment or redemption in accordance with the Bond Resolution.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt Service Account in the Debt Service Fund, and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the bonds of such Series, whichever is later. Except as set forth in the definition of "Accrued Aggregate Debt Service" contained in this section, in the case of Variable Interest Rate Bonds, with respect to a particular period and date of calculation, the interest rate therein shall be calculated on the assumption that such Bonds will bear interest during such period at the higher of (i) a fixed rate of interest equal to that rate, as estimated by an Authorized Board Representative, after consultation with the remarketing agent, if any, for such Series of Variable Interest Rate Bonds, on a day not more than 20 days prior to the date of initial issuance of such Series of Variable Interest Rate Bonds, which such Series of Variable Interest Rate Bonds would have had to bear to be marketed at par on such date as fixed rate obligations with the same maturity schedule as such Series of Variable Interest Rate Bonds or (ii) a rate, not less than the initial rate of interest on such Series of Variable Interest Rate Bonds, set forth in or determined pursuant to a formula set forth in the Supplemental Resolution authorizing such Series of Variable Interest Rate Bonds; provided that, if on such date of calculation the interest rate on such Variable Interest Rate Bonds shall then be fixed for a specified period, the interest rate used for such specified period for the purposes of the foregoing calculation shall be such actual interest rate. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Bond Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

Debt Service Reserve Account Deficiency shall mean an amount equal to the sum of (i) any amount withdrawn from the Debt Service Reserve Account pursuant to the Bond Resolution, including, without limitation, any disbursement pursuant to a surety bond, insurance policy or letter of credit provided pursuant to the Bond Resolution unless the maximum limits of such bond, policy or letter of credit shall be reinstated or the amount of such disbursement shall be deposited in the Debt Service Reserve Account or a combination of such alternatives shall otherwise make up for such disbursements; (ii) any amounts necessary to make up for deficiencies in payments to the Debt Service Reserve Account pursuant to the Bond Resolution; (iii) the amount of any reduction in value of securities in the Debt Service Reserve Account below the amount required to be on deposit therein as a result of a valuation thereof pursuant to the Bond Resolution; and (iv) any other unauthorized depletion of the Debt Service Reserve Account below the amount required to be on deposit therein pursuant to the Bond Resolution.

Debt Service Reserve Requirement shall mean with respect to each Series of Bonds the amount determined by the Metropolitan Government prior to the issuance of such Series of Bonds and set forth in the Supplemental Resolution authorizing such Series or in a certificate of an Authorized Metropolitan Government Representative or, if delegated by the Metropolitan Government to the Board, the amount

determined by the Board prior to the issuance of such Series of Bonds and set forth in a resolution of the Board or in a certificate of an Authorized Board Representative.

Deferred Income Bonds shall mean any bonds issued under the Bond Resolution as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Bond Resolution or the Supplemental Resolution authorizing such Bonds and the Appreciated Value for such Bonds is compounded on the Valuation Date for such Series of Deferred Income Bonds.

Electric Fund shall mean the fund of that name established in the Bond Ordinance.

Electric System shall mean the electric system of the Metropolitan Government, now existing and hereafter acquired as part of such electric system by lease, contract, purchase or otherwise or constructed by the Metropolitan Government, including any interest or participation of the Metropolitan Government in any facilities in connection with said electric system, together with all additions, betterments, extensions and improvements to said electric system or any part thereof, hereafter constructed or acquired and together with all lands, easements, licenses and rights of way of the Metropolitan Government and all other works, property or structure of the Metropolitan Government and contract rights and other tangible and intangible assets of the Metropolitan Government now or hereafter owned or used in connection with or related to said electric system.

Interest Commencement Date shall mean with respect to any particular Deferred Income Bonds, the date specified in the Bond Resolution or the Supplemental Resolution authorizing such Bonds (which date must be prior to the maturity date for such Bonds), after which interest accruing on such bonds shall be payable with the first such payment date being the applicable interest payment date immediately succeeding such Interest Commencement Date.

Investment Securities, when used with respect to the Bonds and the Bond Resolution, shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Metropolitan Government's funds:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in this clause (ii) on the maturity date or dates thereof or on the redemption

date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) New Housing Authority Bonds issued by public agencies of municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Project Notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase hereunder such obligations are rated in the two highest rating categories by Moody's and S&P's;

(vi) obligations of any state of the United States of America or any political subdivision of any state of the United States of America or any agency or instrumentality of any such state or political subdivision which shall be rated in the highest rating category by Moody's and by S&P's;

(vii) direct and general obligations of the State to the payment of the principal of and interest on which the full faith and credit of the State are pledged or any bonds or other obligations which as to principal and interest are unconditionally guaranteed by the State, provided that at the time of their purchase hereunder such obligations are rated in the two highest rating categories by Moody's and S&P's;

(viii) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Fiscal Agent under the Bond Resolution, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which shall be rated in the highest rating category by Moody's and S&P's, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by Moody's and S&P's;

(ix) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Fiscal Agent under the Bond Resolution;

(x) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of any of the 50 largest banks in the United States which are rated not lower than the second highest rating category by Moody's and S&P's;

(xi) commercial paper, other than that issued by bank holding companies, rated at the date of investment in the highest short term rating category by Moody's and by S&P's;

(xii) any repurchase agreement which by its terms matures not later than 30 days from its date of execution with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (i) and (iii) above which securities shall at all times have a market value (exclusive of accrued interest) not less than one hundred two percent (102%) of the full amount of the repurchase agreement, and provides that deficiencies therein shall be made up within five days, dates of maturity not in excess of seven years and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian; and

(xiii) shares of an Investment Company, organized under the Investment Company Act of 1940, as amended, which invests its assets exclusively in obligations of the type described in clause (i), (iii), (vi), (x), (xi) or (xii) above.

Liquidity Facility shall mean an irrevocable letter of credit or other irrevocable Credit Facility issued by, or a revocable line of credit extended by, a financial institution or insurance company or association which has been rated not lower than the second highest rating category by Moody's and S&P's, respectively, which letter of credit or Credit Facility is payable on demand in the event the terms under which such letter of credit or Credit Facility require payment thereunder.

Moody's shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, if any.

Net Revenues for any period shall mean the Revenues during such period minus the Operating Expenses during such period.

Operating Expenses shall mean all expenses incurred in connection with the operation and maintenance of the Electric System, including, without limiting the generality of the foregoing, all operating and maintenance expenses included in the Uniform System of Accounts exclusive of interest, depreciation and amortization charges and payments-in-lieu-of-taxes.

Option Bonds shall mean Bonds which by their terms may be tendered by and at the option of the holder thereof for payment by the Metropolitan Government prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the holder thereof.

Outstanding, when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Bond Resolution except:

(i) Bonds canceled by the Fiscal Agent at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Bond Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice as provided in Article IV of the Bond Resolution;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Bond Resolution;

(iv) Bonds deemed to have been paid as provided in the Bond Resolution; and

(v) Option Bonds deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Bond Resolution.

Paying Agent shall mean any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Bond Resolution.

Pledged Funds shall mean the right, title and interest of the Metropolitan Government and the Board to the Net Revenues and all Funds and Accounts established under the Bond Resolution (other than the Rate Stabilization Account), including Investment Securities held in any such Funds and Accounts under the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution, together with all proceeds and revenues of the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds and the Metropolitan Government's other obligations under the Bond Resolution in accordance with the terms and provisions of the Bond Resolution.

Principal Installment shall mean, as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established (including the principal amount of Option Bonds tendered for payment and not purchased), or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Redemption Price shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Bond Resolution.

Refundable Principal Installment shall mean any Principal Installment for any Series of Bonds which the Metropolitan Government intends to pay with moneys which are not Net Revenues.

Revenues shall mean (i) all fees, rents and charges and other income derived or to be derived by the Metropolitan Government or the Board from or for the operation, use or services of the Electric System, (ii) any other amounts received from any other source by the Metropolitan Government or the Board and pledged by the Metropolitan Government as security for the payment of Bonds, and (iii) interest received or to be received on any moneys or securities held pursuant to the Bond Resolution and paid or required to be paid into the revenue fund established under the Bond Resolution.

S&P's shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

Subordinated Debt shall mean indebtedness issued pursuant to and complying with the provisions for the issuance of subordinated debt contained in the Bond Resolution.

Supplemental Bond Resolution shall mean resolution supplemental to or amendatory of the Bond Resolution, adopted by the Metropolitan Government in accordance with the Bond Resolution.

Variable Interest Rate Bonds for any period of time, shall mean Bonds which during such period bear a variable interest rate, provided that Bonds the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be Variable Interest Rate Bonds.

Pledge Effected by the Bond Resolution

The Bonds are special obligations of the Metropolitan Government payable solely from and secured solely by the Pledged Funds. Such Pledged Funds are pledged and assigned as security for the payment of the principal and Redemption Price of, and interest on, the Bonds. [The pledge of and lien on the Net Revenues created by the Bond Resolution ranks on a parity with the pledge of and lien on Net Revenues created by the Metropolitan Government in favor of the Bank Notes.]

Establishment of Funds and Accounts

The following funds and accounts are hereby established by the Bond Resolution:

(1) Construction Fund, to be held by the Fiscal Agent,

(2) Revenue Fund, to be held by the Board,

(3) Operating Fund, to be held by the Board,

(4) Debt Service Fund, to be held by the Fiscal Agent, which shall consist of a Debt Service Account and a Debt Service Reserve Account,

(5) Subordinated Debt Fund, to be held by the Fiscal Agent,

(6) Reserve and Contingency Fund, to be held by the Board, and

(7) General Reserve Fund, to be held by the Board, which shall consist of a Rate Stabilization Account and a General Account.

Construction Fund

The Bond Resolution establishes a Construction Fund into which are paid amounts required by the provisions of the Bond Resolution, and at the option of the Board, any moneys received by the Board from any source, unless required to be otherwise applied as provided by the Bond Resolution. Amounts in the Construction Fund shall be applied to pay the Cost of Acquisition and Construction in the manner provided in the Bond Resolution.

To the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of Principal Installments of and interest on Bonds when due.

Amounts credited to the Construction Fund which an Authorized Board Representative determines to be in excess of the amounts required for the purposes thereof, shall be transferred to the Debt Service Reserve Account in the Debt Service Fund, to the extent necessary to make up any Debt Service Reserve Account Deficiency and any balance shall be paid over or transferred to the Board for deposit in the General Account in the General Reserve Fund.

The Metropolitan Government or the Board may discontinue the acquisition or construction of any portion of the Electric System the cost of which is at the time being paid out of the Construction Fund, if the Metropolitan Government or the Board determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of the Metropolitan Government or the Board and not disadvantageous to the holders of the Bonds.

Application of Revenues

All Revenues shall be promptly deposited by the Board upon the receipt thereof in the Revenue Fund. In each month after the deposit of Revenues into the Revenue Fund (but in any case no later than the last Business Day of such month), the Board shall, to the extent of moneys available therefor, credit to, or shall transfer to the Fiscal Agent for deposit in, the following funds and accounts in the following order the amounts set forth below (such application to be made in such a manner so as to assure good funds in such Funds on the last Business Day of such month):

(1) To the Operating Fund, such amount as an Authorized Board Representative shall estimate is required, together with amounts then on deposit therein, to provide for the payment of Operating Expenses estimated to be paid through the next month;

(2) To the Debt Service Fund, (i) credit to the Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service as of the last day of the then current month or, if interest and/or principal are required to be paid to holders of Bonds during the next succeeding month on a day other than the first day of such month, Accrued Aggregate Debt Service as of the day through and including which such interest and/or principal is required to be paid; provided that, for the purposes of computing the amount to be deposited in said Account, there shall be excluded from the balance of said Account the amount, if any, set aside in said Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds less that amount of such proceeds to be applied in accordance with the Bond Resolution to the payment of interest accrue and unpaid and to accrue on Bonds to the last day of the then current month or, if interest is required to be paid to holders of Bonds during the next succeeding month on the day other than the first day of such month less that amount of such proceeds to be applied in accordance with the Bond Resolution to the payment of interest accrued and unpaid and to accrue on Bonds to the day through and including which such interest is required to be paid, and (ii) for credit to the Debt Service Reserve Account, an amount equal to one thirty-sixth (1/36th) of the Debt Service Reserve Requirement as of the last day of the then current month; provided, however that no such credit shall be required to be made to the Debt Service Reserve Account whenever and so long as the amount on deposit therein after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Account pursuant to the Bond Resolution, shall equal the Debt Service Reserve Requirement as of the last day of the then current month;

(3) To the Subordinated Debt Fund, the amount, if any, required to pay principal or sinking fund installments of and interest on each issue of Subordinated Debt and reserves therefor

and the amounts, if any, to pay tendered Subordinated Debt, in accordance with the resolution or other debt instrument authorizing such issue of Subordinated Debt;

(4) To the Reserve and Contingency Fund the amount, if any, provided for deposit therein in the then current month as set forth in a certificate of an Authorized Board Representative theretofore delivered to the Fiscal Agent, which certificate is based on the current annual budget of the Board; and

(5) To the General Reserve Fund, (i) for credit to the Rate Stabilization Account, the amount, if any, provided for deposit therein in the then current month as set forth in a certificate of an Authorized Board Representative theretofore delivered to the Fiscal Agent, which certificate is based on the current annual budget for the Board; and (ii) for credit to the General Account the remaining balance of moneys in the Revenue Fund after making the above credits and deposits;

provided, however, that so long as there shall be held in the Debt Service Account and the Debt Service Reserve Account an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no transfers shall be required to be made to the Debt Service Fund; and provided further, that if and to the extent that there shall be any Debt Service Reserve Account Deficiency attributable to a reduction in value of Securities as a result of valuation thereof pursuant to the Bond Resolution, after giving effect to any surety bond, insurance policy or letter of credit deposited in such Account pursuant to the Bond Resolution, there shall be deposited into the Debt Service Reserve Account each month during the period commencing with the month following the month in which the determination of such Debt Service Reserve Account Deficiency was made an amount equal to one thirty-sixth (1/36th) of such Debt Service Reserve Account Deficiency in addition to any amounts required to be deposited in said Account as provided in the Bond Resolution, except that, if a new valuation of Investment Securities held in the Debt Service Reserve Account is made pursuant to the Bond Resolution during the period that such deposits are required, then the obligation of the Metropolitan Government to make deposits during the balance of such period on the basis of the preceding valuation shall be discharged and the deposits, if any, required to be made for the balance of such period shall be determined under this proviso on the basis of the new valuation; provided further that if and to the extent there shall be any Debt Service Reserve Account Deficiency attributable to any other cause, after giving effect to any surety bond, insurance policy or letter of credit deposited in such Account pursuant to the Bond Resolution, there shall be deposited into the Debt Service Reserve Account by the last Business Day of the month following the month in which the determination of such Debt Service Reserve Account Deficiency was made an amount equal to such Debt Service Reserve Account Deficiency in addition to any amounts required to be deposited in said Account as provided in the Bond Resolution. Notwithstanding the foregoing, in the event of any conflict between the foregoing provisions concerning the funding of the Debt Service Reserve Account and those set forth in the Supplemental Resolution authorizing a particular Series of Bonds, the provisions concerning the funding of the Debt Service Reserve Account with respect to a particular Series of Bonds set forth in such Supplemental Resolution shall control.

Operating Fund

Amounts credited to the Operating Fund shall be applied from time to time by the Board to the payment of Operating Expenses.

Amounts on deposit in the Operating Fund which the Board determines to be in excess of the requirements thereof shall be credited to the General Account in the General Reserve Fund.

Debt Service Account

The Fiscal Agent shall pay out of the Debt Service Account to the respective Paying Agents (i) on or before each interest payment date for any of the Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (iii) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Fiscal Agent shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment may and, if so directed by the Board, shall be applied by the Fiscal Agent to (i) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms.

The amount, if any, deposited in the Debt Service Account from the proceeds of each Series of Bonds shall be set aside in such Account and applied to the payment of interest on Bonds as provided in the Bond Resolution or in accordance with certificates of an Authorized Board Representative delivered to the Fiscal Agent pursuant to the Bond Resolution.

Debt Service Reserve Account

If on any interest or Principal Installment due date with respect to any Series of Bonds payment for such interest or Principal Installment in full has not been made or provided for, the Fiscal Agent shall forthwith withdraw from the Debt Service Reserve Account an amount not exceeding the amount required to provide for such payment in full and deposit such amount in the Debt Service Account for application to such payment.

Whenever the amount in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement, after giving effect to any surety bond, insurance policy or letter of credit deposited in such Account pursuant to the Bond Resolution, such excess shall be deposited in the Revenue Fund. Notwithstanding the foregoing, in the event of any conflict between the provisions of the preceding sentence and those set forth in the Supplemental Resolution authorizing a particular Series of Bonds, the provisions of such Supplemental Resolution shall control as to any excess funds in the Debt Service Reserve Account relating to such Series of Bonds.

In lieu of the required transfers or deposits to the Debt Service Reserve Account, the Metropolitan Government may cause to be deposited into the Debt Service Reserve Account a surety bond or an insurance policy for the benefit of the holders of the Bonds or a letter of credit in an amount equal to the difference between the Debt Service Reserve Requirement and the sums then on deposit in the Debt Service Reserve Account, if any. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from the Debt Service Reserve Account and applied to the payment of a Principal Installment of or interest on any Bonds and such withdrawal cannot be met by amounts on deposit in the Debt Service Reserve Account. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by Moody's and S&P's or who holds the highest policy holder rating accorded insurers by a nationally recognized insurance rating agency. The letter of credit issuer shall be a bank or trust company which is rated not lower than the second highest rating category by Moody's and S&P's, and the letter of credit itself shall be rated in the highest rating category of either such rating agency. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this subsection, the Metropolitan Government shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit

or (ii) to deposit into the Debt Service Reserve Account, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall otherwise make up for such disbursement. In the event that the rating attributable to any insurer providing any surety bond or insurance policy or any bank or trust company providing any letter of credit held as above provided in the Debt Service Reserve Account shall fall below that required by the Bond Resolution, the Metropolitan Government shall use its best efforts to replace, as soon as possible, such surety bond, insurance policy or letter of credit with a surety bond, insurance policy or letter of credit which shall meet the above described requirements.

In the event that a debt service reserve is required for some but not all Bonds Outstanding or in the event the amount or method for determining the amount of the debt service reserve is not the same for all Series of Bonds Outstanding, then separate subaccounts shall be established within the Debt Service Reserve Account and such subaccounts shall be administered so that funds therein shall only secure, and shall be used to pay Debt Service only on, the Series of Bonds for which such subaccount is established. In such case, if Revenues are not sufficient to fund the entire amount required to be deposited in the Debt Service Reserve Account, then the available amount shall be transferred to the subaccounts therein on a pro rata basis.

Subordinated Debt Fund

The Fiscal Agent as directed by the Board shall apply amounts in the Subordinated Debt Fund to the payment of the principal or sinking fund installment of and interest on each issue of Subordinated Debt and reserves therefor in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the resolution or other debt instrument authorizing each issue of such Subordinated Debt. However, if at any time there shall be a Debt Service Reserve Account Deficiency and there shall not be any moneys available in the General Account in the General Reserve Fund and the Reserve and Contingency Fund to make up such deficiency, the Fiscal Agent shall forthwith transfer from the Subordinated Debt Fund for deposit in the Debt Service Reserve Account the amount necessary (or all moneys in the Subordinated Debt Fund, if necessary), to make up such Deficiency.

Reserve and Contingency Fund

Amounts in the Reserve and Contingency Fund shall be applied to the costs of major renewals, replacements, repairs, additions, betterments, enlargements and improvements to the System and the payment of extraordinary operation and maintenance costs and contingencies, including the costs of scheduled, emergency or other interchange service, payments with respect to the prevention or correction of any unusual loss or damages in connection with the Electric System or to prevent a loss of revenue therefrom, all to the extent not provided for by reserves in the Operating Fund or from the proceeds of Bonds or from amounts on deposit in the General Reserve Fund.

If at any time the amounts in the Debt Service Account in the Debt Service Fund shall be less than the amount required by the Bond Resolution or there shall be a Debt Service Reserve Account Deficiency, and there shall not be on deposit in the General Account in the General Reserve Fund available moneys sufficient to cure such deficiency, then the Board, upon requisition by the Fiscal Agent, shall transfer from the Reserve and Contingency Fund to the Fiscal Agent for deposit in the Debt Service Account or Debt Service Reserve Account (in that priority) the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such Deficiency.

General Reserve Fund

The Board shall apply moneys credited to the General Account in the General Reserve Fund in the following amounts and in the following order of priority: (i) to the Fiscal Agent for deposit in the Debt Service Account in the Debt Service Fund, the amount necessary (or all moneys in the General Account, if necessary) to make up any deficiency in payments to said Account, (ii) to the Fiscal Agent for deposit in the Debt Service Reserve Account in the Debt Service Fund the amount necessary (or all moneys in the General Account, if necessary) to make up any Debt Service Reserve Account Deficiency, after giving effect to any surety bond, insurance policy or letter of credit deposited in such Account pursuant to the Bond Resolution, (iii) to the Fiscal Agent for deposit in the Subordinated Debt Fund the amount necessary (or all moneys in the General Account, if necessary) to make up any deficiency in such Fund, and (iv) to payments in lieu of such taxes as may legally be levied against the Electric System or any part thereof.

Amounts in the General Account not required to meet a deficiency or provide for payments as required by the Bond Resolution shall upon determination of the Board be applied to or set aside for any one or more of the following:

(a) The purchase or redemption of any Bonds, including without limitation Option Bonds tendered for payment and not remarketed, or purchase or redemption of Subordinated Debt, and to provide for expenses in connection with the purchase or redemption of any Bonds or Subordinated Debt or any reserves which the Board determines shall be required for such purposes;

(b) payments into the Subordinated Debt Fund for application to the purposes of such Fund;

(c) transfer to the Operating Fund payment of Operating Expenses;

(d) payment of any extraordinary operation and maintenance costs, including the prevention or correction of any unusual loss or damage, in connection with the Electric System;

(e) payments into the Construction Fund for application to the purposes of such Fund;

(f) any other lawful purpose of the Metropolitan Government related to the Electric System or to a Separately Financed Project (as defined in the next following paragraph);

provided, however, that (i) amounts deposited in the General Account and required by the Bond Resolution to be applied to the purchase or redemption of Bonds shall be applied to such purpose and (ii) no payments shall be made from the General Account to pay any costs if and to the extent that the proceeds of insurance or other moneys recoverable as a result of damage, if any, are available to pay such costs.

Separately Financed Project

Nothing in the Bond Resolution prevents the Metropolitan Government, acting upon request by the Board, from authorizing and issuing bonds, notes or other obligations or evidences of indebtedness, other than Bonds, for any project authorized by the Act, Sections 7-52-401 to 7-52-407, inclusive, Tennessee Code Annotated, or Sections 7-52-601 to 7-52-611, inclusive, Tennessee Code Annotated, as may from time to time be amended, or for any project for the provision of goods or services other than the generation, transmission, distribution and sale of electric energy and capacity or related goods and services which presently are or hereafter may be authorized or permitted for municipal electric systems generally or the Board specifically under any Tennessee or federal law or the Charter of the Metropolitan Government, or from financing or otherwise providing for any such project from other available funds (such project being referred to herein as a "Separately Financed Project"), if the debt service on such bonds, notes or other obligations or evidences of indebtedness, and the Metropolitan Government's or the Board's share of any

operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project, from other available funds of the Metropolitan Government or the Board not constituting part of the Revenues or from other funds withdrawn by the Metropolitan Government or the Board from the General Reserve Fund pursuant to subparagraph (f) of the immediately preceding paragraph. The Board may lend or invest Electric System funds disbursed from the General Reserve Fund pursuant to subparagraph (f) of the immediately preceding paragraph in any Separately Financed Project provided (a) such loan or investment of funds is authorized by law; and (b) the Electric System is to be reimbursed for the loan or investment of funds at a rate substantially comparable to the return on investment of Electric System funds of similar maturity dates.

Subordinated Debt

The Metropolitan Government may, at any time, or from time to time, issue Subordinated Debt for any of its corporate purposes payable out of, and which may be secured by a pledge of, such amounts in the Subordinated Debt Fund as may from time to time be available for the purpose of payment thereof; provided, however, that such pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the lien and pledge created by the Bond Resolution as security for the Bonds.

Investment of Certain Funds

Moneys held in the Debt Service Fund shall be invested and reinvested by the Fiscal Agent to the fullest extent practicable in Authorized Investments, (a) in the case of moneys held in the Debt Service Reserve Account within ten years and (b) in the case of moneys held in the Debt Service Account not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Account. Moneys held in the Revenue Fund and the Construction Fund may be invested and reinvested in Authorized Investments which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. Moneys held in the Operating Fund shall be invested in Authorized Investments which mature within twelve months and moneys held in the General Reserve Fund and Reserve and Contingency Fund shall be invested in Authorized Investments which mature no later than the latest maturity date of any Bonds outstanding, and in any case the Authorized Investments in such Funds shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Subject to the terms of any resolution, indenture or other instrument securing any issue of Subordinated Debt, moneys held in the Subordinated Debt Fund shall be invested and reinvested to the fullest extent practicable in Authorized Investments which shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. The Fiscal Agent shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Board Representative. In making any investment in any Authorized Investments with moneys in any Fund or Account established under the Bond Resolution, an Authorized Board Representative may instruct the Fiscal Agent to combine such moneys with moneys in any other fund or account, but solely for purposes of making such investment in such Authorized Investments.

Unless otherwise provided in a Supplemental Bond Resolution, interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned or any gain realized on any moneys or investments in any funds and accounts, other than the Construction Fund, shall be paid into the Revenue Fund on a periodic basis at least quarterly as shall be directed by the Board; provided, however, that at the direction of the Metropolitan Government, such income earned on moneys or investments in any fund or account or any portion thereof shall be paid into the Construction Fund. Interest earned or gain realized on any moneys or investments in the Construction Fund shall be held in such fund for the purposes thereof or, if so directed by the Board, paid into the Revenue Fund.

Valuation and Sale of Investments

In computing the amount in any fund or account created under the provisions of the Bond Resolution for any purpose provided in the Bond Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations or at the market price thereof, whichever is lower. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined as of July 1 in each year and at such other times as the Board shall determine.

Creation of Liens

The Metropolitan Government shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Funds or other moneys, securities or funds held or set aside by the Metropolitan Government, the Board or by the fiduciaries under the Bond Resolution and shall not create or cause to be created any lien or charge on the Pledged Funds, or such moneys, securities or funds; provided, however, that nothing contained in the Bond Resolution shall prevent the Metropolitan Government from issuing, if and to the extent permitted by law (i) evidences of indebtedness (a) payable out of moneys in the Construction Fund as part of the Cost of Acquisition and Construction of the Electric System, or (b) payable out of, or secured by a pledge or assignment of, Revenues to be received on and after such date as the pledge of the Net Revenues provided in the Bond Resolution shall be discharged and satisfied, (ii) Subordinated Debt, (iii) the [Bank Notes] or (iv) bonds, notes, debentures or other evidences of indebtedness payable out of the General Account in the General Reserve Fund.

Disposition of Electric System or the Board

No part of, or interest of the Metropolitan Government or the Board in, the Electric System shall be sold, leased, mortgaged or otherwise disposed of, except as follows:

(a) The Metropolitan Government or the Board may sell or exchange at any time and from time to time any property or facilities constituting part of the Electric System, only if it shall determine that such property or facilities are not necessary for the purposes of the Metropolitan Government or the Board in the operation of the Electric System. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the purposes of the Metropolitan Government or the Board in the operation of the Electric System shall forthwith be deposited in the General Account in the General Reserve Fund for the purpose or redemption of the Bonds, and

(b) The Metropolitan Government or the Board may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the Electric System, provided that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by the Metropolitan Government or the Board or its agents of the Electric System and (ii) does not in any manner impair or adversely affect the rights or security of the Bondholders under the Bond Resolution; and provided, further, that if the book value of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of 1% of the book value of the assets of the Board at such time, the Board shall first file with the Fiscal Agent a certificate of the Authorized Board Representative that the action of the Metropolitan Government or the Board with respect thereto does not result in a breach of the conditions under the Bond Resolution. Any payments received by the Metropolitan Government or the Board under or in connection with any such lease, contract,

license, arrangement, easement or right in respect of the Electric System or any part thereof shall be deposited in the Revenue Fund.

Operation and Maintenance of Electric System

The Metropolitan Government and the Board shall at all times use their best efforts to operate or cause to be operated the Electric System properly and in an efficient and economical manner, and shall use their best efforts to maintain, preserve and keep the same or cause the same to be so maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Electric System may be properly and advantageously conducted.

[Certain Covenants with Respect to the Bond Ordinance and the Subordinated Resolution

The Metropolitan Government shall not amend or modify either the Bond Ordinance or the Subordinated Resolution in any manner which adversely affects or diminishes the rights of the Bondholders under the Bond Resolution. A copy, certified by an Authorized Metropolitan Government Representative, of any amendment to either the Bond Ordinance or the Subordinated Resolution shall be promptly filed with the Fiscal Agent.

The Metropolitan Government shall not issue any additional bonds under the Bond Ordinance.]

Rates, Fees and Charges

The Board shall at all times establish and collect rates, fees and charges for the use or the sale of the output, capacity or service of the Electric System as shall be required in order that in each fiscal year the Net Revenues, together with other available Revenues, plus the amount of any transfers from the Rate Stabilization Account to the Operating Fund during such fiscal year minus the amounts, if any, required by the Bond Resolution to be deposited from Net Revenues into the Debt Service Reserve Account, the Subordinated Debt Fund, the Reserve and Contingency Fund and the General Account during such fiscal year shall equal at least (i) the Aggregate Debt Service for such fiscal year and, (ii) the debt service, if any, on the [Bank Notes] for such fiscal year and (iii) the deposits required to be made into the Rate Stabilization Account during such fiscal year, and, in any event, as shall be required, together with other available funds, to pay or discharge all other indebtedness, charges and liens whatsoever payable out of Revenues under the Bond Resolution. Promptly upon any material change in the circumstances which were contemplated at the time such rates, fees and charges were most recently reviewed, but not less frequently than once in each fiscal year, the Board shall review the rates, fees and charges so established and shall promptly revise such rates, fees and charges as necessary to comply with the foregoing requirements, provided that such rates, fees and charges shall in any event produce moneys sufficient to enable the Metropolitan Government and the Board to comply with all its covenants under the Bond Resolution.

The Metropolitan Government or the Board will not furnish or supply or cause to be furnished or supplied any use, output or service of the Electric System, free of charge to any person, firm or corporation, public or private, and the Metropolitan Government and the Board will enforce the payment of any and all accounts owing to the Metropolitan Government by reason of the ownership and operation of the Electric System by discontinuing such use, output or service, or by filing suit therefor within 120 days after any such accounts are due, or by both such discontinuance and by filing suit; provided, however, that no such action need be taken with respect to disputed accounts which are being negotiated for settlement.

In estimating Adjusted Aggregate Debt Service on any Variable Interest Rate Bonds, the Board shall be entitled to assume that such Variable Interest Rate Bonds will bear such interest rate or rates as the Board shall determine; provided, however, that the interest rate or rates assumed shall not be less than the interest rate borne by such Variable Interest Rate Bonds at the time such estimate is made.

Failure by the Board to comply with the provisions of the initial paragraph above under the heading "Rates, Fees and Charges" in any Fiscal Year shall not constitute an Event of Default as described in subparagraph (iv) under the heading "Events of Default" below so long as the Board (i) shall, no later than sixty (60) days after discovering such non-compliance and in all events no later than sixty (60) days after receipt by the Board of audited financial statements for a particular Fiscal Year which show such non-compliance, retain the Consulting Engineer or another independent consultant or firm of consultants having a favorable reputation for skill and experience in the field of reviewing and recommending rates, fees and charges for electric systems (such Consulting Engineer or other consultant or firm of consultants being referred to in this paragraph as the "Qualified Independent Consultant"), for the purpose of reviewing the Electric System fees, rates, rents, charges and surcharges, and (ii) either (A) shall, subject to securing such approvals as may be required and that in good faith will be sought by the Board, implement the recommendations of such Qualified Independent Consultant with respect to such fees, rates, rents, charges and surcharges suggested or recommended by the Qualified Independent Consultant to the Board in a written report or certificate to comply with the requirements of the initial paragraph above under the heading "Rates, Fees and Charges", or (B) if the Qualified Independent Consultant shall be of the opinion, as set forth in such report or certificate, that it would be impracticable at the time to charge such fees, rates, rents, charges and surcharges for the Electric System as would provide funds sufficient to comply with the requirements the initial paragraph above under the heading "Rates, Fees and Charges," shall, subject to securing such approvals as may be required and that in good faith will be sought by the Board, impose such schedule of fees, rates, rents, charges and surcharges as in the opinion of such Qualified Independent Consultant will allow the Board to, as nearly as then practicable, comply with such requirements, and (iii) in any event shall be in compliance with the initial paragraph above under the heading "Rates, Fees and Charges" no later than the end of the second Fiscal Year following the Fiscal Year in which such non-compliance requiring the engagement of the Qualified Independent Consultant occurred. The Board shall provide notice of its failure to comply with the initial paragraph above under the heading "Rates, Fees and Charges" to the Fiscal Agent no later than thirty (30) days after engaging the services of a Qualified Independent Consultant pursuant to the requirements of the preceding sentence and shall provide a copy of the report or certificate of the Qualified Independent Consultant to the Fiscal Agent and to any Bondholder who shall request the same in writing.

Enforcement of Charges

The Metropolitan Government and the Board shall compel the prompt payment of rates, fees, rentals and charges imposed for service rendered by the Electric System, and to that end will vigorously enforce all of the provisions of any ordinance or resolutions of the Metropolitan Government or the Board having to do with electric charges and any other Electric System charges, and all of the rights and remedies permitted the Metropolitan Government or the Board under law. The Metropolitan Government and the Board expressly covenant and agree to exercise and enforce every right and remedy legally available to it to the end that such rates, fees, rentals and charges will be enforced and promptly collected to the full extent permitted by law.

Maintenance of Insurance

The Board shall at all times use its best efforts to keep or cause to be kept the properties of the Electric System which are of an insurable nature and of the character usually insured by those operating properties similar to the Electric System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. The Board shall at all times use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the Electric System. The Board shall only be required to obtain such insurance if the same is available at reasonable rates and upon reasonable terms and conditions.

The Board shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

Reconstruction; Application of Insurance Proceeds

If any useful portion of the Electric System shall be damaged or destroyed, the Board shall prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless a certificate of an Authorized Board Representative filed with the Fiscal Agent shall state, in the opinion of the signer, that such reconstruction or replacement is not in the interest of the Metropolitan Government and the Bondholders. The proceeds of any insurance paid on account of such damage or destruction (other than any business interruption loss insurance) shall be held by the Board in the Construction Fund and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement. Pending such application, such proceeds may be invested by the Board in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction or replacement. Interest earned on such investments shall be deposited in the Revenue Fund.

The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund.

Events of Default

The following events shall constitute an Event of Default under the Bond Resolution:

(i) if default shall be made by the Metropolitan Government in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(ii) if default shall be made by the Metropolitan Government in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(iii) if default shall be made in the due and punctual payment of the purchase price of any Option Bond duly tendered for purchase in accordance with the terms thereof and the Bond Resolution;

(iv) if the default shall be made by the Metropolitan Government in the performance or observance of any other of the covenants, agreements or conditions on its part in the Bond Resolution or in the Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to the Metropolitan

Government and to the Fiscal Agent by the holders of not less than 10% in principal amount of the Bonds outstanding;

(v) if the Metropolitan Government shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Metropolitan Government and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(vi) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Metropolitan Government in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Metropolitan Government, and/or the rents, fees, charges or other revenues therefrom, or a decree or order for the dissolution, liquidation or winding up of the Metropolitan Government and its affairs or a decree or order finding or determining that the Metropolitan Government is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, either the Fiscal Agent (by notice in writing to the Metropolitan Government), or the holders of not less than 25% in principal amount of the Bonds Outstanding (by notice in writing to the Metropolitan Government and the Fiscal Agent), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable. The right of the Fiscal Agent or of the holders of not less than 25% in principal amount of the Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper fees, charges, expenses and liabilities of the Fiscal Agent, and all other sums then payable by the Metropolitan Government under the Bond Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Metropolitan Government or provision satisfactory to the Fiscal Agent shall be made for such payment, and all defaults under the Bonds or under the Bond Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Fiscal Agent or provision deemed by the Fiscal Agent to be adequate shall be made therefor, then and in every such case the holders of 25% in principal amount of the Bonds Outstanding, by written notice to the Metropolitan Government and the Fiscal Agent, may rescind such declaration and annul such default in its entirety, or, if the Fiscal Agent shall have acted itself, and if there shall not have been theretofore delivered to the Fiscal Agent written direction to the contrary by the holders of 25% in principal amount of the Bonds Outstanding, then any such declaration shall be deemed to be rescinded and any such default shall be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Application of Pledged Funds After Default

During the continuance of an Event of Default, the Fiscal Agent shall apply the Pledged Funds, including all moneys, securities, funds and Net Revenues received by the Fiscal Agent as follows in the following order:

(i) Expenses of Fiduciaries - to the payment of the reasonable and proper fees (including reasonable attorney's fees), charges, expenses and liabilities of the fiduciaries;

(ii) Operating Expenses - to the payment of the amounts required for reasonable and necessary Operating Expenses and for the reasonable renewals, repairs and replacements of the Electric System necessary in the judgment of the Fiscal Agent to prevent a loss of Revenues;

(iii) Principal or Redemption Price and Interest - to the payment of the interest and principal or Redemption Price then due on the Bonds.

Nothing in the Bond Resolution or in the Bonds contained shall affect or impair the obligation of the Metropolitan Government, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any holder to enforce such payment of its Bond.

Concerning the Fiduciaries

The Bond Resolution requires the appointment by the Metropolitan Government of a Fiscal Agent and one or more Paying Agents for the Bonds of each Series. The Fiscal Agent may resign on 90 days' notice and may at any time be removed with cause by the holders of a majority in principal amount of the Bonds then outstanding. A successor Fiscal Agent may be appointed by the Metropolitan Government, but if the Metropolitan Government does not appoint a successor Fiscal Agent within 60 days, then by the holders of a majority in principal amount of the Bonds then outstanding. Failing such an appointment, the holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent. Any successor Fiscal Agent shall be a bank or trust company organized under the laws of the state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least $50,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

Supplemental Bond Resolutions Effective Upon Filing With the Fiscal Agent

For any one or more of the following purposes and at any time or from time to time, a Supplemental Bond Resolution of the Metropolitan Government may be adopted, which, upon the filing with the Fiscal Agent of a copy thereof certified by an Authorized Metropolitan Government Representative, shall be fully effective in accordance with its terms:

(1) To close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of the Metropolitan Government in the Bond Resolution, other covenants and agreements to be observed by the Metropolitan Government which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(3) To add to the limitations and restrictions in the Bond Resolution, other limitations and restrictions to be observed by the Metropolitan Government which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(4) To authorize Bonds of an additional Series;

(5) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of coupon Bonds and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the holders of such coupon Bonds, which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(6) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of Bonds issued and held in book-entry form on the books of the Metropolitan Government or any fiduciary appointed for that purpose by the Metropolitan Government and, in connection therewith, make such additional changes herein, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds and specify and determine the matters and things relative to the issuance of such book-entry form Bonds as are appropriate or necessary;

(7) Notwithstanding any other provisions of the Bond Resolution, to authorize Bonds of a Series having terms and provisions different than the terms and provisions theretofore provided in the Bond Resolution, including but not limited to provisions relating to the timing of the payment of interest, and authorizing the form of bond for such Series of Bonds and otherwise to provide amendments or modifications of provisions of the Bond Resolution relative to such Bonds; provided that neither the authorization and issuance of such Series of Bonds nor any such amendment or modification shall in any manner impair or adversely affect the rights or security of the holders of Bonds then Outstanding under the Bond Resolution;

(8) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Bond Resolution of the Pledged Funds and to pledge as Pledged Funds any additional revenues, moneys, securities, Credit Facilities or other agreements; and

(9) To modify any of the provisions of the Bond Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Bond Resolution shall cease to be Outstanding, and (ii) such Supplemental Bond Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Bond Resolution and of Bonds issued in exchange therefor or in place thereof.

Supplemental Bond Resolutions Effective With Consent of Bondholders

At any time or from time to time, a Supplemental Bond Resolution may be adopted subject to consent by Bondholders and, if applicable, an Insurer, in accordance with and subject to the provisions of the Bond Resolution, which Supplemental Bond Resolution, upon the filing with the Fiscal Agent of a copy

thereof certified by an Authorized Metropolitan Government Representative and upon compliance with the provisions of the Bond Resolution shall become fully effective in accordance with its terms.

Powers of Amendment

Any modification or amendment of the Bond Resolution and of the rights and obligations of the Metropolitan Government and of the holders of the Bonds thereunder, in any particular, may be made by a Supplemental Bond Resolution, with the written consent given (i) of the holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Defeasance

The lien of the Bond Resolution and all covenants, agreements and other obligations of the Metropolitan Government under the Bond Resolution will cease, terminate and be discharged and satisfied wherever all Bonds are paid in full. Bonds are deemed to have been paid and are not entitled to the lien, benefit and security of the Bond Resolution wherever the following conditions are met: (i) in case any Bonds are to be redeemed prior to their maturity, the Metropolitan Government has given to the Fiscal Agent irrevocable instructions to publish notice of redemption therefor, (ii) there has been deposited with the Fiscal Agent either moneys or Investment Securities which, together with other moneys, if any, also deposited, will be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Bonds, and (iii) in the event such Bonds are not subject to redemption within the next succeeding 60 days, the Metropolitan Government has given the Fiscal Agent irrevocable instructions to publish a notice to the holders of such Bonds that the above deposit has been made and that such Bonds are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

APPENDIX D

Form of Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the 2027 Series A and B Bonds, Bradley Arant Boult Cummings LLP, Nashville, Tennessee, Bond Counsel, proposes to render its opinion with respect to the 2027 Series A and B Bonds in substantially the following form:

[Date]

The Metropolitan Government
of Nashville and Davidson County
one Public Square, Suite 106
Nashville, TN 37201

Ladies and Gentlemen:

We have examined the record of proceedings relating to the issuance of $260,000,000[1] aggregate principal amount of Electric System Revenue Bonds, 2027 Series A (the "2027 Series A Bonds") and $140,000,000[1] aggregate principal amount of Electric System Revenue Refunding Bonds, 2027 Series B (the "2027 Series B Bonds" and, together with the 2027 Series A Bonds, the "2027 Series A and B Bonds") by The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government").

The 2027 Series A and B Bonds are issued under and pursuant to the Charter of the Metropolitan Government, as amended and supplemented (the "Charter"), the Constitution and applicable statutes of the State of Tennessee, including, without limitation, Tennessee Code Annotated, Sections 7-34-101 through 7-34-118, as amended (the "Act"), and a resolution of the Metropolitan Government adopted on November 5, 1985, entitled "Electric System Revenue Bond Resolution", as amended and supplemented (the "Resolution").

The 2027 Series A and B Bonds are dated, and shall bear interest from, the date of delivery thereof, except as otherwise provided in the Resolution. Interest on the 2027 Series A and B Bonds is payable on May 15 and November 15 in each year, commencing on May 15, 2027. The 2027 Series A and B Bonds are subject to redemption prior to maturity in the manner and upon the respective terms set forth in the Resolution.

The 2027 Series A and B Bonds are issued in fully registered form in the denominations of $5,000 or any integral multiple of $5,000. The 2027 Series A and B Bonds are each numbered, prefixed by the letter R, from one upward.

The 2027 Series A Bonds are being issued for the principal purposes of providing sufficient funds for the following: (i) to finance a portion of the Cost of Acquisition and Construction (as defined in the Resolution) of the 2027 System Improvements (as defined in the Resolution) for the Electric System (as defined in the Resolution), which is owned by the Metropolitan Government and operated by the Electric Power Board of the Metropolitan Government (the "Board"), and (ii) to pay the administrative, legal, financing and other expenses incurred in connection with the issuance of the 2027 Series A Bonds. The

[1] Preliminary, subject to change.

2027 Series B Bonds are being issued for the principal purposes of providing sufficient funds for the following: (i) to pay, when due, or upon redemption as provided in the Resolution, the principal or the Redemption Price (as defined in the Resolution) of and the interest on the Metropolitan Government's outstanding Electric System Revenue Refunding Bonds, 2015 Series A, maturing May 15, 20__ through May 15, 20__, Electric System Revenue Bonds, 2017 Series A, maturing May 15, 20__ through May 15, 20__, and Electric System Revenue Refunding Bonds, 2017 Series B, maturing May 15, 20__ through May 15, 20__ (collectively, the "Refunded Bonds"), and (ii) to pay the administrative, legal, financing and other expenses incurred in connection with the issuance of the 2027 Series B Bonds, the redemption of the Refunded Bonds and the refunding of the Refunded Bonds.

The Metropolitan Government has also issued and has outstanding under the Resolution the Electric System Revenue Refunding Bonds, 2015 Series A, if any, not refunded by the 2027 Series B Bonds, the Electric System Revenue Bonds, 2017 Series A, if any, not refunded by the 2027 Series B Bonds, the Electric System Revenue Refunding Bonds, 2017 Series B, if any, not refunded by the 2027 Series B Bonds, the Electric System Revenue Bonds, 2021 Series A, the Electric System Revenue Bonds, 2024 Series A and the Electric System Revenue Refunding Bonds, 2024 Series B (together with the 2027 Series A and B Bonds, collectively, the "Outstanding Bonds").

The Metropolitan Government has reserved the right to issue additional bonds and other evidences of indebtedness on the terms and conditions and for the purposes stated in the Resolution. Under the provisions of the Resolution, all such additional bonds and other evidences of indebtedness may rank equally as to security and payment with the 2027 Series A and B Bonds and the other Outstanding Bonds.

As to questions of fact material to our opinions, we have, with your consent, relied upon the representations of officials of the Metropolitan Government contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing and related matters of law as we deem necessary to render these opinions, and in reliance, to the extent set forth in the third from the last paragraph of this letter, upon the opinion described in said paragraph, we are of the opinion that:

1. The Board has good right and lawful authority to operate, maintain and improve the Electric System and to fix rates and collect charges for electric energy and the services, facilities and commodities furnished by the Electric System and to perform all its obligations under the Resolution in those respects.

2. The Resolution has been duly and lawfully adopted by the Metropolitan Government, is in full force and effect, is valid and binding upon the Metropolitan Government and is enforceable in accordance with its terms. No other or further authorization or approval for the Resolution is required. The Resolution creates the valid pledge of the Pledged Funds (as defined in the Resolution) that the Resolution purports to create. We express no opinion as to the perfection or priority of the pledge of the Pledged Funds so created.

3. The Metropolitan Government is duly authorized and entitled to issue the 2027 Series A and B Bonds, and the 2027 Series A and B Bonds have been duly and validly authorized and issued by the Metropolitan Government in accordance with the Charter, with the Constitution and statutes of the State of Tennessee, including the Act, and with the Resolution, and constitute valid and binding limited obligations of the Metropolitan Government as provided in the Resolution, enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Act and the Resolution.

4. The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements which must be met for interest on the 2027 Series A and B Bonds to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2027 Series A and B Bonds to be included in gross income retroactive to the date of issue of the 2027 Series A and B Bonds. The Metropolitan Government has covenanted in the Resolution to maintain the exclusion of the interest on the 2027 Series A and B Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Under existing law, and assuming compliance with the aforementioned covenant, interest on the 2027 Series A and B Bonds is excluded from gross income for federal income tax purposes. The 2027 Series A and B Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Code and, therefore, the interest on the 2027 Series A and B Bonds will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code. However, in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations" (as defined in Section 59(k) of the Code), interest on the 2027 Series A and B Bonds is not excluded from the determination of adjusted financial statement income.

With respect to the 2027 Series A and B Bonds initially offered to the public at prices less than the amounts payable thereon at maturity, the difference between the principal amount of such 2027 Series A and B Bonds and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such 2027 Series A and B Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on such 2027 Series A and B Bonds. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each such 2027 Series A and B Bond, and the basis of each such 2027 Series A and B Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

With respect to the 2027 Series A and B Bonds initially offered to the public at prices greater than the amounts payable thereon at maturity, the difference between the principal amount of such 2027 Series A and B Bonds and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such 2027 Series A and B Bonds of the same maturity was sold constitutes original issue premium. As a result of the tax cost reduction requirements of the Code relating to amortization of original issue premium, under certain circumstances an initial owner of such 2027 Series A and B Bonds may realize a taxable gain upon the disposition of such 2027 Series A and B Bonds even though such 2027 Series A and B Bonds are sold or redeemed for an amount equal to such owner's original cost of acquiring such 2027 Series A and B Bonds.

5. Under existing law, interest on the 2027 Series A and B Bonds is exempt from all state, county and municipal taxation in the State of Tennessee, except (a) Tennessee excise taxes on all or a portion of the interest on the 2027 Series A and B Bonds during the period such 2027 Series A and B Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the 2027 Series A and B Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

The opinions set forth in paragraphs 2 and 3 above are qualified to the extent that the enforcement of the Resolution and the 2027 Series A and B Bonds may be limited by applicable bankruptcy,

moratorium or similar laws affecting creditors' rights generally and as to the availability of any particular remedy. Except as stated in paragraphs 4 and 5 above, we express no opinion as to any federal, state or local tax consequences of the ownership or disposition of the 2027 Series A and B Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the 2027 Series A and B Bonds, or the interest thereon, if any action is taken with respect to the 2027 Series A and B Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement dated _____, 2027 or the Official Statement dated _____, 2027 or any other offering material relating to the 2027 Series A and B Bonds, and we express no opinion herein relating thereto. Further, we express no opinion herein as to the compliance by the Metropolitan Government, the Board or the underwriters for the 2027 Series A and B Bonds with any federal or state statute, regulation or ruling that may relate to the sale, distribution or marketing of the 2027 Series A and B Bonds.

In rendering this opinion, we have, with your consent, relied upon the opinion of even date herewith of Tyler Chance Yabro, Director of Law of the Metropolitan Government, with respect to: (i) the due organization and existence of the Metropolitan Government as a valid political subdivision of the State of Tennessee; (ii) the right, title and interest of the present officials of the Metropolitan Government to their respective positions; (iii) the due and valid adoption of the Resolution by the Metropolitan Government and its continued validity and the creation of a valid pledge of the Pledged Funds purported to be created thereby; (iv) compliance by the Metropolitan Government with the provisions of Chapter 44, Title 8, Tennessee Code Annotated, in connection with the adoption of the Resolution; (v) matters which might be disclosed by an examination of agreements or instruments to which the Metropolitan Government is a party or by which it may be bound; and (vi) such other matters as are expressed in such opinion.

We have examined the first numbered 2027 Series A Bond for each maturity and the first numbered 2027 Series B Bond for each maturity, and, in our opinion, the form of such 2074 Series A and B Bonds and their execution are regular and proper. We have not, however, verified, and express no opinion as to the accuracy of, any "CUSIP" identification number or other identifying mark that may be imprinted on any of the 2027 Series A and B Bonds.

As indicated hereinbefore, this opinion is rendered based upon laws, regulations, rulings and judicial decisions existing as of the date hereof. We express no opinion as to what effect laws passed, regulations or rulings promulgated or judicial decisions published subsequent to the date hereof but with a retroactive effective date may have on the federal income taxation of the interest on the 2027 Series A and B Bonds.

Very truly yours,

APPENDIX E

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") is made and entered into as of the __ day of February __, 2027, among REGIONS BANK, as disclosure agent (the "Disclosure Agent"), and the ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "Board").

RECITALS

WHEREAS, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") has issued or will issue its $[_____]* Electric System Revenue Bonds, 2027 Series A and $[_____]* Electric System Revenue Refunding Bonds, 2027 Series B (collectively, the "Bonds") under the provisions of the Electric System Revenue Bond Resolution adopted by the Metropolitan Government on November 5, 1985, as amended and supplemented, including specifically as supplemented by the Thirty-Second Supplemental Electric System Revenue Bond Resolution adopted by the Metropolitan Government on [November 17], 2026 (such Electric System Revenue Bond Resolution adopted on November 5, 1985 and all amendments and supplements thereto are hereinafter referred to collectively as the "Resolution"); and

WHEREAS, the Bonds have been offered and sold pursuant to a Preliminary Official Statement dated January [__], 2027 and a final Official Statement dated January [__], 2027 (collectively, the "Official Statement"), and the Metropolitan Government and the Board have entered into a Bond Purchase Agreement dated January [__], 2027 (the "Bond Purchase Agreement") with Raymond James & Associates, Inc., on behalf of the Underwriters (as defined therein) as to the Bonds; and

WHEREAS, the Bonds are subject to the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission of the United States of America (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended; and

WHEREAS, the Board has entered into this Agreement with the Disclosure Agent in order to assist the Underwriters in complying with the Rule.

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Resolution, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

Section 1. Definitions; Scope of this Agreement.

(A) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Resolution. For this purpose, all amendments to, or supplements of, the Resolution shall be deemed automatically incorporated herein by reference, but only to the extent that such amendments or supplements relate to the Bonds.

(B) This Agreement applies to the Bonds. It does not apply to any other Bonds issued and Outstanding under the Resolution or to any Additional Bonds which may be issued under the Resolution or to any other securities issued by the Metropolitan Government.

* Preliminary, subject to change.

(C) The Disclosure Agent shall have no obligation to make any disclosure except as expressly provided herein; provided, however, that nothing herein shall limit the duties or obligations of the Disclosure Agent as Fiscal Agent under the Resolution or the duties or obligations of the Disclosure Agent in any other capacity pursuant to written agreement between the Disclosure Agent and the Metropolitan Government and/or the Board.

Section 2. Disclosure of Information

(A) General Provisions. This Agreement governs the direction of the Board to the Disclosure Agent with respect to information to be made public. In its actions under this Agreement, the Disclosure Agent is acting not as Fiscal Agent under the Resolution but as the agent of the Board; provided, however, that the Disclosure Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Fiscal Agent under the Resolution. This Agreement is intended to benefit the holders of the Bonds, but only indirectly through the Disclosure Agent as agent of the Board as long as a Disclosure Agent is serving under this Agreement. This Agreement is not intended to create any rights exercisable by the holders of the Bonds except indirectly through the Disclosure Agent as set forth herein as long as a Disclosure Agent is serving under this Agreement. This Agreement is not intended to limit or affect rights of the holders of the Bonds as set forth in the Resolution.

(B) Information Provided to the Public. Except to the extent this Agreement is modified or otherwise altered in accordance with Section 4 hereof, the Board shall make or cause to be made public the information set forth in subsections (1) and (2) below:

(1) Periodic Reports.

(a) Copies of the annual financial statements of the Board, including, without limitation, balance sheets and related statements of revenues, expenses and changes in net position and cash flows, prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards and generally accepted government auditing standards.

(b) To the extent such items are not included in the annual financial statements referred to in subsection (a) above, the financial and statistical data of the Board for the type of information included in the tables entitled "Summary of Changes in Net Position", "Debt Service Coverage", "Number of Customers", "Sales in KWh and Maximum System Demand in kW", and "Ten Largest Customers" contained in the Official Statement of the Metropolitan Government dated January __, 2027, prepared in connection with the Bonds.

(2) Occurrence Notices. Notices of the following events with respect to the Bonds:

a. Principal and interest payment delinquencies;

b. Non-payment related defaults, if material;

c. Unscheduled draws on debt service reserves reflecting financial difficulties;

d. Unscheduled draws on credit enhancements reflecting financial difficulties;

e. Substitution of credit or liquidity providers, or their failure to perform;

f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

g. Modifications to rights of Bondholders, if material;

h. Bond calls, if material, and tender offers;

i. Defeasances;

j. Release, substitution, or sale of property securing repayment of the securities, if material;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

o. Incurrence of a financial obligation (as defined in the Rule) of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as defined in the Rule) of the obligated person, any of which reflect financial difficulties.

The Board shall provide the Disclosure Agent a copy of the audited annual financial statement of the Board described in subsection (B)(1)(a) above by not later than nine (9) months after the fiscal year ending June 30 of each year that the Bonds remain Outstanding, beginning at the end of the fiscal year ending June 30, 2027. While any of the Bonds remain Outstanding, the Board shall provide to the Disclosure Agent written notice of any event described in subsection (2) above as soon as possible upon the occurrence of any such event.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed in subsection (2) above, if, in the judgment of the Board, such other event is material with respect to the Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any event except those events listed in subsection (2) above.

(C) Information Provided by Disclosure Agent to Public.

(1) The Board hereby directs the Disclosure Agent on its behalf to make public in accordance with subsection (D) of this Section 2 and within the time frame set forth in subsection (C)(2) below, and the Disclosure Agent agrees to act as the agent of the Board in so making public:

(a) the periodic reports which the Board has agreed to make public under subsection (B)(1) of this Section 2 (as it may be amended from time to time);

(b) the occurrence notices which the Board has agreed to make public under subsection (B)(2) of this Section 2 (as it may be amended from time to time); and

(c) such other information as the Board shall determine to make public through the Disclosure Agent as set forth in the last paragraph of Section 2(B) above.

(2) To the extent that the Board has provided the Disclosure Agent with the periodic reports required by Section 2(B)(1) above, the Disclosure Agent shall make such information public not later than one year after the fiscal year ending June 30 of each year that the Bonds remain Outstanding, beginning at the end of the fiscal year ending June 30, 2027. In the event of any failure to file the periodic reports specified in Section 2(B)(1) above, the Disclosure Agent shall make notice of such failure public within a timely manner. To the extent that the Board has informed the Disclosure Agent of the occurrence of certain events as required by Section 2(B)(2) above, the Disclosure Agent shall make such notice of such events public within ten (10) business days after the occurrence thereof.

(D) Means of Making Information Public.

(1) Information shall be transmitted to (i) the Municipal Securities Rulemaking Board ("MSRB") and (ii) any public or private depository to which continuing disclosure information shall be sent pursuant to Tennessee law (a "State Depository").

(2) Information shall be made public by the Disclosure Agent (as long as a Disclosure Agent is serving under this Agreement and, if a Disclosure Agent is not serving under this Agreement, by the Board) (i) to the MSRB by filing such information electronically with the MSRB at emma.msrb.org, accompanied by identifying information as prescribed by the MSRB and submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062 and (ii) to the State Depository, if any, by whatever means are mutually acceptable to the Disclosure Agent (or the Board if a Disclosure Agent is not serving under this Agreement) and such State Depository.

Nothing in this subsection (D)(2) shall be construed to relieve the Fiscal Agent of its obligation to provide notices to the holders of all Bonds if such notice is required by the Resolution.

Nothing in this Agreement shall be construed to require the Disclosure Agent to interpret or provide an opinion concerning the information made public. If the Disclosure Agent receives a request for an interpretation or opinion, the Disclosure Agent may refer such request to the Board for response.

The Board has not failed to comply in any material respect within the previous five years with any undertaking in a written contract or agreement specified in the Rule.

Section 3. Disclosure Agent Compensation.

The Disclosure Agent's acts hereunder shall constitute services for which the Board shall pay the Disclosure Agent, and the Disclosure Agent is entitled to reasonable compensation in accordance with the fee schedule attached hereto as Schedule A. In addition, the Board shall pay or reimburse the Disclosure Agent for its expenses incurred in performing its services in accordance with this Agreement.

Section 4. Amendment or Modification.

(A) This Agreement shall not be amended or modified except by a writing executed by the Disclosure Agent (but the signature of the Disclosure Agent shall only be required if a Disclosure Agent is then serving under this Agreement) and the Board.

(B) This Agreement may be amended by the Disclosure Agent (but the signature of the Disclosure Agent shall only be required if a Disclosure Agent is then serving under this Agreement) and the Board without consent of any holders of the Bonds if (i) the Agreement, as so amended, would have complied with the requirements of the Rule at the time of the execution hereof, after taking into account any amendments or interpretations of the Rule, or (ii) the amendment is necessary or desirable to conform the terms hereof to the Rule or any other rule or regulation of the SEC, the MSRB or any other federal or state regulatory body having jurisdiction over the Bonds.

Section 5. Miscellaneous.

(A) Representations. Each of the parties hereto represents and warrants to each other party that it has duly authorized the execution and delivery of this Agreement by the officer of such party whose signature appears on the execution pages hereto, that it has all requisite power and authority to execute and deliver, and perform, this Agreement under its organizational documents and any corporate resolutions now in effect, that the execution and delivery of this Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party is bound, and such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of the Bonds. The Disclosure Agent makes no representation that this Agreement complies with the Rule.

(B) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Tennessee.

(C) Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Counterparts. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(E) Resignation or Removal of Disclosure Agent. The Disclosure Agent may resign by giving notice in writing to the Board. The Disclosure Agent may be removed by the delivery to the Disclosure Agent by the Board of notice in writing evidencing the desire of the Board to remove the Disclosure Agent. If the position of Disclosure Agent becomes vacant due to resignation or removal of the Disclosure Agent or any other reason, a successor Disclosure Agent may be appointed by the Board. If no successor

Disclosure Agent is appointed by the Board, then the responsibilities of the Disclosure Agent under this Agreement shall be discharged by the Board.

(F) Defaults; Remedies. A party shall be in default of its obligations hereunder if it fails and refuses to carry out or perform its obligations hereunder for a period of thirty (30) days following notice of default given in writing to such party by any other party hereto, unless such default is cured within such thirty (30) days notice period.

If a default occurs and continues beyond the notice period specified above, the non-defaulting party (and, if the Board is the defaulting party and a Disclosure Agent is no longer serving hereunder, the holders of the Bonds or the Fiscal Agent on behalf of the holders of the Bonds) may take such action at law or in equity as may be necessary or desirable to enforce the provisions hereof, including, without limitation, an action for mandamus or for specific performance, but the defaulting party shall not in any event be liable for damages incurred as a consequence of such default.

(*signature page follows*)

IN WITNESS WHEREOF, the Disclosure Agent and the Board have each caused a duly authorized officer to execute this Agreement as of the day and year first above written.

REGIONS BANK, as Disclosure Agent

By: _____
Name: _____
Title: _____

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND LEGALITY

By: _____
Name: _____
Title: _____

ATTEST

_____
Secretary

Date: _____

52308960.2

THE METROPOLITAN NASHVILLE AND DAVIDSON COUNTY AREA

Economic and Demographic Information

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is issuing its Electric System Revenue Bonds, 2027 Series A and Electric System Revenue Refunding Bonds, 2027 Series B (the "2027 Series A and B Bonds") for the use and benefit of the Electric Power Board of The Metropolitan Government of Nashville and Davidson County, which does business as Nashville Electric Service (the "Board"). ***The 2027 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2027 Series A and B Bonds shall ever have the right to compel the Metropolitan Government to exercise its taxing power to pay principal, redemption price of or interest on the 2027 Series A and B Bonds.***

The following information provided in this APPENDIX B is accurate as of the date of the Official Statement but is subject to change without notice and has been collected from sources that the Metropolitan Government considers to be reliable. The Metropolitan Government has made no independent verification of the information provided by non-Metropolitan Government sources, and the Metropolitan Government takes no responsibility for the completeness or accuracy thereof. The Metropolitan Government undertakes no responsibility and has no obligation to update the information contained within this APPENDIX B subsequent to the date of the Official Statement.

The Metropolitan Government

Organization

On June 28, 1962, the voters of Nashville and Davidson County approved the Charter of the Metropolitan Government (the "Charter"). The Tennessee Supreme Court upheld the validity of the Charter in October 1962. On April 1, 1963, the governments of the City of Nashville and of Davidson County were consolidated to form "The Metropolitan Government of Nashville and Davidson County", under which the boundaries of Nashville and Davidson County are co-extensive.

The executive and administrative powers are vested in the Metropolitan Mayor (the "Mayor" or "Metropolitan Mayor"), who is elected at large for a four-year term. The Mayor is authorized to administer, supervise and control all departments and to appoint all members of boards and commissions created by the Charter or by ordinance enacted pursuant to the Charter unless otherwise excepted. A two-thirds vote of the Metropolitan County Council is required to override the Mayor's veto. The Charter also provides for a Vice Mayor, who is elected at large for a four-year term and is the presiding officer of the Metropolitan County Council. The Metropolitan County Council is the legislative body of the Metropolitan Government and is composed of 40 members who are elected for four-year terms: 35 are elected from council districts and five are elected at large.

Economic and Demographic Profile of the Metropolitan Government

Introduction

The Metropolitan Government, as created in 1963, is in the north central part of Tennessee and covers 533 square miles. Nashville is the capital of the State of Tennessee and is situated in the Nashville Basin, between the Tennessee River on the west and the Eastern Highland Rim on the east.

Population Growth

The following table sets forth information concerning population growth in the Metropolitan Government. A comparison with the Nashville Metropolitan Statistical Area ("MSA"), the State and the United States serves to illustrate relative growth.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEMOGRAPHIC STATISTICS – POPULATION GROWTH CHANGE

Geographical Areas	April 1, 2020 Estimates Base	July 1, 2025 Population Estimates	2020 – 2025 Percentage Changes
Nashville/Davidson	689,449	721,074	4.6%
MSA	2,021,837	2,197,416	8.7%
State of Tennessee	6,910,840	7,315,076	5.8%
United States	331,449,281	341,784,857	3.1%

Source: United States Census Bureau (www.census.gov).

Growth within the MSA has occurred to the greatest extent in surrounding communities, which, although suburbs of Nashville, are in themselves residential, manufacturing and agricultural communities.

Median Household Income

The following table shows the median household income figures in the Metropolitan Government, the State and the United States for calendar years 2015-2024.

NASHVILLE METROPOLITAN STATISTICAL AREA
MEDIAN HOUSEHOLD INCOME
(Calendar Years 2015-2024)

Geographical Area	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Nashville/Davidson	51,999	54,666	58,264	60,799	63,846	64,418	65,463	72,561	80,216	80,803
State of Tennessee	47,330	51,340	55,310	56,060	56,630	54,970	62,170	65,380	72,700	75,860
United States	56,520	59,040	61,140	63,180	68,700	68,010	70,780	74,580	80,610	83,730

Source: United States Census Bureau via FRED® (**www.fred.stlouisfed.org**)

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Employment

The following table shows the labor force segments and employment industries operating within the Nashville MSA for calendar years 2021-2025.

NASHVILLE MSA
EMPLOYMENT BY INDUSTRY

	2021	2022	2023	2024	2025
Total Employed – All Industries [1]	1,056	1,126	1,164	1,184	1,191
In Percentages:					
Education & Health Services	14.96%	14.59%	14.77%	15.03%	15.40%
Financial Activities	7.08	7.19	7.10	6.84	6.86
Government	11.31	10.75	10.74	11.01	10.91
Information	2.48	2.83	2.77	2.69	2.67
Leisure & Hospitality	10.16	10.86	11.32	11.34	11.44
Manufacturing	7.81	7.62	7.45	7.47	7.38
Professional & Business Services	17.19	17.35	16.98	16.50	16.35
Trade, Transportation, Utilities	21.17	20.33	20.46	20.00	19.08
Other	7.84	8.47	8.41	9.13	9.91

(1) Total nonfarm employment in thousands.

Source: United States Bureau of Labor Statistics (www.bls.gov)

UNEMPLOYMENT RATES

The following table sets forth the unemployment percentage rates in Davidson County, the MSA, the State and the United States for the calendar years 2016-2025.

Geographical Areas	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nashville/Davidson	3.6%	2.8%	2.6%	2.5%	8.1%	4.4%	2.8%	2.7%	2.8%	3.0%
MSA	3.8	3.0	2.7	2.6	7.1	3.8	2.8	2.7	2.8	3.0
State of Tennessee	4.7	3.7	3.5	3.3	7.4	4.4	3.4	3.3	3.4	3.5
United States	4.9	4.4	3.9	3.7	8.1	5.4	3.7	3.6	4.0	4.3

Source: United States Bureau of Labor Statistics (www.bls.gov)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS

JUNE 30, 2025

PRINCIPAL EMPLOYERS	NUMBER OF EMPLOYEES	PERCENTAGES OF TOTAL EMPLOYMENT
Vanderbilt University	41,284	3.65%
State of Tennessee	28,185	2.49
HCA Healthcare Inc.	27,700	2.45
Metro Nashville-Davidson County Government and Public Schools	22,322	1.97
United States Government	14,678	1.30
Amazon	13,200	1.17
Ascension Saint Thomas	10,069	0.89
The Kroger Company	8,100	0.72
Nissan North America[1]	7,250	0.64
Western Express Inc.	5,148	0.45
TOTAL	**177,936**	**15.73%**

[1] Located a few miles outside Metropolitan Government.
Source: Metropolitan Government ACFR for the Fiscal Year ended June 30, 2025

Private-Sector Investment and Job Creation

Continued expansion in Nashville has occurred in recent years in corporate and regional headquarters, the technology industry, manufacturing, health care management and many areas where the local economy has established strength and growth potential.

East Bank Development

The East Bank development project (called "Imagine East Bank") is being led by the East Bank Development Authority ("EBDA"), a newly-created instrumentality of the Metropolitan Government, to reimagine the East Bank, the 550-acre site lying immediately to the east of the Cumberland River and adjacent to downtown Nashville, which is currently comprised of mostly asphalt parking lots, industrial and commercial uses, and the existing Nissan Stadium. The nearly 80-acre East Bank project is expected to include $4.5 billion of public and private investment, spanning 2.7 million square feet of building space, the second largest development project in Tennessee. Imagine East Bank involves transforming the East Bank into a multi-use development with various public and private components, including walkable districts, with hotels, restaurants, entertainment, and residential developments. The plans include a 65-acre corporate headquarters campus for the Oracle Corporation, a new campus for the Tennessee Performing Arts Center, 12 acres of riverfront parks and greenways, and the construction of a new Nissan Stadium.

Oracle Corp.

Oracle is a multinational computer technology corporation best known for its software products, cloud-engineering services and systems and database management systems. Oracle has committed to a large-scale investment on the northern end of the East Bank. The planned 65-acre campus will serve as the company's world headquarters. As part of the project, Oracle has committed to several infrastructure investments and a new pedestrian bridge crossing the river and connecting the East Bank to the Germantown

neighborhood just north of downtown Nashville. Oracle began clearing the site in February 2026 and the redevelopment is expected to be finished by 2031.

New Nissan Stadium

The new, enclosed Nissan Stadium is currently under construction and scheduled to be open prior to the 2027 NFL season, but its purpose is expected to go far beyond the team's home games. With a seating capacity of roughly 60,000, the enclosed stadium is designed to serve as a year-round facility, attracting concerts, NCAA Final Fours, college football playoffs, and other large-scale events. Nashville has already secured its bid for its first Super Bowl in 2030. The space and its high-profile events are expected to bolster convention business by providing an additional venue that can be utilized for large gatherings in conjunction with events at the Convention Center.

East Bend

A 47-acre mixed-use redevelopment of former industrial/scrapyard property along the Cumberland River on the East Bank, just south of the new Nissan Stadium, is currently in the pre-construction/planning stage. The site was historically operated as a metal recycling/scrapyard facility and is being transformed into a mixed-use urban neighborhood with housing, retail, restaurants, entertainment, public parks, riverfront access, and potential cultural amenities.

Amazon

In 2018, the American multinational e-commerce and technology company, Amazon.com, Inc. ("Amazon"), announced its plans to invest $230 million in Nashville to build its newest operations center, consisting of two towers, to be located at Nashville Yards in Downtown Nashville. With one tower complete, Amazon announced in 2025, the beginning of the interior work on the second 24-story Amazon Tower II.

The mixed-use development creates 7,200 permanent jobs. This mixed-use development included plans for a new operations center combined with a massive complex of hotels, shops, restaurants, apartments, offices and a 1.3-acre park. The new Amazon operations site includes management and tech-focused jobs, including software developers, customer fulfillment, transportation, supply chain, and various other employment opportunities.

The $230 million investment created approximately 7,200 new permanent jobs at the Amazon operations center. These innovative and highly compensated employment opportunities are expected to continue to boost the Nashville economy, provide workers with attractive and equitable opportunities, and distinguish Nashville from other major cities by making it a premiere location for business investment and career opportunities. Since 2010, Amazon has invested nearly $13 billion in Tennessee and $530 billion in the United States subsequently creating more than 25,000 jobs in Tennessee in its operations, logistics, corporate and technology functions.

Other Nashville Business Investment

Over the past several years, many national and global companies have relocated and/or expanded their headquarters or operations site into Nashville or announced their intention to do so.

In 2018, the global asset management firm, AllianceBernstein L.P. ("AllianceBernstein"), announced its plans to invest $70 million and create 1,050 jobs in Nashville as it relocates its corporate headquarters from New York to Downtown Nashville. Just two years later in 2020, AllianceBernstein announced plans to invest another $10 million and add another 200 jobs to its downtown operations. These two investments represent a combined $80 million and 1,250 jobs. AllianceBernstein serves as the

corporate tenant anchor for Fifth + Broadway in Downtown Nashville. Fifth + Broadway is a $450 million public-private partnership redevelopment of the former Nashville Convention Center. Fifth + Broadway features more than 380 residential units, a 26-story, 385,000-square-foot office tower, Assembly Food Hall, a renovated conference center, and the National Museum of African American Music.

Capgemini, the global information technology consulting firm, announced it will invest $20.1 million to establish operations in Nashville. Headquartered in France and located in 50 countries, Capgemini will create a minimum of 500 new jobs, with projected growth of up to 1,000 jobs, as the company launches its first Tennessee delivery center at Broadwest in Nashville.

Smart, the London-based retirement fintech company has chosen Nashville for its United States headquarters. The Smart relocation project is anticipated to create nearly 130 new jobs and yield a $2.2 million investment into Nashville.

August BioServices, a contract development and manufacturing organization (CDMO) which supports the global pharmaceutical industry, announced plans to invest $130 million and create 270 jobs. This two-phased growth plan will construct a new, state-of-the-art, drug development and manufacturing facility that will feature multiple high-speed production lines capable of delivering commercial scale throughput across a wide array of sterile injectables containers, including vials, IV bags and prefilled syringes.

Harrow, Inc. announced the expansion of their corporate headquarters in Nashville. One of the leading U.S. eyecare pharmaceutical companies, Harrow will invest nearly $3 million and create 147 new jobs as part of the project, increasing its current headcount in Tennessee by nearly 70%.

In 2019, iHeartMedia, the leading audio company in the United States selected Nashville as the location for iHeartRadio's second digital headquarters, further expanding its current New York-based digital team; creating new jobs; and building on iHeartRadio's continued growth and innovation as the leading audio platform for consumers across the country.

Other business investment successes within Nashville include the establishment of the first Amazon Air cargo aircraft ("Amazon Air") at the Nashville International Airport ("BNA"). Amazon Air will use over 39,000 square feet of space at BNA. Amazon Air's Nashville gateway at BNA will include an onsite area to sort packages bound for their next destination and will be managed by an Amazon logistics partner, LGSTX Cargo Services. The Amazon Air's Nashville gateway is anticipated to create and support more than 70 jobs.

Nashville Record Pressing will establish operations in Nashville, which includes relocating its headquarters, and establishing certain manufacturing, distribution, and back-office functions. Nashville Record Pressing is estimated to invest $13.3 million into this expansion which is estimated to create 255 new permanent jobs in Nashville.

United Record Pressing, the oldest and largest vinyl record pressing plant in North America, announced the company will expand manufacturing operations at its headquarters to create 209 additional jobs. Continued expansion has occurred in recent years in corporate and regional headquarters, the technology industry, manufacturing, health care management and many areas where the local economy has established strength and growth potential.

In addition to recent business investment announcements, Nashville continues to serve as home to numerous major corporate headquarters and employers.

HCA (Hospital Corporation of America) Healthcare Inc. is headquartered in Nashville and is a company that operates various hospitals, surgery centers, freestanding clinics, emergency rooms, urgent

care centers and physician clinics. According to the *Nashville Business Journal* Book of Lists published in 2024-2025, this company was ranked among: (i) the top 25 largest employers in Nashville with an estimated local employment of 27,700 individuals; and (ii) the largest public healthcare companies with an estimated revenue of $60.23 billion in 2022. See "Healthcare" below.

Ascension is headquartered in St. Louis, Missouri, and operates physician practices and the Ascension Saint Thomas Hospital Midtown located in Nashville through providing 24/7 comprehensive healthcare services, including emergency care for life-threatening injuries and illnesses. According to the *Nashville Business Journal* Book of Lists published in 2024-2025, this company was ranked amongst the top 25 largest employers in Nashville with an estimated local employment of 10,069 individuals. See "Healthcare" below.

In 2021, Asurion opened a new, state-of-the-art facility in Nashville where it is currently headquartered. Asurion operates as a company that offers technical assistance and support for various tech devices and appliances. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked among: (i) the top 30 largest employers in Nashville with an estimated local employment of 3,400 individuals; and (ii) the top 30 largest private companies.

Bridgestone Americas is currently headquartered in Tokyo, Japan and operates as a company that manufactures tires, produces air springs, roofing materials, industrial fibers and textiles. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked among: (i) the top 30 largest employers in Nashville with an estimated local employment of 2,474 individuals; and (ii) the top 30 largest manufacturers.

Genesco is a footwear focused specialty retailer and branded company with more than 1,400 stores in the United States, Canada, the United Kingdom, and Republic of Ireland. Genesco is a leading Nashville-based specialty retailer and branded company with nearly 100 years of success selling footwear and accessories. In 2022, Genesco unveiled its new 7-floor 182,000 square foot headquarters in Nashville which currently houses an estimated 850 employees.

Additionally, the RMR Group Inc. has acquired 16 acres located within the East Bank immediately to the north of the location of the new Nissan Stadium development, and has submitted a development plan to the Metropolitan Government that contemplates three million square feet of mixed-use space.

Nextpower expanded their corporate operations, adding an additional 60 jobs and investing almost $14.5 million. Nextpower engineers advanced technologies that unify structural, electrical, and digital layers to optimize clean energy generation, control, and reliability.

Nissha Medical Technologies ("NMT") officials announced the company has selected Nashville, Tennessee, to relocate its engineering operations. NMT will create 38 new jobs and invest $4.5 million through the project with plans to share incubator space for research and development (R&D) at Vanderbilt University as its new Center of Excellence.

Carlex Glass America executives announced the company will expand its advanced manufacturing operations in Nashville. The more-than $55 million project will create 143 high-skill jobs and equip the Davidson County campus with next generation production lines. Scheduled for completion in mid-2026, the expansion will enable Carlex to fabricate larger precision-formed automotive glass using the most technologically advanced equipment available – the only end-to-end process of its kind in North America.

Professional Land Surveyors ("PLS") relocated to Davidson County, adding 52 jobs and investing $430,000. PLS provides land survey, construction survey, and due diligence services for high-value real estate transactions.

Richards & Southern expanded their operations, adding 26 jobs and investing $6.5 million. Richards and Southern Inc. is a full-service merchandise design, manufacturing, sales and licensing company serving brands and entertainers world-wide.

Dynamic Concept a global leader in aluminum technologies and casthouse solutions, proudly announces the launch of Dynamic Concept USA, a new operations unit in the U.S., located in Nashville, Tennessee. They added 22 jobs and invested $710,000. For over 20 years, the company has delivered high-performance engineering and advanced equipment to aluminum producers worldwide. With a strong presence in North America, Europe, and the Middle East, this strategic expansion reflects the company's mission to bring its expertise closer to its clients, especially those located in the dynamic and rapidly growing Midwest industrial corridor.

Manufacturing

As of August 2025, approximately 87,600 persons were employed in the manufacturing industries in the Nashville MSA, engaging in a wide range of activities and producing a variety of products, including food, tobacco, textiles and furnishings, lumber and paper, printing and publishing, chemical and plastics, leather, concrete, glass, stone, primary metals, machinery and electronics, motor vehicle equipment, measuring and controlling devices, and consumer products. Nashville MSA's largest manufacturing employers include Nissan North America, Bridgestone Americas, Electrolux Home Products, A.O. Smith Water Products and Vought Aircraft Industries.

Trade

Nashville is the major wholesale and retail trade center for the MSA along with some 50 counties in the central region of the State of Tennessee, southern Kentucky and northern Alabama. Nashville is a retail trade area of more than 2.3 million people with consumer spending by Nashville MSA residents that exceeds $32.0 billion. Nashville is one of the top 50 retail markets in the United States. In the Nashville region, there are 245 shopping centers with 37.3 million square feet of gross leasable area. Nine of these centers are super-regional and 15 are regional.

Agriculture

Nashville is surrounded by agricultural-based economies. The area encompassing middle Tennessee produces livestock, dairy products, soybeans, small grain, feed lot cattle, strawberries, hay and tobacco. Nashville's agricultural identity in the state is further established by the fact that it is the home of the Ellington Agricultural Center, which is the headquarters for the Tennessee Department of Agriculture, the Tennessee Agricultural Museum, and the Tennessee Wildlife Resources Agency. The Ellington Agricultural Center is located 10 miles south of Downtown Nashville and is the heart of the state's agricultural interests.

Transportation

Nashville serves as a conduit or trans-shipment point for much of the traffic between the northeast and southeast United States. Three interstate highways extending in six directions intersect in Nashville in addition to nine Federal highways and four State highways. Barge service on the Cumberland River, together with good rail and air services, gives Nashville an excellent four-way transportation network.

The Cumberland River, connecting Nashville and the surrounding area to the Gulf of Mexico and intermediate points on the Ohio and Mississippi Rivers, is used by 51 commercial operators, 18 of which serve Nashville. With the completion of the Tennessee-Tombigbee Waterway in 1985, Cumberland River freight is able to reach the Port of Mobile, thereby eliminating approximately 600 miles of the distance from Nashville to the open sea and contributing to the development of foreign trade in Nashville. In

addition, the Federal Government in 1982 approved Nashville as a Foreign Trade Zone, a secured area supervised by the United States Customs Service, which provides for the storing of foreign merchandise without duty payments.

The CSX System, a major national railroad, serves Nashville. In addition, five major rail lines link Nashville to all major markets in the nation. Rail carriers interchange freight and cooperate in providing and extending transit privileges covering both dry and cold storage and the processing or conversion of materials.

A commuter rail service from Lebanon, Tennessee to Nashville, approximately 32 miles, known as the Music City Star, commenced transportation services in September of 2006. It is operated under the direction of the Regional Transportation Authority, a multi-county agency. The ticket price includes Metropolitan Transportation Authority ("MTA") bus service on circulator routes in the downtown area.

In 1973, the Metropolitan Government acquired the net assets of the Nashville Transit Company, and MTA was established. The MTA provides a comprehensive public transportation system covering the entire metropolitan area. In addition to regularly scheduled bus routes, the MTA provides special transportation services for the handicapped and operates bus service in the downtown area for shoppers, tourists and downtown workers. The revenues derived from the transit system are not sufficient to pay the expenses incurred in the operation of the system. During the Fiscal Year ended June 30, 2025, the Metropolitan Government and the State of Tennessee contributed approximately $83.366 million and $6.272 million, respectively, to pay approximately 67.1% of the MTA's operating expenses. The State of Tennessee directs revenues from a two cent per gallon gasoline tax, which it imposes on local governments that may be applied to mass transit. The contribution of the Metropolitan Government was paid from its general revenues.

The MTA received an additional $3 million in its Fiscal Year 2025 operating budget. A portion of this budget increase will cover operating costs for the new Dr. Ernest Rip Patton, Jr. North Nashville Transit Center, which is opening later this year located at 6th Avenue and Clarksville Highway. This transit center is part of a larger effort to enhance public transit accessibility citywide. This transit center will feature an air-conditioned waiting room, restrooms, and multiple bus bays, enabling seamless connections between routes spanning throughout the Metropolitan Government. During Fiscal Year 2024, the MTA implemented several service enhancements as part of its "Better Bus" initiative. These improvements included increased route frequency, extended routes, introduction of new bus routes, and the addition of new WeGo Link Zones. The Fiscal Year 2026 budget includes funding to sustain these enhanced services.

The Metropolitan Government's $3.1 billion transit improvement plan, "Choose How You Move", is focused on expanding bus services, constructing new sidewalks, upgrading traffic signals to improve mobility, enhancing safety for riders while reducing transportation costs for residents. In November 2024, Metropolitan Government voters approved, by referendum, the imposition of a 0.5% surcharge on retail sales to fund the construction and operation of a transit program for the Metropolitan Government (the "Transit Program"). The Transit Program envisions utilizing this new funding source, in combination with federal formula funds, federal competitive grants, state funding, transit fares, and other agency revenue, to fund a multi-modal transit system, including 24/7/365 bus transit service for the first time in Nashville's history with better frequency and more crosstown and local routes, 86 miles of related connecting sidewalks, smart traffic signals, and improvements to roads and streets.

The Metropolitan Nashville Airport Authority (the "Airport Authority") owns BNA and the John C. Tune airport. Funding for the Airport Authority's capital and operating expenses is provided exclusively from Airport Authority revenues. BNA is situated approximately eight miles from downtown Nashville. BNA continues to experience record-breaking growth with 25.7 million total travelers at the end of Fiscal Year 2025. Currently, BNA averages 670 daily airline arrivals and departures to 113 nonstop destinations. Various international flights continue to be added to BNA including transoceanic flights with direct service

to Reykjavik, Iceland via Icelandair, and Dublin, Ireland via Aer Lingus. BNA continued expansions inside with reimagined concessions opening 49 new food, beverage, and retail spaces. Nashville's legendary Bluebird Café performed its first concert series away from its historical venue live at BNA. S&P Global Ratings raised its long-term rating and underlying rating to "AA-" from "A+" on the Airport Authority's senior-lien airport revenue bonds, with a stable financial outlook on February 7, 2023. In April 2023, BNA opened its newest six-level parking garage that adds 1,800 additional covered parking spaces and connects directly to the on-site Hilton hotel opening later this year.

Construction

Construction in the Metropolitan Government is illustrated by the table on the following page describing the number and value of building permits issued by the Department of Codes Administration of the Metropolitan Government.

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NUMBER AND VALUE OF BUILDING PERMITS IN THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

	RESIDENTIAL CONSTRUCTION		NON-RESIDENTIAL CONSTRUCTION		REPAIRS, ALTERATIONS, AND INSTALLATIONS		OTHER [1]			
Calendar Year	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Total Number of Permits	Total Permit Value
2016	5,858	1,751,681,098	1,136	1,607,184,808	2,737	562,151,606	2,694	21,911,674	12,425	3,942,929,186
2017	5,537	1,084,398,438	1,196	1,996,276,985	2,342	572,053,980	2,642	24,394,733	11,717	3,677,124,136
2018	5,536	989,334,771	866	1,931,789,059	2,458	639,160,352	2,771	15,622,773	11,431	3,575,906,955
2019	5,195	968,600,069	1,056	2,598,254,537	2,374	607,178,804	2,388	26,243,063	11,013	4,200,276,473
2020	5,065	1,087,364,258	1,262	2,849,430,768	2,245	637,530,427	2,893	48,416,444	11,465	4,658,741,897
2021	5,840	1,354,609,341	1,422	3,233,814,213	1,935	849,251,371	2,877	59,010,065	12,074	5,496,684,990
2022	6,434	1,522,597,275	1,235	3,148,493,682	1,956	620,952,445	2,708	77,395,665	12,333	5,369,439,067
2023	5,237	1,158,284,840	1,151	2,747,824,413	1,995	927,124,866	1,982	56,243,509	10,365	4,889,477,628
2024	5489	1,132,124,208	930	1,981,475,145	1,553	894,237,032	1,806	37,471,152	9,778	4,045,307,537
2025	5527	1,196,563,949	997	2,240,556,041	1,778	965,452,568	1,991	31,822,189	10,293	4,434,394,747

[1] Includes moved residential buildings, house trailers, and the demolition of residential and non-residential buildings and signs & billboard permits.

Source: Metropolitan Government Department of Codes Administration

Healthcare

Nashville is one of the nation's leaders in the healthcare field. HCA Healthcare has its headquarters and operates several hospitals in the surrounding area. Vanderbilt University Medical Center and St. Thomas Hospital are Nashville's other primary hospitals.

The Metropolitan Government relocated the city-owned hospital, the Metropolitan Nashville General Hospital, to Hubbard Hospital of Meharry Medical College in 1998. In addition, Meharry provides medical staff to the Metropolitan Nashville General Hospital. The arrangement provides Nashville with a renovated facility staffed with residents from Meharry Medical College.

Higher Education

The Nashville MSA includes over 20 colleges and universities, including Vanderbilt University, Belmont University, Tennessee State University, Lipscomb University, Meharry Medical College, Nashville State Community College and Fisk University. Total higher education enrollment exceeds 120,000 students annually. Several of Nashville's institutions of higher education offer graduate programs. Nashville is also a leading center for medical research and education with Vanderbilt University emphasizing medical research in addition to its programs in other disciplines and with Meharry Medical College specializing in health care delivery.

Professional Sports

The Metropolitan Government is home to four professional sports franchises, all of which are located in or near downtown Nashville. The NFL's Tennessee Titans have played their football games in Nissan Stadium since 1999, and the Metropolitan Government hosted the NFL draft in 2019. The National Hockey League's ("NHL") Nashville Predators currently play their hockey games in the Bridgestone Arena, and the Metropolitan Government hosted the NHL All-Star game in 2017. The Nashville Sounds, the AAA affiliate of the Milwaukee Brewers, play their baseball games in First Horizon Ballpark. The MLS' Nashville Soccer Club plays its games at GEODIS Park.

Cultural Facilities

Library System

The Nashville Public Library system includes a 300,000 square feet downtown main library and 20 community branches located across the county. In addition, an extensive online offering of books and resources has extended its reach beyond the traditional branch system. The library facilities host numerous in-house programs and community events throughout the year. In the Fall of 2019, the State of Tennessee completed the construction in downtown Nashville of a 165,000 square foot library and archives.

Performing Arts

The Tennessee Performing Arts Center is the first state-funded facility of its kind in the nation and is home to the Nashville Ballet, the Nashville Opera Association, and the Tennessee Repertory Theatre. The arts center occupies an entire city block, and its venues include Andrew Jackson Hall (2,472 seats), the James Polk Theater (1,075 seats), the Andrew Johnson Theater (264 seats), and the War Memorial Auditorium (1,661 seats). The Tennessee Performing Arts Center plays host to numerous events each year, including an annual series of Broadway plays. The Nashville Children's Theater is home to the oldest professional theater for children in the county. Thousands of school age children and adults are treated to a variety of productions each year. The Schermerhorn Symphony Center is located in Downtown Nashville

and consists of numerous spaces with its main venue being the 1,844-seat Laura Turner Concert Hall, which hosts the Nashville Symphony.

Museums and Visual Arts

The Frist Art Museum occupies Nashville's historic downtown former post office building. A public-private partnership between the Metropolitan Government, the Frist Foundation and the Dr. Thomas F. Frist, Jr. family, the Frist Art Museum contains more than 24,000 square feet of gallery space capable of showcasing major national and international visual arts exhibitions.

The Parthenon, located in Nashville's Centennial Park, is a full-scale replica of the original building in Athens, Greece. The reproduction was built to honor Nashville's reputation for education and has attracted visitors since 1897. The recently restored building serves as Nashville's permanent art museum, holding a collection of paintings by 19th and 20th century American artists.

Cheekwood Botanical Garden and Art Museum is a 55-acre site that includes the original Cheek gardens, with pools, fountains, statuary, extensive boxwood plantings and breathtaking views of the rolling Tennessee hills. The Museum of Art is housed in a 30,000-square foot Georgian-style mansion and contains world-class collections of American and contemporary painting and sculpture, English and American decorative arts and traveling exhibitions. Collections also include silver, and the most comprehensive collection of Worcester porcelain in America.

Vanderbilt University's Fine Arts Gallery showcases six exhibitions each year that represent Eastern and Western art and an international collection of works. The Van Vechten Gallery at Fisk University houses more than 100 pieces from artists like Picasso, Renoir, and O'Keeffe. For religious art, there's a wooden 8-foot-by-17-foot carving of "The Last Supper" based on Leonardo da Vinci's masterpiece at The Upper Room Chapel, along with a striking 9,000 pieces of mosaic-stained glass called the World Christian Fellowship Window. The museum at the Upper Room also has outstanding religious works, besides two annual displays of nearly 70 Ukrainian Easter eggs in April and more than 100 Nativity scenes in December.

The Country Music Hall of Fame and Museum is one of the world's largest and most active popular music research centers and the world's largest repository of country music artifacts. In May 2001, the Museum moved to a new 130,000 square foot facility in downtown Nashville. In 2014, the Museum expanded to 350,000 square feet to connect to the new Omni headquarters hotel described below.

The Adventure Science Center features a state-of-the-art Planetarium as well as exhibits and programs which focus on geology, zoology, ecology, physics and other sciences. The Nashville Zoo at Grassmere is a zoological garden and historic plantation farmhouse located six miles from downtown. The Zoo contains over 6,000 individual animals and attracts approximately 950,000 visitors each year. The Tennessee State Museum opened in the Bill Haslam Center in October 2018 with 137,000 square feet of administration and gallery space.

The National Museum of African American Music opened in 2021. This museum celebrates the history of Black music in America and has the mission to educate the world, preserve the legacy, and educate visitors on the central role African Americans played in creating American music. The National Museum of African American Music is an over 56,000 square feet venue located in Downtown Nashville. It is the only museum dedicated to preserving and celebrating the many music genres created, influenced, and inspired by African Americans. The National Museum of African American Music markets itself as the premier global destination for music lovers of all generations.

Music Concert Venues

The Metropolitan Government hosts large concert events at either the Bridgestone Arena or the Nissan Stadium. Smaller indoor venues include the Ryman Auditorium – the 2,362-seat original home of the Grand Ole Opry – and the new Grand Ole Opry, a 4,372-seat theater venue located near Gaylord Opryland Resort & Convention Center that hosts America's longest running live radio show. The Metropolitan Government opened Ascend Amphitheater in 2015, which maintains capacity of 6,800 and is located downtown, adjacent to the Cumberland River. The 4,500-seat Woods Amphitheatre at Fontanel is located nine miles north of downtown.

Tourism

Tourism is a major industry in Nashville consistently ranking in the top three producers. The Nashville Convention and Visitors Corporation and Tourism Economics estimate that visitors spent $11.22 billion in 2024.

As of May 2026, the Nashville MSA had 528 hotels offering 61,762 rooms. The table below shows the room availability and occupancy rate for the Nashville MSA in the last 10 years.

NASHVILLE MSA HOTEL AND MOTEL ROOMS / OCCUPANCY RATE

Calendar Year	Rooms Available	Occupancy Rate
2016	40,558	75.10%
2017	41,733	74.10%
2018	44,335	73.30%
2019	47,676	73.50%
2020 [(1)]	50,654	40.88%
2021 [(1)]	54,499	59.10%
2022	57,576	68.60%
2023	57,476	68.69%
2024	59,971	66.40%
2025	61,762	65.50%

[(1)] Hotels experienced declines in their occupancy rates due to the impact of the COVID-19 pandemic.

Source: Nashville Convention and Visitors Corporation.

Conventions and Corporate Meetings

Nashville's Music City Center opened in May 2013 and features a 350,000 square foot exhibit hall, 75,000 square feet of ballroom space (consisting of a 57,000 square foot grand ballroom and an 18,000 square foot junior ballroom), 90,000 square feet of meeting rooms, 31 loading docks and a parking garage with 1,800 spaces. The Music City Center celebrated its 10th anniversary in May of 2023, and continues to serve the Metropolitan Government by attracting various local and national events. Over the last 10 years, the Music City Center hosted 2,335 events, including 462 local nonprofit events, with an attendance record of 4.4 million people, equating to $3.3 billion in direct economic impact for the greater Nashville region.

The Music City Center's location created a high demand for hotel rooms, particularly full-service properties. The 800-room full-service hotel called the "Omni Nashville Hotel" opened in September 2013 next to the Music City Center. In the fall of 2016, the 456-room full-service hotel called "The Westin Nashville" opened adjacent to the Music City Center. The 533-room full-service hotel called the "JW Marriott Nashville" opened in 2018. Also, the 673-room full-service hotel called "Renaissance Nashville Hotel", the 591-room full-service hotel called the "Grand Hyatt Nashville", and several other full service hotels have opened near the Music City Center. Also, several smaller hotels have also opened near the Music City Center. The Music City Center and its adjacent hotels are located within walking distance of the Downtown Entertainment District, as described below.

Located approximately ten miles from downtown is the Gaylord Opryland Resort & Convention Center, the third largest hotel/convention center under one roof in the United States. The complex features 2,881 hotel rooms, 263,000 square feet of exhibit space and 300,000 square feet of meeting space. A $90 million indoor waterpark was completed in December 2018. Adjacent to the Gaylord Opryland Resort & Convention Center is the Grand Ole Opry, described above, and Opry Mills – a 1.1 million square foot megamall, which opened in May 2000. The mall contains 200 stores, theme restaurants, a 20-screen multi-theater complex and an IMAX theater. In early 2025, Ryman Hospitality Properties, Inc., the Nashville-based ownership group for the Gaylord Opryland Resort & Convention Center, announced that a $131 million expansion is planned for completion in the spring of 2027. The expansion includes a new approximately 31,000-square-foot ballroom, 38,000 square feet of breakout space and 39,000 square feet of pre-function space.

Downtown Entertainment District

The Downtown Entertainment District encompasses approximately 20 square blocks centered around historic Lower Broadway ("Lower Broad"). Lower Broad consists primarily of historic brick restaurants and bars that feature live music and entertainment. Many of the restaurants and bars are owned and/or sponsored by current and former music artists. Lower Broad is a short walk to the Music City Center and its adjacent hotels, the existing Tennessee Titans Stadium, the Country Music Hall of Fame and Museum and most other Downtown Nashville attractions. The Music City Center, the Omni Nashville Hotel, The Westin Nashville, the Grand Hyatt Nashville, the JW Marriott Nashville, and other full-service adjacent hotels are each located in Downtown Nashville within the Central Business District, and are within walking distance of many notable attractions, including but not limited to, the Bridgestone Arena, the existing Tennessee Titans Stadium, the Ryman Auditorium, Frist Art Museum, Schermerhorn Symphony Center, Musicians Hall of Fame and Museum and the Johnny Cash Museum. In addition to Lower Broad, Nashville's Downtown Entertainment District also includes Second Avenue, Riverfront and Printers Alley, being collectively known as "The District". The District is commonly known for its nightlife, bars and clubs that offer a unique experience that includes different shopping and dining options.

Seasonal, Festival and Sporting Events

Downtown Nashville annually hosts several seasonal, festival and sporting events. Downtown Nashville hosts one of the nation's largest New Year's Eve parties each year, with approximately 100,000 people coming downtown for fireworks and live music. Nashville also hosts a four-day music festival each June known as CMA Music Fest. The event includes performances by more than 100 entertainers and groups, autograph sessions and activities directed at the attendees. The Titans Stadium hosts the college football Music City Bowl each December, and the Bridgestone Arena is a regular host for Southeastern Conference and NCAA men's and women's basketball tournaments.

Education

The Metropolitan Nashville Public Schools is the second largest school district in Tennessee and the forty-ninth (49th) largest school district in the United States. The following table illustrates the enrollment and attendance trends for the Metropolitan Nashville Public Schools:

PUBLIC SCHOOL ENROLLMENT AND ATTENDANCE

School Year	Total Enrollment	Average Attendance
2015-2016	85,797	77,791
2016-2017	86,633	78,098
2017-2018	85,379	77,117
2018-2019	86,292	77,218
2019-2020	84,358	77,474
2020-2021	80,118	74,577
2021-2022	79,651	73,120
2022-2023	80,701	73,292
2023-2024	78,709	71,713
2024-2025	80,593	73,114

Source: The Metropolitan Government of Nashville and Davidson County.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

$[_____] Electric System Revenue Bonds, 2027 Series A
$[_____] Electric System Revenue Refunding Bonds, 2027 Series B

for the use and benefit of the
ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BOND PURCHASE AGREEMENT

January [__], 2027

The Metropolitan Government of Nashville and Davidson County
Nashville, Tennessee

Electric Power Board of the Metropolitan Government of Nashville and Davidson County
Nashville, Tennessee

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), on behalf of itself and the other underwriters listed in Appendix I attached hereto (collectively, the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (this "Agreement" or "Bond Purchase Agreement") with The Metropolitan Government of Nashville and Davidson County (the "Issuer") for the purchase by the Underwriters and the sale by the Issuer of the Issuer's Electric System Revenue Bonds, 2027 Series A (the "2027 Series A Bonds") and its Electric System Revenue Refunding Bonds, 2027 Series B (the "2027 Series B Bonds" and collectively with the 2027 Series A Bonds, the "2027 Series A and B Bonds") for the use and benefit of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, doing business as "Nashville Electric Service" ("NES"). This offer is made subject to acceptance thereof by the Issuer prior to 9:00 p.m., prevailing time in Nashville, Tennessee, on the date hereof, and, upon such acceptance, evidenced by the signature of a duly authorized officer of the Issuer and acknowledged by a duly authorized officer of NES in the space provided below, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, NES and the Underwriters.

The 2027 Series A and B Bonds will be issued pursuant to the Electric System Revenue Bond Resolution, adopted by the Issuer on November 5, 1985, as heretofore amended and supplemented, including, without limitation, as supplemented by the Thirty-Second Supplemental Electric System Revenue Bond Resolution adopted by the Issuer on [November 17], 2026, and as may be hereafter amended and supplemented (such Electric System Revenue Bond Resolution, as amended and supplemented, is hereinafter referred to as the "Resolution"). Capitalized terms used herein and not otherwise defined will have the meanings ascribed thereto in the Resolution.

A. Purchase Price.

1. Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriters, all (but not less than all) of the Issuer's: (a) 2027 Series A Bonds, in the original aggregate principal amount of $[_____] at an aggregate purchase price of $[_____] (the "2027 Series A Purchase Price"), representing the

aggregate principal amount of the 2027 Series A Bonds, plus [net] original issue premium/discount of $[_____], less underwriters' discount of $[_____], and (b) 2027 Series B Bonds, in the original aggregate principal amount of $[_____] at an aggregate purchase price of $[_____] (the "2027 Series B Purchase Price" and collectively with the 2027 Series A Purchase Price, the "Purchase Price"), representing the aggregate principal amount of the 2027 Series B Bonds, plus [net] original issue premium/discount of $[_____], less underwriters' discount of $[_____]. The 2027 Series A and B Bonds shall mature on the dates and shall bear interest commencing on their date of issuance (the "Dated Date") at the rates and shall be subject to redemption prior to maturity as set forth in the Official Statement (hereinafter defined) and on Appendix II attached hereto. The 2027 Series A and B Bonds shall be payable at the times and in the manner, and shall otherwise have the terms and provisions, set forth in the Official Statement.

2. If the Issuer accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the 2027 Series A and B Bonds upon tender thereof by the Issuer at the Closing as herein provided, the parties hereby agree that the damages to the Issuer shall be fixed at one percent (1%) of the aggregate principal amount of the 2027 Series A and B Bonds, and, upon such failure of the Underwriters to accept and pay for the 2027 Series A and B Bonds, the Underwriters shall be obligated to pay to the Issuer such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the Issuer be entitled to damages of any nature other than the liquidated damages herein specified.

B. Delivery of and Payment for the 2027 Series A and B Bonds.

1. At or prior to noon, prevailing time in Nashville, Tennessee on February [__], 2027, the date of delivery and payment for the 2027 Series A and B Bonds (the "Closing Date"), or at such other time or date as shall have been mutually agreed upon by the Issuer and the Representative, the Issuer will deliver or cause to be delivered to the Representative, the 2027 Series A and B Bonds, qualified for book-entry delivery through The Depository Trust Company ("DTC") in New York, New York, or at the offices of Regions Bank (the "Paying Agent" and "Registrar") in Nashville, Tennessee in definitive form, duly executed by officers of the Issuer designated in the Resolution and authenticated by an authorized signatory of the Registrar, together with the other documents hereinafter mentioned; and, subject to the conditions contained herein, the Representative will accept such delivery and pay the Purchase Price by wire transfer of immediately available funds payable to the order of NES.

2. Delivery of the definitive 2027 Series A and B Bonds shall be made as aforesaid, or at such other location as may be designated by the Representative at least one business day prior to the Closing Date. Payment for the 2027 Series A and B Bonds shall be made as set forth in Section B.1. hereof. The delivery of the other documents shall be made at the offices of NES or such other location agreed to by the Representative, the Issuer and NES. Such payment and the related delivery is herein called the "Closing." The 2027 Series A and B Bonds will be delivered as fully-registered bonds, bearing proper CUSIP numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the 2027 Series A and B Bonds.

3. After execution by the Issuer, the 2027 Series A and B Bonds shall be held in safe custody by DTC in New York, New York or by DTC through the Registrar and the "FAST

Program." The Issuer shall release or authorize the release of the 2027 Series A and B Bonds from safe custody at the Closing upon receipt of payment for the 2027 Series A and B Bonds as aforesaid.

C. Official Statement.

1. The Issuer hereby consents to and confirms the prior use by the Underwriters of the Preliminary Official Statement, dated January [__], 2027 (the "Preliminary Official Statement"), delivered to the Underwriters and made available on the Internet at www.munios.com on such date, in connection with the public offering of the 2027 Series A and B Bonds by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, a final Official Statement (in printed or electronic form) with respect to the 2027 Series A and B Bonds, to be dated the date hereof, and any amendments or supplements thereto that shall be approved by the Issuer and by NES (as so amended and supplemented, the "Official Statement") in connection with the public offering and sale of the 2027 Series A and B Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement previously furnished to the Representative was "deemed final" by the Issuer as of its date for purposes of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission of the United States (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except for the omission of information as is permitted by Rule 15c2-12.

2. The Issuer shall provide, or cause to be provided, to the Representative within seven business days after the date of this Bond Purchase Agreement and not later than three business days prior to the Closing, whichever comes first, ten (10) executed counterparts of the Official Statement, and an amount of conformed copies of a final Official Statement (or such lesser amount agreed to by the Representative) sufficient to permit the Underwriters to comply with Rule 15c2-12, and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer shall further cause the Official Statement to be posted on www.munios.com for the longer of twenty-five (25) days or the End of the Underwriting Period (as defined in Section F hereof).

3. The Issuer hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB, or its designee.

D. Amendments to Official Statement. The Issuer and NES covenant with the Underwriters to notify the Representative promptly if, during the Update Period (as defined in H.3), any event shall occur that would cause the Official Statement to contain, or information shall come to the attention of the Issuer or NES that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain, any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Representative such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Representative, at the Issuer's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Issuer and NES and approved by the Representative, as the Representative may reasonably request and if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

E. Public Offering and Issue Price.

1. The Underwriters intend to make an initial public offering of all the 2027 Series A and B Bonds at a price not in excess of the initial offering price or prices set forth in the Official Statement; provided, however, that the Underwriters may change such initial offering price or prices as they deem necessary in connection with the offering of the 2027 Series A and B Bonds without any requirement of prior notice, and may offer and sell the 2027 Series A and B Bonds to certain institutions (including dealers depositing the 2027 Series A and B Bonds into investment trusts) at prices lower than those stated in the Official Statement. The Underwriters also reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of any series of the 2027 Series A and B Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

2. The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the 2027 Series A and B Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications (if applicable), substantially in the form attached hereto as Appendix III, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2027 Series A and B Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the 2027 Series A and B Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

3. Except as otherwise set forth in the paragraph below and in Appendix III attached hereto, the Issuer will treat the first price at which at least 10% of each maturity of the 2027 Series A and B Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of 2027 Series A and B Bonds. If at that time the 10% test has not been satisfied as to any maturity of the 2027 Series A and B Bonds, the Representative agrees to promptly report to the Issuer the prices at which 2027 Series A and B Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all 2027 Series A and B Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the 2027 Series A and B Bonds of that maturity, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Issuer, or Bond Counsel. For purposes of this Section, if 2027 Series A and B Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2027 Series A and B Bonds.

4. The Representative confirms that the Underwriters have offered the 2027 Series A and B Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Appendix III attached hereto, except as otherwise set forth therein. Appendix III also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2027 Series A and B Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity

(the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2027 Series A and B Bonds, the Underwriters will neither offer nor sell unsold 2027 Series A and B Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5^{th}) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the 2027 Series A and B Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 2027 Series A and B Bonds to the public at a price that is no higher than the initial offering price to the public.

5. The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the 2027 Series A and B 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 third-party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold 2027 Series A and B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2027 Series A and B Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the 2027 Series A and B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of 2027 Series A and B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2027 Series A and B Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2027 Series A and B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2027 Series A and B Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2027 Series A and B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2027 Series A and B Bonds of that maturity allocated to

it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the 2027 Series A and B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

6. The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the 2027 Series A and B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2027 Series A and B Bonds, 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 2027 Series A and B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2027 Series A and B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2027 Series A and B Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2027 Series A and B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2027 Series A and B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2027 Series A and B Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the 2027 Series A and B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2027 Series A and B Bonds, 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2027 Series A and B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2027 Series A and B Bonds.

7. The Underwriters acknowledge that sales of any 2027 Series A and B Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2027 Series A and B Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

   (i) "public" means any person other than an underwriter or a related party,

   (ii) "underwriter" means (A) 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 2027 Series A and B 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 2027 Series A and B Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2027 Series A and B Bonds to the public),

(iii) a purchaser of any of the 2027 Series A and B Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (B) 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 (C) 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), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

F. End of Underwriting Period. For purposes of this Bond Purchase Agreement, the "End of the Underwriting Period" shall mean the date on which the "end of the underwriting period" for the 2027 Series A and B Bonds has occurred under Rule 15c2-12. As soon as practicable following receipt thereof, the Representative shall file the Official Statement and any supplement or amendment thereto with the MSRB.

G. Plan of Financing and Refunding.

1. The 2027 Series A and B Bonds shall be as described in, and shall be issued under and secured pursuant to, the provisions of the Resolution substantially in the form delivered to the Representative, with only such changes therein as shall be mutually agreed upon between the Issuer and the Representative prior to Closing.

2. The net proceeds from the sale of the 2027 Series A Bonds will be applied to: (i) finance all or a portion of the costs of the acquisition, expansion and improvement of the Issuer's electric power system (as defined in the Resolution, the "Electric System") operated on behalf of the Issuer by NES; (ii) [pay capitalized interest during construction of the 2027 System Improvements and for up to six months thereafter; (iii) fund the Debt Service Reserve Account; and (iv)] pay certain costs incurred in connection with the issuance of the 2027 Series A Bonds. The net proceeds from the sale of the 2027 Series B Bonds will be applied to: (i) refinance the maturities or portions of maturities of the Issuer's [Electric System Revenue Refunding Bonds, 2015 Series A, Electric System Revenue Bonds, 2017 Series A, and Electric System Revenue Refunding Bonds, 2017 Series B], listed on Appendix IV attached hereto; and (ii) pay certain costs incurred in connection with the issuance of the 2027 Series B Bonds.

3. The 2027 Series A and B Bonds will constitute limited obligations of the Issuer, payable solely from and secured as to the payment of the principal and redemption price thereof and interest thereon in accordance with the terms of the Resolution solely by a pledge of the Net Revenues (as defined in the Resolution) which consists primarily of certain Revenues (as defined in the Resolution) derived from the operation of the Issuer's Electric System and by certain funds and accounts established under the Resolution.

H. Representations and Warranties of the Issuer.

The Issuer hereby makes the following representations and warranties to the Underwriters, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

1. The Issuer is duly organized and existing, created pursuant to the provisions of the Charter of the Issuer (the "Metro Charter") which was approved by referendum on June 28, 1962, as amended, and is a political subdivision of the State of Tennessee (the "State"). The Issuer is authorized by the provisions of the Metro Charter, by Chapter 34, Title 7, Tennessee Code Annotated, as amended (the "Act") and by the Resolution to, among other things, (i) issue the 2027 Series A and B Bonds for and apply the proceeds thereof to the purposes set forth herein, in the Resolution and in the NES Resolution (as defined in Section J.1. hereof), (ii) secure the 2027 Series A and B Bonds in the manner contemplated in the Resolution, and (iii) execute and deliver the 2027 Series A and B Bonds, and perform its obligations under the 2027 Series A and B Bonds, the Resolution and this Bond Purchase Agreement.

2. The Issuer has, and at the Closing Date will have, full legal right, power, and authority pursuant to the Resolution, to enter into this Bond Purchase Agreement, to delegate to NES the authority to execute and deliver the Continuing Disclosure Agreement, dated as of the Closing Date, in substantially the form attached as Appendix F to the Official Statement (the "Continuing Disclosure Agreement"), to issue, sell, and deliver the 2027 Series A and B Bonds as provided herein, to carry out and to consummate the transactions contemplated by this Bond Purchase Agreement, the Resolution, and the Official Statement, and to apply the proceeds of the 2027 Series A and B Bonds as described in the Resolution and the NES Resolution.

3. On and as of the date hereof and, unless an event of the nature described in Section L.2. hereof subsequently occurs, at all times during the period from the date hereof to and including the date which is 25 days following the End of the Underwriting Period (the "Update Period"), the information in the Official Statement relating to the Issuer does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Issuer has complied, and will at the Closing be in compliance, in all respects, with the Metro Charter, the Resolution and the Act.

5. By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved, as applicable, the Resolution, the distribution of the Preliminary Official Statement and the execution, delivery, and distribution of the Official Statement, and has duly authorized and approved the issuance and sale of the 2027 Series A and B Bonds upon the terms set forth herein and in the Resolution and the Official Statement, and the execution and delivery of the 2027 Series A and B Bonds and this Bond Purchase Agreement, and the performance by the Issuer of the obligations on its part contained in the 2027 Series A and B Bonds, the Resolution, the Continuing Disclosure Agreement and this Bond Purchase Agreement.

6. The Issuer is not in breach of or in default under the Act, the Metro Charter or any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, or other instrument to which the Issuer is a party or is otherwise subject or by which it or its

properties may be bound, that is material to the issuance, payment or security for the 2027 Series A and B Bonds. The issuance and sale of the 2027 Series A and B Bonds upon the terms set forth herein, in the Resolution and the NES Resolution, and the execution and delivery by the Issuer of this Bond Purchase Agreement, and its compliance with the provisions of each thereof, and the application of the proceeds of the 2027 Series A and B Bonds in accordance with the Resolution and the NES Resolution as described in the Official Statement will not conflict with or constitute a material breach of or default under the Act, the Metro Charter or any law, administrative regulation, judgment, decree, indenture, loan agreement, note, resolution, agreement, or other instrument to which the Issuer is a party or is otherwise subject.

7. All approvals, consents, and orders of any governmental authority, board, agency, or commission having jurisdiction that would constitute a condition precedent to the performance by the Issuer of its obligations hereunder, the issuance of the 2027 Series A and B Bonds, and the execution and delivery and performance by the Issuer of this Bond Purchase Agreement, have been obtained or will be obtained prior to the Closing.

8. The 2027 Series A and B Bonds, when issued, authenticated, and delivered in accordance with the Resolution and sold to the Underwriters as provided herein, will be the valid and binding obligations of the Issuer as provided in the Resolution, and are enforceable against the Issuer in accordance with their terms and the terms of the Resolution, payable from the Net Revenues and other moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution, issued in conformity with and entitled to the benefit and security of the Resolution.

9. The Resolution has been duly adopted by the Issuer. The terms and provisions of the Resolution comply in all respects with the requirements of the Act and the Metro Charter. The Resolution and the 2027 Series A and B Bonds are valid and binding upon the Issuer and are enforceable against the Issuer in accordance with their terms. The Resolution creates the valid pledge which it purports to create of the Net Revenues, and moneys and securities held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

10. When executed and delivered by the parties thereto, this Bond Purchase Agreement will constitute the legal, valid and binding contractual obligation of the Issuer.

11. There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the knowledge of the Issuer, threatened against the Issuer affecting the existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the issuance, sale, or delivery of the 2027 Series A and B Bonds, or the collection of the Net Revenues pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2027 Series A and B Bonds, or the pledge thereof, or the application of the proceeds of the 2027 Series A and B Bonds in the manner contemplated by the Resolution and the NES Resolution and described in the Official Statement, or in any way contesting or affecting the validity or enforceability of the 2027 Series A and B Bonds, the Resolution or this Bond Purchase Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or contesting the power or authority of the Issuer to issue the 2027 Series A and B Bonds, or apply the proceeds of the 2027 Series A and B Bonds in the manner contemplated by the Resolution and the NES Resolution and described in the Official Statement, or to execute and deliver this Bond Purchase Agreement, or wherein an unfavorable decision, ruling, or

finding would materially adversely affect the validity or enforceability of the 2027 Series A and B Bonds, the Resolution, the Continuing Disclosure Agreement or this Bond Purchase Agreement.

12. The proceeds received from the sale of the 2027 Series A and B Bonds shall be used in accordance with the Act, the Resolution and the NES Resolution.

13. Any certificate signed by an authorized officer of the Issuer and delivered to the Representative shall be deemed a representation and warranty of the Issuer to the Underwriters as to the statements made therein.

14. Pursuant to the Resolution, the Issuer will instruct NES on behalf of the Issuer to enter into, in accordance with Rule 15c2-12, the Continuing Disclosure Agreement in substantially the form set forth in Appendix F to the Preliminary Official Statement and to the Official Statement for the benefit of bondholders to provide to the MSRB and to the appropriate state information depository, if any, (a) certain annual financial information, including audited financial statements and operating data, generally consistent with the information contained or incorporated by reference in the Official Statement, (b) timely notice of events identified in Rule 15c2-12 with respect to the securities being offered in the offering, which notice shall be made not later than ten business days after the occurrence of the event, and (c) timely notice of any failure of any obligated person to provide the required annual information on or before the date specified in the written agreement.

15. Neither the Issuer nor anyone acting on its behalf has, directly or indirectly, offered the 2027 Series A and B Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Underwriters.

16. Neither the SEC nor any state securities commission has issued or, to the best of the Issuer's knowledge, threatened to issue, any order preventing or suspending the use of the Preliminary Official Statement or the Official Statement.

17. The Issuer is not in default and has not been in default at any time as to principal or interest, with respect to any obligation issued by the Issuer.

18. The Issuer has not received any notice, directly or indirectly, from the Internal Revenue Service ("IRS"), the Department of the Treasury, or any other court, tribunal or governmental agency contesting or questioning in any way the exclusion from federal income taxation of the interest due on any tax-exempt debt of the Issuer issued on behalf of NES.

I. Covenants of the Issuer. The Issuer hereby covenants with the Underwriters that:

1. The Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended prior to the end of the Underwriting Period without the prior written consent of the Representative, which will not be unreasonably withheld.

2. The Issuer shall not amend, terminate, or rescind, and will not agree to any amendment, termination, or rescission of the Resolution or this Bond Purchase Agreement without the prior written consent of the Representative prior to the Closing Date, which will not be unreasonably withheld.

3. The Issuer shall promptly advise the Representative by written notice of any matter arising or discovered after the date of this Bond Purchase Agreement and prior to the Closing Date that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of material fact regarding the Issuer contained in the Official Statement; or any developments that affect the accuracy and completeness of the key representations (within the meaning of Rule 15c2-12) regarding the Issuer contained in the Official Statement that may occur during the Update Period.

4. The Issuer shall not voluntarily undertake any course of action inconsistent with satisfaction of the requirements applicable to the Issuer as set forth in this Bond Purchase Agreement.

5. The Issuer will not knowingly take or omit to take any action that, under existing law, may adversely affect the exemption from state income taxation or the exclusion of interest from gross income for federal income tax purposes of the holders of the 2027 Series A and B Bonds.

J. Representations and Warranties of NES.

NES hereby makes the following representations and warranties to the Underwriters, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

1. NES is duly organized and existing, created pursuant to the provisions of the Metro Charter to operate the Electric System. NES is authorized by the provisions of the Metro Charter, by the Act, by the Resolution and by the resolutions adopted by NES on [October 28], 2026 and on [January 27], 2027 (collectively, the "NES Resolution") to, among other things, execute and deliver the Continuing Disclosure Agreement and this Bond Purchase Agreement and perform its obligations under the 2027 Series A and B Bonds, the Resolution, the NES Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, dated as of February [__], 2027, among the Issuer, NES and Regions Bank, as Escrow Agent (the "Escrow Agreement"), and this Bond Purchase Agreement and to apply the proceeds of the 2027 Series A and B Bonds as contemplated by the Resolution and the NES Resolution.

2. NES has, and at the Closing Date will have, full legal right, power, and authority pursuant to the NES Resolution to enter into this Bond Purchase Agreement, to execute and deliver the Continuing Disclosure Agreement, and to carry out and to consummate the transactions contemplated by this Bond Purchase Agreement, the Resolution, the NES Resolution, the Continuing Disclosure Agreement and the Official Statement and to apply the proceeds of the 2027 Series A and B Bonds as described in the Resolution and the NES Resolution.

3. On and as of the date hereof and, unless an event of the nature described in Section L.2. hereof subsequently occurs, at all times during the Update Period, the information in the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. NES has complied, and will at the Closing be in compliance, in all respects, with the Metro Charter, the Resolution and the Act.

5. By official action of NES prior to or concurrently with the acceptance hereof, NES has duly authorized and approved the distribution of the Preliminary Official Statement and

the execution, delivery, and distribution of the Official Statement, and has duly authorized and approved the execution and delivery of the Continuing Disclosure Agreement and this Bond Purchase Agreement, and the performance by NES of the obligations on its part contained in the Resolution, the NES Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, and this Bond Purchase Agreement.

6. NES is not in breach of or in default under the Act, the Metro Charter or any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, or other instrument to which NES is a party or is otherwise subject or by which it or its properties may be bound that is material to the issuance, payment or security for the 2027 Series A and B Bonds. The issuance and sale of the 2027 Series A and B Bonds upon the terms set forth herein and in the Resolution, the NES Resolution and the Official Statement, and the execution and delivery by NES of the Continuing Disclosure Agreement, this Bond Purchase Agreement, and the Escrow Agreement, and its compliance with the provisions of each thereof, and the application of the proceeds of the 2027 Series A and B Bonds in accordance with the Resolution and the NES Resolution will not conflict with or constitute a material breach of or default under the Act, the Metro Charter or any law, administrative regulation, judgment, decree, indenture, loan agreement, note, resolution, agreement, or other instrument to which NES is a party or is otherwise subject.

7. All approvals, consents, and orders of any governmental authority, board, agency, or commission having jurisdiction that would constitute a condition precedent to the performance by NES of its obligations hereunder and the execution and delivery by NES of the Continuing Disclosure Agreement and this Bond Purchase Agreement, and performance by NES of the NES Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, and this Bond Purchase Agreement, have been obtained or will be obtained prior to the Closing.

8. The NES Resolution has been duly adopted by NES. The terms and provisions of the NES Resolution comply in all respects with the requirements of the Act and the Metro Charter.

9. When executed and delivered by the parties thereto, the Continuing Disclosure Agreement, the Escrow Agreement, and this Bond Purchase Agreement will constitute the legal, valid and binding contractual obligations of NES.

10. There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the knowledge of NES, threatened against NES affecting the existence of NES or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the issuance, sale, or delivery of the 2027 Series A and B Bonds, or the collection of the Net Revenues of the Electric System or other funds pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2027 Series A and B Bonds, or the pledge thereof, or the application of the proceeds of the 2027 Series A and B Bonds in the manner contemplated by the Resolution and the NES Resolution and described in the Official Statement, or in any way contesting or affecting the validity or enforceability of the 2027 Series A and B Bonds, the Resolution, the NES Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, or this Bond Purchase Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or contesting the power or authority of the Issuer to issue the 2027 Series A and B Bonds, or to execute and deliver this Bond Purchase Agreement, or contesting the power or authority of NES to adopt the NES Resolution and to execute or deliver the Continuing Disclosure Agreement, the Escrow Agreement, or this Bond Purchase Agreement, or apply

the proceeds of the 2027 Series A and B Bonds in the manner contemplated by the Resolution and the NES Resolution and described in the Official Statement, or wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the 2027 Series A and B Bonds, the Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, or this Bond Purchase Agreement.

11. The proceeds received from the sale of the 2027 Series A and B Bonds shall be used in accordance with the Act, the Resolution and the NES Resolution. The projects being financed by the 2027 Series A Bonds and being refinanced with the proceeds of the 2027 Series B Bonds as described in the Resolution, the NES Resolution and the Official Statement are projects authorized by the Act.

12. Any certificate signed by an authorized officer of NES and delivered to the Representative shall be deemed a representation and warranty of NES to the Underwriters as to the statements made therein.

13. NES will enter into, in accordance with Rule 15c2-12, the Continuing Disclosure Agreement in substantially the form set forth in Appendix F to the Preliminary Official Statement and to the Official Statement for the benefit of bondholders to provide to the MSRB and to the appropriate state information depository, if any, (a) certain annual financial information, including audited financial statements and operating data, generally consistent with the information contained or incorporated by reference in the Official Statement, (b) timely notice of any of the events identified in Rule 15c2-12 with respect to the securities being offered in the offering, which notice shall be made not later than ten business days after the occurrence of the event, and (c) timely notice of any failure of any obligated person to provide the required annual information on or before the date specified in the written agreement.

14. Except as provided in the Official Statement, NES has not failed during the previous five years to comply in any material respect with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

15. The financial statements of NES attached as Appendix A and Appendix B to the Official Statement and the summary information of the Electric System set forth in the Official Statement under the caption "SELECTED FINANCIAL DATA" are complete and correct and present fairly the financial position of NES as of the dates indicated therein and the results of operations and changes in financial position for the periods specified therein, and except as otherwise provided in the Official Statement for Appendix B, such financial statements and summary information have been prepared in conformity with generally accepted accounting principles consistently applied throughout the periods presented. There has been no material adverse change in the financial condition of the Electric System and NES since June 30, 2026.

16. NES is not in default and has not been in default at any time as to principal or interest, with respect to any obligation issued by NES.

17. NES has not received any notice, directly or indirectly, from the IRS, the Department of the Treasury, or any other court, tribunal or governmental agency contesting or questioning in any way the exclusion from federal income taxation of the interest due on any tax-exempt debt of NES or of the Issuer issued for the benefit of NES.

18. Except for the Parity Obligations described in the Official Statement, at the time of the issuance and delivery of the 2027 Series A and B Bonds, there will be no other obligations

which have a lien on, or are secured by a pledge of, the Net Revenues on a parity with the 2027 Series A and B Bonds.

K. Covenants of NES. NES hereby covenants with the Underwriters that:

1. Prior to the Closing Date, NES shall not amend, terminate, or rescind, and will not agree to any amendment, termination, or rescission of the NES Resolution, the Continuing Disclosure Agreement or this Bond Purchase Agreement, without the prior written consent of the Representative, which will not be unreasonably withheld.

2. NES shall promptly advise the Representative by written notice of any matter arising or discovered after the date of this Bond Purchase Agreement and prior to the Closing Date that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of material fact regarding NES contained in the Official Statement; or any developments that affect the accuracy and completeness of the key representations (within the meaning of Rule 15c2-12) regarding NES contained in the Official Statement that may occur during the Update Period.

3. NES shall not voluntarily undertake any course of action inconsistent with satisfaction of the requirements applicable to NES as set forth in this Bond Purchase Agreement.

4. NES will not knowingly take or omit to take any action that, under existing law, may adversely affect the exemption from state income taxation or the exclusion of interest from gross income for federal income tax purposes of the holders of the 2027 Series A and B Bonds.

L. Certain Conditions to Underwriters' Obligations. The obligation of the Underwriters to accept delivery of and pay for the 2027 Series A and B Bonds on the Closing Date pursuant to this Bond Purchase Agreement shall be subject, at the option of the Underwriters, to the accuracy of the representations, warranties, and agreements of the Issuer and NES contained herein and upon the accuracy of the statements to be contained in the documents and instruments to be delivered at the Closing. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, accept delivery of, and pay for the 2027 Series A and B Bonds are subject to the performance by the Issuer and NES of their obligations hereunder required to be performed at or prior to the Closing Date, and to the following additional conditions precedent:

1. On the Closing Date, the representations and warranties of the Issuer and of NES contained herein shall be true, complete, and correct as if made on and as of the Closing Date; the Official Statement shall have been delivered by the Issuer; the Resolution and the NES Resolution shall have been adopted; the Continuing Disclosure Agreement, the Escrow Agreement, and this Bond Purchase Agreement shall have been duly executed and delivered by the appropriate parties thereto; the Resolution, the NES Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, and this Bond Purchase Agreement shall be in full force and effect, and shall not have been amended, modified, or supplemented, except as may have been agreed to in writing by the Representative or as provided herein; the proceeds of the sale of the 2027 Series A and B Bonds shall have been paid to NES for deposit for use as described in the Official Statement and in the Resolution; and the Issuer and NES shall have adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel and Bass, Berry & Sims PLC, counsel for the Underwriters, shall be necessary in connection with the transactions contemplated hereby.

2. The Underwriters shall have the right to cancel their obligation to purchase the 2027 Series A and B Bonds if between the date hereof and the Closing:

a) legislation shall have been enacted by or introduced in the Congress of the United States or the legislature of the State of Tennessee or shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the State of Tennessee or the Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority, with respect to federal or state taxation upon revenues or other income of the general character of that to be derived by NES from its operations, or upon interest received on obligations of the general character of the 2027 Series A and B Bonds that, in the Representative's reasonable judgment, materially adversely affects the market for the 2027 Series A and B Bonds, or the market price generally of obligations of the general character of the 2027 Series A and B Bonds, or the ability of the Underwriters to enforce contracts for sale of the 2027 Series A and B Bonds; or

b) there shall exist any event or circumstance that in the Representative's good faith judgment either makes untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact therein not misleading; or

c) there shall have occurred (1) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (2) any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (1) or (2), in the reasonable judgment of the Underwriters, makes it impracticable or inadvisable to proceed with the offering or the delivery of the 2027 Series A and B Bonds on the terms and in the manner contemplated in the Preliminary Official Statement or the Official Statement; or

d) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Representative's reasonable judgment, makes it impracticable for the Underwriters to market the 2027 Series A and B Bonds or enforce contracts for the sale of the 2027 Series A and B Bonds; or

e) a general banking moratorium shall have been declared by federal or state authorities having jurisdiction, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearance services or other disruptive events, occurrences or conditions in the securities or debt markets shall have occurred that, in the Representative's reasonable judgment, has materially and adversely affected the marketability of the 2027 Series A and B Bonds or the market price thereof or makes it impracticable for the Underwriters to market the 2027 Series A and B Bonds or enforce contracts for the sale of the 2027 Series A and B Bonds; or

f) legislation shall be enacted or be proposed by a committee of Congress or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the 2027 Series A and B Bonds or any comparable securities of the Issuer, any obligations of the general character of the 2027 Series A and B Bonds and the Resolution, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect (the "Securities Act") or of the Trust Indenture Act of 1939, as amended and as then in effect (the "TIA"), or otherwise, or would be in violation of any provision of the federal securities laws; or

g) there shall have been any material adverse change in the affairs of the Issuer or NES that in the Representative's reasonable judgment will materially adversely affect the market for the 2027 Series A and B Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2027 Series A and B Bonds; or

h) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a material change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or State of Tennessee agency or the Congress of the United States, or by Executive Order; or

i) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the 2027 Series A and B Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the 2027 Series A and B Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act, and the TIA; or

j) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Issuer or NES or proceedings under the bankruptcy laws of the United States or of the State shall have been instituted by the Issuer or NES, in either case the effect of which, in the reasonable judgment of the Representative, is such as to materially and adversely affect the market price or the marketability of the 2027 Series A and B Bonds or the ability of the Underwriters to enforce contracts of the sale of the 2027 Series A and B Bonds; or

k) there shall have occurred any, or any notice shall have been given of any intended, downgrading, suspension or withdrawal of a rating or negative change in credit watch status by any national rating service for any of the Issuer's obligations issued for the use and benefit of NES.

and

3. At or prior to the Closing, the Representative shall receive the following:

a) The unqualified approving opinion of Bond Counsel, addressed to the Issuer, dated the Closing Date and in substantially the form attached as Appendix E to the Official Statement, with a reliance letter in favor of the Underwriters;

b) A supplementary opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters and substantially in the form attached hereto as Exhibit A;

c) An opinion of Tyler Chance Yarbro, Director of Law of the Issuer, or his designee, dated the Closing Date addressed to the Underwriters, in substantially the form attached hereto as Exhibit B;

d) The opinion of counsel to the Underwriters, dated the Closing Date, and substantially in the form attached hereto as Exhibit C;

e) The opinion of General Counsel of NES, dated the Closing Date, and substantially in the form attached hereto as Exhibit D;

f) A certificate of the Issuer, dated the date of Closing, signed by the Metropolitan Director of Finance of the Issuer, in form and substance satisfactory to the Representative, to the effect that (i) the Issuer for the benefit of NES has not since June 30, 2026, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; (ii) the representations and warranties of the Issuer contained herein are true and correct in all material respects as of the date of Closing, as if made on and as of the date of Closing; (iii) the Issuer has performed all obligations on its part required to be performed hereunder and under the Resolution at or prior to the issuance of the 2027 Series A and B Bonds; (iv) the Issuer has satisfied all conditions under the Resolution as to the issuance and delivery of the 2027 Series A and B Bonds; (v) no event of default or event which with the passage of time or notice or both would become an event of default has occurred or exists under the Resolution; (vi) the Resolution is in full force and effect and has not been amended, modified, repealed or supplemented, except as may have been agreed to in writing by the Representative or as provided herein; (vii) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein with respect to the Issuer not misleading in any material respect; and (viii) the 2027 Series A and B Bonds have been executed in accordance with the Resolution by duly authorized officers or signatories of the Issuer, including an incumbency certificate of the Issuer, in form and content acceptable to the Representative and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of the Issuer who have executed and delivered the 2027 Series A and B Bonds and all other financing documents to be signed by the Issuer;

g) A certificate of NES, dated the date of Closing, signed by the President and Chief Executive Officer of NES, in form and substance satisfactory to the Representative, to the effect that (i) since June 30, 2026, no material or adverse change has occurred in the financial position of NES or results of operations of NES; (ii) NES has not since June 30, 2026, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; (iii) the representations and warranties of NES contained herein are true and correct in all material respects as of the date of Closing, as if made on and as of the date of Closing; (iv) NES has performed all obligations on

its part required to be performed hereunder and under the Resolution and the NES Resolution at or prior to the issuance of the 2027 Series A and B Bonds; (v) NES has satisfied all conditions under the Resolution and the NES Resolution as to the issuance and delivery of the 2027 Series A and B Bonds; (vi) no event of default or event which with the passage of time or notice or both would become an event of default has occurred or exists under the Resolution or the NES Resolution; (vii) each of the Resolution and the NES Resolution is in full force and effect and has not been amended, modified, repealed or supplemented, except as may have been agreed to in writing by the Representative or as provided herein; and (viii) no event affecting NES has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein with respect to NES not misleading in any material respect, including an incumbency certificate of NES, in form and content acceptable to the Representative and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of NES who have executed and delivered all financing documents to be signed by NES;

h) A certificate executed by the appropriate officer of the Issuer and of NES, dated the date of Closing, to the effect that on the basis of facts and estimates set forth therein, (A) it is not expected that the proceeds of the 2027 Series A and B Bonds will be used in a manner that would cause the 2027 Series A and B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder and (B) to the best of the knowledge and belief of said officer, such expectations are reasonable;

i) Evidence satisfactory to the Representative that the underlying ratings on the 2027 Series A and B Bonds have been rated not less than "[___]" and "[___]" by Moody's Ratings and Fitch Ratings, respectively, which ratings remain in effect on the Closing Date;

j) Certified copies of the Resolution as having been duly adopted by the Issuer and certified copies of the NES Resolution as having been duly adopted by NES and as being in full force and effect, with such changes or amendments as may have been approved by the Representative;

k) Executed counterparts of the Continuing Disclosure Agreement, the Escrow Agreement, and this Bond Purchase Agreement, executed by the parties thereto, and specimens of the 2027 Series A and B Bonds;

l) The Preliminary Official Statement and the Official Statement, together with any supplements or amendments thereto in the event either has been supplemented or amended, in the case of the Official Statement executed on behalf of the Issuer and NES by a duly authorized officer of each thereof;

m) A manually signed consent of PricewaterhouseCoopers LLP, as to the inclusion in the Preliminary Official Statement and the Official Statement of the report of such firm on the financial statements for the year ended June 30, 2026, included therein in Appendix A;

n) A verification report of [_____]; and

o) Such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters or Bond Counsel may reasonably request.

If the Issuer and NES shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriters, the Issuer nor NES shall have any further obligations hereunder, except as provided in Section M. hereof. However, the Representative may in its discretion waive one or more of the conditions imposed by this Bond Purchase Agreement for the protection of the Underwriters and proceed with the Closing.

M. Payment of Expenses.

1. The Underwriters shall be under no obligation to pay, and NES shall pay from available funds or from the proceeds of the 2027 Series A and B Bonds or from other funds of NES, certain expenses set forth in this Section that are incidental to the performance of the obligations of the Issuer and NES hereunder, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement, and any amendment or supplement to either thereof; all expenses in connection with the printing, issuance, and delivery of the 2027 Series A and B Bonds; the fees and disbursement of Bond Counsel, NES's counsel, Underwriters' Counsel, the financial advisor, auditors and accountants; all expenses in connection with obtaining ratings for the 2027 Series A and B Bonds; all expenses of the Issuer and NES in connection with the preparation, printing, execution, and delivery, and any recording or filing required by Bond Counsel, of the Resolution and the Continuing Disclosure Agreement; and any recording or filing required by this Bond Purchase Agreement (excluding the costs of qualifying the 2027 Series A and B Bonds for sale in various states); the administrative fees of NES; rating agency fees, and all other expenses and costs of NES incident to its obligations in connection with the authorization, issuance, sale, and distribution of the 2027 Series A and B Bonds.

2. The Representative shall pay the costs of qualifying the 2027 Series A and B Bonds for sale in various states chosen by the Representative, all advertising expenses in connection with the public offering of the 2027 Series A and B Bonds and the cost of obtaining CUSIP numbers.

N. Indemnification.

1. To the fullest extent permitted by applicable law, NES agrees to indemnify and hold harmless the Underwriters against any and all losses, damages, expenses (including reasonable legal and other fees and expenses), liabilities or claims (or actions in respect thereof) to which the Underwriters or the other persons described in subsection (2) below may become subject under any federal or state securities laws or other statutory law or at common law or otherwise, (i) caused by or arising out of or based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement or caused by or arising out of or based upon any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact which would be necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or (ii) caused by or arising out of or based upon the failure to register the 2027 Series A and B Bonds under the Securities Act or to qualify the Resolution under the TIA.

2. The indemnity provided under this Section N shall extend upon the same terms and conditions to each officer, director, employee, agent or attorney of any of the Underwriters, and each person, if any, who controls any of the Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act. Such indemnity shall also extend, without limitation, but only to the extent permitted by applicable law, to any and all expenses whatsoever reasonably incurred by any indemnified party in connection with investigating, preparing for or defending against, or providing evidence, producing documents or taking any other reasonable action in respect of, any such loss, damage, expense, liability or claim (or action in respect thereof), whether or not resulting in any liability, and, to the extent permitted by applicable law, shall include any loss to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever as set forth herein if such settlement is effected with the written consent of NES.

3. Within a reasonable time after an indemnified party under paragraphs 1. and 2. of this Section N shall have been served with the summons or other first legal process or shall have received written notice of the threat of a claim in respect of which an indemnity may be claimed, such indemnified party shall, if a claim for indemnity in respect thereof is to be made against NES under this Section N, notify NES in writing of the commencement thereof; but the omission to so notify NES shall not relieve it from any liability that it may otherwise have to any indemnified party under applicable law other than pursuant to this Section N. NES shall be entitled to participate at its own expense in the defense, and if NES so elects within a reasonable time after receipt of such notice, or all indemnified parties seeking indemnification in such notice so direct, NES shall assume the defense of any suit brought to enforce any such claim, and in either such case, such defense shall be conducted by counsel chosen promptly by NES and reasonably satisfactory to the indemnified party; provided, however, that if the defendants in any such action include such an indemnified party and the Issuer or NES, or include more than one indemnified party, and there are legal defenses available to such an indemnified party that are different from or additional to those available to the Issuer or NES or another defendant indemnified party, and which are likely to cause a conflict of interest between the Issuer or NES and such indemnified party, or between other defendant indemnified parties, such indemnified party shall have the right to employ separate counsel in such action (and NES shall not be entitled to assume the defense thereof on behalf of such indemnified party), and in such event the reasonable fees and expenses of such counsel shall be borne by NES. Nothing contained in this paragraph 3. shall preclude any indemnified party, at its own expense, if indemnity is available pursuant to paragraphs 1. or 2. of this Section N, from retaining additional counsel to represent such party in any action with respect to which indemnity may be sought from NES hereunder.

4. If the indemnification provided for in paragraphs 1. and 2. of this Section N is unavailable to fully hold harmless and fully indemnify any indemnified party in respect of the losses, damages, expenses, liabilities, or claims (or actions in respect thereof) specified in paragraphs 1. and 2. of this Section N by reason of applicable law, then NES, on the one hand, and the Underwriters, on the other hand, to the extent permitted by applicable law, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, expenses, actions or liabilities in such proportion as is appropriate to reflect the relative benefits received by NES on the one hand and the Underwriters on the other hand from the offering of the 2027 Series A and B Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then, to the extent permitted by applicable law, NES on the one hand and the Underwriters on the other hand shall contribute to such amount paid or payable by the indemnified party in such proportion as is appropriate to reflect not only such relative

benefits but also the relative fault of NES on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages, expenses, actions or liabilities, as well as any other relevant equitable considerations. The relative benefits received by NES on the one hand and the Underwriters on the other hand shall be deemed to be in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount payable to the Underwriters hereunder (*i.e.*, the excess of the aggregate public offering price for the 2027 Series A and B Bonds as set forth on the cover page of the Official Statement over the price to be paid by the Underwriters to the Issuer upon delivery of the 2027 Series A and B Bonds as specified in Section A. hereof) bears to the aggregate public offering price as described above, and NES is responsible for the balance. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by NES on the one hand or the Underwriters on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. NES and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection 4. were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above in this subsection 4. If contribution is available pursuant to this subsection 4. of this Section N, the amount paid or payable by an indemnified party as a result of the losses, damages, expenses, liabilities, claims or actions referred to above in this subsection 4. shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution provided by Section N hereof shall be in addition to any other liability that the Issuer or NES may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of the Underwriters and each director, officer, employee, agent, attorney and controlling person referred to therein, and their respective successors, assigns and legal representatives, and no other person shall acquire or have any right under or by virtue of such provisions of this Bond Purchase Agreement. The Issuer makes no representation regarding the extent to which applicable law permits indemnification.

O. Blue Sky Qualification. The Issuer agrees to cooperate with the Underwriters and their counsel in any endeavor to qualify the 2027 Series A and B Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Representative may request; provided that the Issuer shall not be required to qualify as a foreign corporation in, or submit to the jurisdiction of, any other state. The Issuer consents to the use of the Preliminary Official Statement and the Official Statement by the Representative in obtaining such qualification.

P. No Advisory or Fiduciary Role.

1. The Issuer acknowledges and agrees that (i) the purchase and sale of the 2027 Series A and B Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the agent, advisor or fiduciary of the Issuer, (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading

thereto (irrespective of whether the Underwriters, or any affiliates of the Underwriters, have provided other services or are currently providing other services to the Issuer on other matters) and the Underwriters have no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriters have financial and other interests that differ from those of the Issuer and (v) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

2. The Issuer and the Underwriters represent and warrant that no finder or other agent has been employed by either the Issuer or the Underwriters in connection with this transaction.

Q. Notices. All notices provided for in this Bond Purchase Agreement shall be made in writing either by actual delivery of the notice into the hands of the parties entitled thereto, by confirmed facsimile transmission, or by sending the notice by air courier or mailing by certified or registered mail, return receipt requested, in the United States mail to the address as stated below (or at such other address as may have been designated by written notice) of the party entitled thereto. The notice shall be deemed to be received in case of actual delivery on the date of its actual receipt by the party entitled thereto, in case of delivery by facsimile, on the date receipt is confirmed, in case of delivery by air courier on the date of delivery, and in case of mailing on the date of receipt by United States mail, postage prepaid.

All communications hereunder, except as herein otherwise specifically provided, shall be in writing and mailed or delivered to the Issuer, NES and to the Underwriters at the following addresses:

1. The Metropolitan Government of Nashville and Davidson County
Metropolitan Courthouse, Suite 106
1 Public Square
Nashville, Tennessee 37201
Attention: Metropolitan Director of Finance

2. Electric Power Board of The Metropolitan Government of Nashville and Davidson County
1214 Church Street
Nashville, Tennessee 37246
Attention: Teresa Broyles-Aplin

with a copy to:

Patrick L. Alexander
Bradley Arant Boult Cummings LLP
1221 Broadway, Suite 2400
Nashville, Tennessee 37203

3. Raymond James & Associates, Inc.
30 Burton Hills Boulevard, Suite 100
Nashville, Tennessee 37215
Attention: Hugh C. Tanner

with a copy to:

Lillian M. Blackshear
Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, Tennessee 37203

R. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

S. Miscellaneous. This Bond Purchase Agreement is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. The term "successor" shall not include any holder of any 2027 Series A and B Bonds merely by virtue of such holding. All representations, warranties, agreements, and indemnities contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of delivery of and payment for the 2027 Series A and B Bonds, and any termination of this Bond Purchase Agreement.

T. Counterparts. This Bond Purchase Agreement may be executed in counterparts with the same force and effect as if all signatures appeared on a single instrument.

U. Exhibit E Certifications. Each of the Underwriters shall sign and submit to the Issuer on the date of this Bond Purchase Agreement a certificate in the form provided in Exhibit E.

Signatures on Following Page

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC., on behalf of itself and as Representative of the other underwriters listed in Appendix I hereto

By: _____
Name: Hugh Tanner
Title: Managing Director

ACCEPTED:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Freddie O'Connell, Metropolitan Mayor

APPROVED AS TO FORM AND LEGALITY:

_____
Tyler Chance Yarbro, Director of Law

ACKNOWLEDGED:

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____
Name: Casey Santos
Title: Chair

APPENDIX I

To

Bond Purchase Agreement

UNDERWRITERS

Representative and Senior Manager

Raymond James & Associates, Inc.

Co-Managers

BofA Securities, Inc.
FHN Financial Capital Markets
Jefferies LLC
J.P. Morgan Securities LLC
Siebert Williams Shank & Co., LLC
TD Financial Products LLC

APPENDIX II

To

Bond Purchase Agreement

$[_____] ELECTRIC SYSTEM REVENUE BONDS, 2027 SERIES A

The 2027 Series A Bonds shall be dated the Closing Date and otherwise be in accordance with applicable provisions of the Resolution. The 2027 Series A Bonds will bear interest payable on [_____], 2027 and thereafter on May 15 and November 15 of each year. Interest on the 2027 Series A Bonds shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each. The 2027 Series A Bonds shall mature in the years, in the amounts and at the rates set forth below:

Maturity Date	Amount	Rate	Yield	Price
	$	%	%	

*Term Bond
C = Priced to [_____] call date.

Optional Redemption – The 2027 Series A Bonds are subject to redemption at the option of the Issuer, on the direction of NES, on or after May 15, 20[__], in whole or in part at any time at a redemption price of 100% of par plus accrued interest to the redemption date.

Mandatory Redemption – The 2027 Series A Bond maturing May 15, 20[__] (the "2027 Series A Term Bond") is subject to mandatory redemption, in part, on each Sinking Fund Installment due date for

the 2027 Series A Term Bond, at a redemption price equal to the principal amount thereof from the Sinking Fund Installments specified below. The following shall be the Sinking Fund Installments for the 2027 Series A Term Bond. Such Sinking Fund Installments shall be due on May 15 of each of the years set forth in the following table in the respective amounts set forth opposite such years:

2027 Series A Bond Due May 15, 20[__]

Year	**Principal Amount**

** Maturity

$[_____] ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2027 SERIES B

The 2027 Series B Bonds shall be dated the Closing Date and otherwise be in accordance with applicable provisions of the Resolution. The 2027 Series B Bonds will bear interest payable on [_____], 2027 and thereafter on May 15 and November 15 of each year. Interest on the 2027 Series B Bonds shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each. The 2027 Series B Bonds shall mature in the years, in the amounts and at the rates set forth below:

Maturity Date	Amount	Rate	Yield	Price
	$	%	%	

*Term Bond
C = Priced to [_____] call date.

Optional Redemption – The 2027 Series B Bonds are subject to redemption at the option of the Issuer, on the direction of NES, on or after May 15, 20[__], in whole or in part at any time at a redemption price of 100% of par plus accrued interest to the redemption date.

Mandatory Redemption – The 2027 Series B Bond maturing May 15, 20[__] (the "2027 Series B Term Bond") is subject to mandatory redemption, in part, on each Sinking Fund Installment due date for the 2027 Series B Term Bond, at a redemption price equal to the principal amount thereof from the Sinking Fund Installments specified below. The following shall be the Sinking Fund Installments for the 2027 Series B Term Bond. Such Sinking Fund Installments shall be due on May 15 of each of the years set forth in the following table in the respective amounts set forth opposite such years:

2027 Series B Bond Due May 15, 20[__]

Year	**Principal Amount**

** Maturity

APPENDIX III

To

Bond Purchase Agreement

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

$[_____] ELECTRIC SYSTEM REVENUE BONDS, 2027 SERIES A

$[_____] ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2027 SERIES B

FOR THE USE AND BENEFIT OF THE
ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of Raymond James & Associates, Inc. (the "Representative"), on behalf of itself and the underwriters listed in the Bond Purchase Agreement (together, the "Syndicate"), with respect to the $[_____] in aggregate principal amount of Electric System Revenue Bonds, 2027 Series A and $[_____] in aggregate principal amount of Electric System Revenue Refunding Bonds, 2027 Series B (collectively, the "Bonds"), issued by The Metropolitan Government of Nashville and Davidson County (the "Issuer") hereby certifies, based upon the information available to it, as follows:

1. ***Sale of the General Rule Maturities***. As of the date of this Certificate, for the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

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

(a) The Syndicate 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 Bond Purchase Agreement, the Representative has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Syndicate would neither offer nor sell any of the unsold 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 third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. No information has come to the attention of the Representative that any underwriter has offered or sold any unsold Bonds of any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *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 the Syndicate has 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.

(d) *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.

(e) *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.

(f) *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 January [__], 2027.

(g) *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 third-party 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 the Underwriters' 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 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bradley Arant Boult Cummings 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. Notwithstanding anything set forth herein, the Representative is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[signature page follows]

Dated: _____, 2027

RAYMOND JAMES & ASSOCIATES, INC., as Representative

By:_____

Name:_____

Schedule A

Sale Prices

$**[_____]** ELECTRIC SYSTEM REVENUE BONDS, 2027 SERIES A

Maturity Date	Amount	Rate	Yield	Price

*Term Bond
C = Priced to [_____] call date.

$[_____] ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2027 SERIES B

Maturity Date	Amount	Rate	Yield	Price

C = Priced to [____] call date.

General Rule Maturities

___ Not Applicable

__ Maturities Listed Below

Hold-the-Offering-Price Rule Maturities

__ Not Applicable

___ Maturities Listed Below

APPENDIX IV

To

Bond Purchase Agreement

REFUNDED BONDS

Exhibit A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

(Closing Date)

Raymond James & Associates, Inc.,
as Representative of the Underwriters
30 Burton Hills Boulevard, Suite 100
Nashville, Tennessee 37215

Re: The Metropolitan Government of Nashville and Davidson County
$[_____] Electric System Revenue Bonds, 2027 Series A and $[_____] Electric System Revenue Refunding Bonds, 2027 Series B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced bonds (the "2027 Series A and B Bonds"). Terms used and not otherwise defined herein shall have the meaning set forth in the Official Statement hereinafter referred to.

In our capacity as bond counsel, we have examined the Preliminary Official Statement, dated January [__], 2027 (the "Preliminary Official Statement"), and the Official Statement, dated February [__], 2027 (the "Official Statement"), relating to the 2027 Series A and B Bonds, and such other documents, instruments and certificates of public officials as we have considered necessary or appropriate to enable us to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, confirmed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based upon the examinations, certificates and provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) No registration of the 2027 Series A and B Bonds under the Securities Act of 1933, as amended, and no qualification of the Resolution under the Trust Indenture Act of 1939, as amended, is required in connection with the sale of the 2027 Series A and B Bonds to the public.

(2) We have reviewed the portions of the Preliminary Official Statement and the Official Statement appearing on the cover page and the inside cover page thereof, under the captions "INTRODUCTION," "PLAN OF FINANCING AND REFUNDING," "DESCRIPTION OF THE 2027 SERIES A AND B BONDS," "SECURITY FOR THE BONDS," and "TAX EXEMPTION" and in "Appendix D – Summary of Certain Provisions of the Bond Resolution" and are of the opinion that, insofar as such portions of the Preliminary Official Statement and the Official Statement purport to summarize certain provisions of the 2027 Series A and B Bonds and the Bond Resolution, the statements made on the cover page and the inside cover page under such captions and in such Appendix fairly summarize the matters purported to be summarized therein. The statements contained in the initial paragraph of the cover page of the Preliminary Official Statement and the Official Statement and under the caption "TAX EXEMPTION" therein present a fair and

accurate summary of the opinions referenced therein. In preparing the Preliminary Official Statement and the Official Statement, you have been represented by your counsel; we have not been retained, nor have we undertaken to review, the Preliminary Official Statement or the Official Statement with respect to the adequacy of the disclosures therein except for the purposes of giving the opinion herein rendered. We express no further opinion regarding the accuracy of the Preliminary Official Statement or the Official Statement or the sufficiency of either document for any purpose. Further, except as set forth in paragraph (1) herein, we express no opinion as to the compliance with any federal or state statute, regulation or ruling with respect to the sale, distribution or marketing of the 2027 Series A and B Bonds.

(3) The Bond Purchase Agreement, dated January [__], 2027 (the "Bond Purchase Agreement"), among Raymond James & Associates, Inc., as representative of the Underwriters, The Metropolitan Government of Nashville and Davidson County (the "Issuer") and the Electric Power Board of the Metropolitan Government of Nashville and Davidson County ("NES") has been duly authorized, executed and delivered by the Issuer and constitutes the legal, valid, binding and enforceable obligation of the Issuer.

The enforceability of the Bond Purchase Agreement may be limited or affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or principles of equity applicable to the availability of specific performance or other equitable relief or the exercise of judicial discretion in appropriate cases. Further, the opinion contained in subparagraph (3) above is qualified to the extent that the enforceability of the Bond Purchase Agreement may be limited or otherwise affected by the unenforceability under certain circumstances, under Tennessee or federal statutes, or court decisions, of provisions indemnifying, or prospectively releasing, a party against liability for its own wrongful or negligent acts or where the release or indemnification is contrary to public policy, including specifically, but not by way of limitation, the indemnification provisions of the Bond Purchase Agreement which may be limited by public policy considerations as expressed in the Securities Act of 1933, as amended, and as constructed by courts of competent jurisdiction.

This opinion has been furnished to you for the sole purpose of facilitating the issuance of the 2027 Series A and B Bonds, and we consider it to be a confidential communication which may not be furnished, reproduced, distributed or disclosed to anyone without our prior express written consent. Moreover, this opinion is rendered solely for your information and assistance in connection with the above transaction, and it may not be quoted or relied upon by, nor copies be delivered to, any other person or used for any other purpose without our prior express written consent. Notwithstanding the foregoing, we understand that a copy of this opinion will be included in the transcript of closing documents and consent thereto.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:_____

Exhibit B

FORM OF OPINION OF DIRECTOR OF LAW OF THE ISSUER

(Closing Date)

Raymond James & Associates, Inc.,
as Representative of the Underwriters
30 Burton Hills Boulevard, Suite 100
Nashville, TN 37215

Bradley Arant Boult Cummings LLP
1221 Broadway, Suite 2400
Nashville, TN 37203

Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, TN 37203

Re: The Metropolitan Government of Nashville and Davidson County
$[_____] Electric System Revenue Bonds, 2027 Series A and $[_____] Electric System Revenue Refunding Bonds, 2027 Series B

Ladies and Gentlemen:

I am the Director of Law of The Metropolitan Government of Nashville and Davidson County (the "Issuer"). In connection with the issuance of the captioned Bonds (the "2027 Series A and B Bonds"), I have examined such matters of law, documents, instruments and proceedings of the Issuer as I have considered necessary to render the opinions set forth below, including, but not limited to, the following:

(i) the Electric System Revenue Bond Resolution adopted by the Metropolitan Council (the "Metro Council") of the Issuer, as heretofore amended and supplemented, including, without limitation, as supplemented by the Thirty-Second Supplemental Electric System Revenue Bond Resolution adopted by the Issuer on [November 17, 2026], authorizing the issuance and delivery of the 2027 Series A and B Bonds (such Electric System Revenue Bond Resolution, as supplemented and amended, being hereinafter referred to as the "Resolution");

(ii) the Preliminary Official Statement of the Issuer, dated January [__], 2027 (the "Preliminary Official Statement"), and the Official Statement of the Issuer, dated January [__], 2027 (the "Official Statement"), each relating to the sale of the 2027 Series A and B Bonds;

(iii) the Bond Purchase Agreement, dated January [__], 2027 (the "Purchase Agreement"), among the Issuer, the Electric Power Board of the Metropolitan Government of Nashville and Davidson County ("NES") and Raymond James & Associates, Inc., as representative of the underwriters listed therein (the "Underwriters"); and

(iv) the Escrow Agreement, dated February [__], 2027 (the "Escrow Agreement") among the Issuer, NES and Regions Bank, as escrow agent.

I have assumed the genuineness of all signatures (other than those of officials of the Issuer) on documents submitted to me as certified, conformed or photostatic copies. I am admitted to the Bar of the State of Tennessee, and I express no opinion as to the laws of any jurisdiction other than the State of Tennessee and the United States of America. I further express no opinion as to the tax-exempt or other federal tax status of the 2027 Series A and B Bonds.

All terms used herein, unless otherwise defined herein, have the meaning assigned to them in the Purchase Agreement or, if not defined in the Purchase Agreement, in the Resolution.

Based upon such examination, and such other examinations as I have deemed appropriate in rendering this opinion, I am of the opinion that:

1. The Issuer is a public corporation duly organized and validly existing as a metropolitan government under the Constitution and laws of the State of Tennessee.

2. The Issuer has full power and authority under its Charter, as amended (herein the "Charter") and under the provisions of Chapter 34, Title 7, Tennessee Code Annotated, as amended (herein the "Act"), to adopt each resolution constituting the Resolution, to execute and deliver the 2027 Series A and B Bonds thereunder and to carry out and consummate all other transactions contemplated thereby, all of which have been duly authorized by all proper and necessary action.

3. Each resolution constituting a part of the Resolution has been duly, validly and lawfully adopted by the Metro Council at a meeting duly and regularly noticed, called and held with a quorum present and acting throughout, in compliance with Section 8-44-101 et seq., Tennessee Code Annotated, as amended; each such resolution has not been amended, modified or supplemented, except as described herein, is in full force and effect and is in compliance with the Constitution of the State of Tennessee (the "Constitution"), the Act and all other laws of the State of Tennessee and in compliance with the Charter and all other requirements of the Issuer; each such resolution constitutes a valid, legal and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to the provisions of the last paragraph below, and no other authorization or approval is required in order for the Issuer to perform thereunder. The Resolution creates the valid pledge and grant of a security interest which it purports to create and grant of and in the Pledged Funds, such pledge and grant of a security interest constitutes a first priority pledge and grant of a security interest therein, and all action required to properly and effectively perfect such pledge and grant of a security interest has been taken.

4. Except for the approval of the Metro Council of the Issuer, which has been duly obtained and is in full force and effect, the execution and delivery of the 2027 Series A and B Bonds, the Escrow Agreement, and the Purchase Agreement by the Issuer and the compliance by the Issuer with, and the performance by the Issuer of its obligations under, the Resolution, the 2027 Series A and B Bonds, the Escrow Agreement, and the Purchase Agreement do not and will not require notice to or filing or registration with, or the consent, waiver or approval of, or any other action by, any governmental or regulatory body, authority, board, agency or commission of the State of Tennessee or the United States (except that I express no opinion as to the state securities or "blue sky" laws of the State of Tennessee or securities laws of the United States).

5. The adoption of each resolution constituting the Resolution, the execution and delivery of the 2027 Series A and B Bonds, the Escrow Agreement, and the Purchase Agreement by the Issuer and the compliance by the Issuer with, and the performance by the Issuer of its obligations under, the Resolution, the 2027 Series A and B Bonds and the Purchase Agreement comply in all respects with the requirements of the Constitution, the Act, all other existing provisions of the law of the State of Tennessee, the Charter

and the by-laws and all other procedural requirements of the Issuer, and do not and will not conflict with, result in the violation of, or constitute a breach of or default under, any loan agreement, note, resolution, indenture or other existing agreement or instrument to which the Issuer or any of its property is bound or any existing order, decree, rule or regulation of a court or other agency of the State of Tennessee or of the United States or any department, division, agency or instrumentality thereof.

6. The issuance of the 2027 Series A and B Bonds and the execution and delivery of the Escrow Agreement and the Purchase Agreement have been duly authorized by the Issuer. The 2027 Series A and B Bonds, the Escrow Agreement, and the Purchase Agreement, upon execution by the Issuer, will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to the provisions of the last paragraph below.

7. There is no action (nor to the best of my knowledge is there any legal basis therefor) or investigation (with respect to which notice has been given to the Issuer) pending or to the best of my knowledge threatened against the Issuer before any court or administrative agency which (i) questions the validity of the Act or the validity of the provisions of the Charter of the Issuer for the creation and operation of NES, or (ii) questions the validity of any proceeding taken by the Issuer in connection with any of the 2027 Series A and B Bonds, the Escrow Agreement, or the Purchase Agreement or wherein an unfavorable decision, ruling or finding would in any way materially and adversely affect the validity or enforceability of the 2027 Series A and B Bonds, the Escrow Agreement, or the Purchase Agreement (or any other instrument required or anticipated for use in consummating the transactions contemplated thereby) or (iii) affects the existence of the Issuer, or the titles of its officers to their respective offices, or (iv) seeks to restrain, enjoin or adversely affect the issuance or delivery of the 2027 Series A and B Bonds, the Escrow Agreement, or the Purchase Agreement, the fixing or collecting of rates and charges for the services of the Electric System, the pledge of the revenues of the Electric System to secure the payment of the 2027 Series A and B Bonds, the proceedings or authority under which the 2027 Series A and B Bonds are issued, the validity of the 2027 Series A and B Bonds, the right of NES to operate the Electric System or the application of the proceeds of the 2027 Series A and B Bonds to the purposes described in the Resolution and the resolutions adopted by NES and as described in the Official Statement.

8. The use and distribution of the Preliminary Official Statement and the Official Statement and the execution and delivery of the Official Statement have been duly authorized.

9. The Issuer is lawfully organized and all present officials thereof have good and sufficient title to their respective official positions. The Honorable Freddie O'Connell is the present duly elected, qualified and acting Metropolitan Mayor of the Issuer; Ms. Jenneen Reed is the duly appointed, qualified and acting Metropolitan Director of Finance of the Issuer; Mr. Seth Pilkington is the duly appointed, qualified and acting Metropolitan Treasurer of the Issuer; and Mr. Austin Kyle is the duly appointed, qualified and acting Metropolitan Clerk of the Issuer.

10. The Issuer has good right and lawful authority to operate, maintain and improve the Electric System and to fix, establish, maintain and collect or cause to be fixed, established, maintained and collected rates and charges for the provision and sale of electric energy and the services, facilities and commodities furnished by the Electric System and to perform all its obligations under the Resolution in those respects.

11. The Issuer is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any other agreement or instrument to which it is a party where such default might have a material adverse effect upon the ability of the Issuer to repay the 2027 Series A and B Bonds.

12. The Issuer has not received any notification from the Internal Revenue Service to the effect that its certification with respect to "arbitrage" pursuant to Section 148 of the United States Internal Revenue Code of 1986, as amended, may not be relied upon; and no other facts or circumstances have come to my attention which would cause me to conclude that the holders of the 2027 Series A and B Bonds may not rely on such certifications.

The enforceability of the Resolution, the 2027 Series A and B Bonds and the Purchase Agreement may be limited or affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or principles of equity applicable to the availability of specific performance or other equitable relief or the exercise of judicial discretion in appropriate cases.

Very truly yours,

Director of Law of The Metropolitan
Government of Nashville and Davidson County

Exhibit C

FORM OF CLOSING OPINION OF COUNSEL FOR THE UNDERWRITERS

(Closing Date)

Raymond James & Associates, Inc.,
as Representative of the Underwriters
30 Burton Hills Boulevard, Suite 100
Nashville, Tennessee 37215

Re: The Metropolitan Government of Nashville and Davidson County
$[_____] Electric System Revenue Bonds, 2027 Series A and
$[_____] Electric System Revenue Refunding Bonds, 2027 Series B

Ladies and Gentlemen:

We have acted as your counsel in connection with the Bond Purchase Agreement, dated January [__], 2027 (the "Bond Purchase Agreement"), among you, The Metropolitan Government of Nashville and Davidson County (the "Issuer") and the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, doing business as "Nashville Electric Service" ("NES") providing for the purchase by you, subject to the terms and conditions set forth in the Bond Purchase Agreement, of the captioned bonds (the "2027 Series A and B Bonds"). Unless the context otherwise requires, all capitalized terms used herein without definition shall have the meaning ascribed to them in the Bond Purchase Agreement.

In such capacity, we have examined a certified copy of the Official Statement, dated February [__], 2027 (the "Official Statement"), with respect to the 2027 Series A and B Bonds, and the Bond Purchase Agreement, and have examined and relied on originals or copies identified to our satisfaction of such records of the Issuer and NES, such other agreements and instruments, such certificates of public officials, officers of the Issuer and NES and such other persons, and such other documents, as we have deemed necessary as a basis for the opinions hereinafter expressed. In all such examinations, we have assumed the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of all documents submitted to us as original documents and the authenticity of originals of all documents submitted as certified or photostatic copies.

We are of the opinion under existing law that the 2027 Series A and B Bonds are exempt from registration under the Securities Act of 1933, as amended, and that the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

In accordance with our understanding with you, we have rendered legal advice and assistance to you in the course of your investigation pertaining to, and your participation in the preparation of, the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal matters and the review of documents referred to above. We have also participated in conferences with your representatives and representatives of the Issuer, NES, counsel to the Issuer and NES, and PFM Financial Advisors LLC (NES's financial advisor), during which the contents of the Official Statement and related matters were discussed and reviewed. The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official

Statement are such, however, that we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement.

On the basis of the information that was developed in the course of the performance of the services referred to above, considered in light of our understanding of the applicable law and the experience we have gained through our practice thereunder, we advise you that no facts have come to our attention that caused us to believe that the Official Statement (other than the statistical and financial data included therein, forecasts, numbers, estimates, assumptions and expressions of opinion, the financial statements and related notes and schedules attached thereto, and information concerning The Depository Trust Company and the book-entry system for the 2027 Series A and B Bonds) as of the date thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This letter is furnished by us for the sole benefit of the Underwriters, and no other person or entity shall be entitled to rely upon this opinion or to quote this opinion in whole or in part without our express written consent in each such instance.

Very truly yours,

Exhibit D

FORM OF CLOSING OPINION OF GENERAL COUNSEL OF NES

(Closing Date)

Raymond James & Associates, Inc.,
as Representative of the Underwriters
30 Burton Hills Boulevard, Suite 100
Nashville, Tennessee 37215

Bradley Arant Boult Cummings LLP
1221 Broadway, Suite 2400
Nashville, TN 37203

Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, TN 37203

Re: The Metropolitan Government of Nashville and Davidson County
$[_____] Electric System Revenue Bonds, 2027 Series A; and
$[_____] Electric System Revenue Refunding Bonds, 2027 Series B

Ladies and Gentlemen:

I am the General Counsel of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, doing business as Nashville Electric Service ("NES"), and I have represented NES in connection with the sale and issuance by The Metropolitan Government of Nashville and Davidson County (the "Issuer") of the captioned bonds (the "2027 Series A and B Bonds").

In connection with the issuance and sale of the 2027 Series A and B Bonds, I have examined:

(i) the proceedings with respect to the adoption by NES of the resolutions dated [October 28], 2026 and [January 27], 2027 (collectively, the "Power Board Resolution"), requesting the issuance of the 2027 Series A and B Bonds and determining certain terms thereof;

(ii) the resolutions adopted by the Metropolitan Council (the "Metropolitan Council") of the Issuer, including the Electric System Revenue Bond Resolution, adopted by the Issuer on November 5, 1985, as heretofore amended and supplemented, including, without limitation, as supplemented by the Thirty-Second Supplemental Electric System Revenue Bond Resolution adopted by the Issuer on [November 17, 2026] (such Electric System Revenue Bond Resolution, as amended and supplemented, is hereinafter referred to as the "Bond Resolution") authorizing the issuance of the 2027 Series A and B Bonds;

(iii) that certain Bond Purchase Agreement, dated January [__], 2027 (the "Bond Purchase Agreement"), among Raymond James & Associates, Inc., as Representative of the Underwriters, the Issuer and NES;

(iv) that certain Continuing Disclosure Agreement of even date herewith (the "Continuing Disclosure Agreement") between NES and Regions Bank;

(v) that certain Escrow Agreement, dated February [__], 2027 (the "Escrow Agreement") among the Issuer, NES and Regions Bank, as escrow agent; and

(vi) such other records of NES and the Issuer, agreements and other instruments, certificates of public officials and officers of NES and the Issuer and such other documents as I have deemed pertinent as a basis for the opinions hereinafter expressed.

Where certain factual matters were material to any of the following opinions, I have relied upon certain findings in the Power Board Resolution and in the Bond Resolution and upon certain certificates of officers and other personnel of NES whom I believe to be knowledgeable of the matter and which certificates I assume to be accurate and based upon reasonable assumptions and estimates. All terms used herein, unless otherwise defined herein, have the meaning assigned to such terms in the Bond Resolution.

On the basis of the foregoing, I am of the opinion that:

(1) NES is a duly created and validly existing agency of the Issuer under the provisions of the Charter of the Issuer (the "Charter"). NES has good right and lawful authority to operate, maintain and improve the Electric System and to fix rates and collect charges for electric energy and the services, facilities and commodities furnished by the Electric System and to perform all its obligations under the Bond Resolution in those respects.

(2) NES has full power and authority to adopt each resolution constituting the Power Board Resolution, to execute and deliver the Bond Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Agreement, and to carry out and consummate all other transactions contemplated thereby, all of which have been duly authorized by all proper and necessary action. Each resolution constituting the Power Board Resolution has been duly adopted and is in full force and effect in compliance with the Constitution and the laws of the State of Tennessee, including, without limitation, Title 8, Chapter 44, Tennessee Code Annotated, as amended, and in compliance with the Charter, the Bylaws of NES and all applicable procedures and requirements of NES.

(3) The adoption of each resolution constituting the Power Board Resolution by NES and the execution and delivery of the Bond Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Agreement by NES do not and will not require registration with, or the consent or approval of, or any other action by, any governmental or regulatory body of the State of Tennessee (except that I express no opinion as to the state securities or "blue sky" laws of the State of Tennessee).

(4) The adoption of each resolution constituting the Power Board Resolution and the execution and delivery of the Bond Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Agreement by NES do not and will not conflict with, or result in the violation by NES of, any existing provision of the laws of the State of Tennessee, or any existing order, rule or regulation of a court or other agency of government, and does not and will not conflict with, result in the violation of, or constitute a default under, any other existing agreement or instrument of which I have knowledge and to which NES or any of its property is bound.

(5) The obligations of NES under the 2027 Series A and B Bonds, the Continuing Disclosure Agreement, the Bond Resolution, the Escrow Agreement, and the Bond Purchase Agreement have been duly authorized by NES and are and will constitute legal, valid and binding obligations of NES in

accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws, judicial decisions and principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

(6) There is no action (nor to my knowledge is there any legal basis therefor) or investigation (with respect to which notice has been given to NES) pending or to my knowledge threatened against NES before any court or administrative agency which questions the validity of the provisions of the Charter of the Issuer for the creation and operation of NES, in which there is a reasonable possibility of an adverse decision that would result in any material adverse change in the financial condition or operations of the Electric System of NES (after taking into consideration the insurance and self-insurance arrangements of NES), or which questions the validity of any proceeding taken by NES in connection with the 2027 Series A and B Bonds, or which in any way seeks to restrain, enjoin or adversely affect the issuance or delivery of the 2027 Series A and B Bonds, the fixing or collecting of rates and charges for the services of the Electric System, the pledge of the revenues of the Electric System to secure the payment of the 2027 Series A and B Bonds, the proceedings or authority under which the 2027 Series A and B Bonds are issued, the validity of the 2027 Series A and B Bonds, the right of NES to operate the Electric System or the application of the proceeds of the 2027 Series A and B Bonds to the purposes described in the Bond Resolution and the Power Board Resolution and as described in the Official Statement (as defined in the Bond Purchase Agreement).

(7) To my knowledge, NES is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any other agreement or instrument to which it is a party where such default might have a material adverse effect upon the financial condition or operations of the Electric System of NES or might affect the ability of NES and the Issuer to repay the 2027 Series A and B Bonds, when issued.

(8) Other than the parity obligations described in the Official Statement, there are no other obligations of the Issuer or NES that have a lien on the Net Revenues on parity with the 2027 Series A and B Bonds.

(9) The defense of sovereign immunity is not available to NES in any proceedings to enforce any of the obligations of NES under the 2027 Series A and B Bonds.

Very truly yours,

Exhibit E

CERTIFICATE OF [UNDERWRITER]

Dated January [__], 2027

This Certificate is furnished by an authorized representative of [UNDERWRITER] ("Underwriter") in connection with that certain Bond Purchase Agreement of even date herewith (the "Bond Purchase Agreement"), between Raymond James & Associates, Inc., on behalf of itself and as representative of the underwriters named therein, including Underwriter, and The Metropolitan Government of Nashville and Davidson County (the "Issuer"), relating to the sale by the Issuer of its Electric System Revenue Bonds, 2027 Series A and its Electric System Revenue Refunding Bonds, 2027 Series B (collectively, the "Bonds"), as more fully described in the Bond Purchase Agreement.

In connection with Tennessee Code Annotated Section 12-4-119, if and as applicable and not pre-empted by federal law, Underwriter, including any wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of Underwriter, certifies that it is not currently engaged in nor will it engage in a boycott of Israel for the duration of the Bond Purchase Agreement. For this purpose, (i) a "boycott of Israel" shall mean engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (1) in compliance with, or adherence to, calls for a boycott of Israel, or (2) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason; and (ii) "Israel" means the State of Israel and Israeli-controlled territories.

In connection with Title 12, Chapter 12 of the Tennessee Code Annotated, the Underwriter certifies that neither it nor any of its wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates is on the list created pursuant to Tennessee Code Annotated Section 12-12-106, as amended.

This Certificate is solely for the information of, and assistance to, the Issuer and its advisors in connection with the execution of the Bond Purchase Agreement.

[UNDERWRITER]

By: _____

Title: _____

52149294.3

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is dated _____, 2027, by and among THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "Metropolitan Government"), the ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "Board") and REGIONS BANK, as Escrow Agent (the "Escrow Agent");

W I T N E S S E T H:

WHEREAS, the Metropolitan Government has previously authorized and issued its Electric System Revenue Refunding Bonds, 2015 Series A (the "2015 Series A Bonds") under a resolution of the Metropolitan Government adopted November 5, 1985, entitled "Electric System Revenue Bond Resolution" as the same has heretofore been amended and supplemented (such Electric System Revenue Bond Resolution as heretofore and hereafter amended and supplemented is referred to herein as the "Resolution"); and

WHEREAS, the Metropolitan Government has previously authorized and issued its Electric System Revenue Bonds, 2017 Series A (the "2017 Series A Bonds") and its Electric System Revenue Refunding Bonds, 2017 Series B (the "2017 Series B Bonds") under the Resolution; and

WHEREAS, the Metropolitan Government has determined that it is in the Metropolitan Government's best interest to issue $_____ Electric System Revenue Refunding Bonds, 2027 Series B (the "2027 Series B Bonds") for the purpose of providing funds as follows: (a) to redeem on May 15, 2027, at a Redemption Price of 100%, [all] [$_____ principal amount] of the 2015 Series A Bonds scheduled to mature on _____ (such 2015 Series A Bonds being redeemed on May 15, 2027 being referred to hereafter collectively as the "Refunded 2015 Series A Bonds"), to pay the Redemption Price of such Refunded 2015 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2015 Series A Bonds on and prior to such date of redemption; (b) to redeem on May 15, 2027, at a Redemption Price of 100%, [all] [$_____ principal amount] of the 2017 Series A Bonds scheduled to mature on _____ (such 2017 Series A Bonds being redeemed on May 15, 2027 being referred to hereafter collectively as the "Refunded 2017 Series A Bonds"), to pay the Redemption Price of such Refunded 2017 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2017 Series A Bonds on and prior to such date of redemption; and (c) to redeem on May 15, 2027, at a Redemption Price of 100%, [all] [$_____ principal amount] of the 2017 Series B Bonds scheduled to mature on _____ (such 2017 Series B Bonds being redeemed on May 15, 2027 being referred to hereafter collectively as the "Refunded 2017 Series B Bonds"), to pay the Redemption Price of such Refunded 2017 Series B Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2017 Series B Bonds on and prior to such date of redemption (the Refunded 2015 Series A Bonds, the Refunded 2017 Series A Bonds and the Refunded 2017 Series B Bonds are hereinafter sometimes collectively referred to as the "Refunded Bonds"); and

WHEREAS, the Metropolitan Government has determined that it is in the best interest of the Metropolitan Government to provide for the payment of the principal of and redemption premium, if any, and interest on the Refunded Bonds so that such Refunded Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Metropolitan Government to the holders of the Refunded Bonds shall cease, terminate and become void and be discharged and satisfied, by irrevocably depositing with the Escrow Agent, as permitted by the Resolution, (i) direct obligations of, or non-callable, non-prepayable obligations fully guaranteed as to full and timely payment of principal and interest by, the United States of America which are not subject to redemption prior to maturity other than at the option of the holder thereof and which do not consist of investments in mutual funds or unit investment trusts, or (ii) moneys to purchase such obligations (collectively, the "Government Obligations"), the principal of and the interest on such Government Obligations when due will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time pursuant to this Agreement for such purpose, will be sufficient to pay when due the Redemption Price (as such term is defined in the Resolution) or principal, as the case may be, of the Refunded Bonds at the times, in the amounts and in the manner described in the immediately preceding paragraph and interest to become due on the Refunded Bonds at the times, in the amounts and in the manner described in the immediately preceding paragraph; and

WHEREAS, in order to obtain a portion of the moneys needed for such purpose, the Metropolitan Government has authorized and is issuing its 2027 Series B Bonds, a portion of the proceeds of which shall be deposited in the Escrow Account (hereinafter defined) as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Metropolitan Government, the Board and the Escrow Agent agree as follows:

Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Resolution.

SECTION I. There is hereby created and established a special and irrevocable escrow account (the "Escrow Account") to be held in the custody of the Escrow Agent under this Agreement separate and apart from all other funds of the Metropolitan Government, of the Board or of the Escrow Agent. The Escrow Account shall consist of a subaccount therein for the Refunded 2015 Series A Bonds (the "2015A Subaccount"), a subaccount therein for the Refunded 2017 Series A Bonds (the "2017A Subaccount"), and a subaccount therein for the Refunded 2017 Series B Bonds (the "2017B Subaccount") (each herein a "Subaccount").

SECTION II. The Escrow Account created hereby shall be irrevocable. The holders of the Refunded 2015 Series A Bonds shall have an express lien on all principal amount of and interest income on the Governmental Obligations and any other funds deposited in the 2015A Subaccount until used and applied in accordance with this Agreement, the holders of the Refunded 2017 Series A Bonds shall have an express lien on all principal amount of and interest income on the Governmental Obligations and any other funds deposited in the 2017A

Subaccount until used and applied in accordance with this Agreement, and the holders of the Refunded 2017 Series B Bonds shall have an express lien on all principal amount of and interest income on the Governmental Obligations and any other funds deposited in the 2017B Subaccount until used and applied in accordance with this Agreement. The matured principal of and interest income from the Government Obligations shall be applied solely as provided in this Agreement.

SECTION III. Deposit of Moneys. The Metropolitan Government hereby deposits with the Escrow Agent:

A. $_____ ($_____ of such amount provided from the Debt Service Fund and $_____ of such amount provided from the proceeds of the 2027 Series B Bonds), for deposit in the 2015A Subaccount, of which $_____ will be held uninvested and $_____ will be applied to the purchase of the Government Obligations listed in Schedule A-I hereto; and

B. $_____ ($_____ of such amount provided from the Debt Service Fund and $_____ of such amount provided from the proceeds of the 2027 Series B Bonds), for deposit in the 2017A Subaccount, of which $_____ will be held uninvested and $_____ will be applied to the purchase of the Government Obligations listed in Schedule A-II hereto; and

C. $_____ ($_____ of such amount provided from the Debt Service Fund and $_____ of such amount provided from the proceeds of the 2027 Series B Bonds), for deposit in the 2017B Subaccount, of which $_____ will be held uninvested and $_____ will be applied to the purchase of the Government Obligations listed in Schedule A-III hereto;

which amounts are to be invested or held as cash, as aforesaid, and are to be held in the Escrow Account and to be applied solely as provided in this Agreement. Such moneys are at least equal to an amount sufficient to purchase the principal amount of Government Obligations set forth in Schedule A-I, Schedule A-II and Schedule A-III hereto. The aggregate principal amount of Government Obligations described in Schedule A-I hereto, together with all interest due or to become due on such Government Obligations, together with the $_____ in cash as provided herein, will be sufficient to pay (i) the Redemption Price of 100% on May 15, 2027 of [all] [$_____ principal amount] of the 2015 Series A Bonds scheduled to mature on _____, and (ii) all of the interest which is to become due on such Refunded 2015 Series A Bonds on and prior to such date of redemption. The aggregate principal amount of Government Obligations described in Schedule A-II hereto, together with all interest due or to become due on such Government Obligations, together with the $_____ in cash as provided herein, will be sufficient to pay (i) the Redemption Price of 100% on May 15, 2027 of [all] [$_____ principal amount] of the 2017 Series A Bonds scheduled to mature on _____, and (ii) all of the interest which is to become due on such Refunded 2017 Series A Bonds on and prior to such date of redemption. The aggregate principal amount of Government Obligations described in Schedule A-III hereto, together with all interest due or to become due on such Government Obligations, together with the $_____ in cash as provided

herein, will be sufficient to pay (i) the Redemption Price of 100% on May 15, 2027 of [all] [$_____ principal amount] of the 2017 Series B Bonds scheduled to mature on _____, and (ii) all of the interest which is to become due on such Refunded 2017 Series B Bonds on and prior to such date of redemption.

SECTION IV. Use and Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section III and agrees:

1. to hold $_____ uninvested in cash ($_____ in the 2015A Subaccount, $_____ in the 2017A Subaccount and $_____ in the 2017B Subaccount) and to immediately invest (a) $_____ described in clause A of Section III hereof in the Government Obligations listed in Schedule A-I hereto; (b) $_____ described in clause B of Section III hereof in the Government Obligations listed in Schedule A-II hereto; and (c) $_____ described in clause C of Section III hereof in the Government Obligations listed in Schedule A-III hereto; and

2. to deposit the Government Obligations described in Schedule A-I, Schedule A-II and Schedule A-III hereto in the applicable subaccount within the Escrow Account as described herein.

SECTION V. Payment of Refunded Bonds.

A. **Payment**. As the principal of the Government Obligations set forth in Schedule A-I, Schedule A-II and Schedule A-III hereto and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than the appropriate interest, principal and redemption payment dates for the Refunded Bonds, transfer from the Escrow Account to the paying agent for the Refunded Bonds amounts sufficient to pay the principal or Redemption Price of and the interest on all of the Refunded Bonds at the times, in the amounts and in the manner described in Section III of this Agreement and in Schedule A-I, Schedule A-II and Schedule A-III hereof.

B. **Unclaimed Moneys**. Any moneys in the 2015A Subaccount which remain unclaimed for six (6) years after May 15, 2027, any moneys in the 2017A Subaccount and any moneys in the 2017B Subaccount which remain unclaimed for six (6) years after May 15, 2027, at the written request of the Metropolitan Government, but subject to compliance with the provisions of Section 1201.8 of the Resolution, shall be repaid by the Escrow Agent to the Metropolitan Government by transferring such moneys to the Board for the account of the System.

C. **Priority of Payments**. The owners of the Refunded 2015 Series A Bonds shall have a first lien on the moneys and Government Obligations in the 2015A Subaccount until such moneys and Government Obligations are used and applied as provided in this Agreement, the owners of the Refunded 2017 Series A Bonds shall have a first lien on the moneys and Government Obligations in the

2017A Subaccount until such moneys and Government Obligations are used and applied as provided in this Agreement, and the owners of the Refunded 2017 Series B Bonds shall have a first lien on the moneys and Government Obligations in the 2017B Subaccount until such moneys and Government Obligations are used and applied as provided in this Agreement.

D. **Termination of Obligation**. Upon deposit of the moneys set forth in Section III hereof with the Escrow Agent pursuant to the provisions of Section III hereof and the simultaneous purchase of the Government Obligations as provided in Section IV hereof, the owners of the Refunded Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Metropolitan Government to the owners of the Refunded Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

SECTION VI. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein.

SECTION VII. Reinvestment.

A. Except for the initial investments contemplated by Sections III and IV of this Agreement and except as provided in this Section VII or in Section IX hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys or Government Obligations held hereunder. Any amounts held uninvested in a Subaccount shall be applied to pay principal, premium and interest due on the Refunded Bonds for which such amounts are held on the next principal or interest payment date before any other moneys in such Subaccount.

B. At the written request of the Board, acting for and on behalf of the Metropolitan Government in connection with the System, made by an Authorized Board Representative (as defined in the Resolution), the Escrow Agent shall reinvest the maturing principal of and interest on the Government Obligations listed in Schedule A-I, Schedule A-II and Schedule A-III hereto and Substituted Obligations (as hereinafter defined) for any such Government Obligations in direct obligations of, or non-callable, non-prepayable obligations fully guaranteed as to full and timely payment of principal and interest by, the United States of America which are not subject to redemption prior to maturity other than at the option of the holder thereof, which do not consist of investments in mutual funds or unit investments trusts and which mature prior to the time required to make payment when due of the principal or Redemption Price of and interest on the Refunded Bonds. The foregoing reinvestment may be effected only if: (i) an independent certified public accountant shall verify the mathematical accuracy of the information provided to such independent certified public accountant that after such reinvestment the principal amount of and interest income on the Government Obligations held in the Escrow Account will, together with any other monies

available for such purpose, be sufficient to pay, excluding additional reinvestment earnings, as the same become due at maturity or earlier redemption, all principal or Redemption Price of and all interest on the Refunded Bonds which have not been paid previously; (ii) the amounts and dates of the anticipated transfers from the Escrow Account to the appropriate paying agents for the Refunded Bonds will not be diminished or postponed thereby, which may be evidenced in the report of the independent certified public accountant delivered pursuant to clause (i) hereof; and (iii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds to the effect that (a) such reinvestment would not cause any of the Refunded Bonds or 2027 Series B Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder in effect on the date of such reinvestment and applicable to the Refunded Bonds and the 2027 Series B Bonds and (b) such reinvestment is permitted under the terms of the Resolution. Any earnings from such reinvestment, to the extent such earnings will not be required in accordance with the Resolution and this Agreement at any time for the payment when due of the principal or Redemption Price of or interest on the Refunded Bonds, shall be paid to the Board, acting for and on behalf of the Metropolitan Government in connection with the System, for the account of the System, as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing under this Agreement.

SECTION VIII. Responsibilities of the Escrow Agent. In the event of the Escrow Agent's failure to account for any of the Government Obligations, Substituted Obligations (as defined in Section IX hereof) or monies received by it, said Government Obligations or Substituted Obligations or monies shall be and remain the property of the Metropolitan Government in trust for the holders of the Refunded Bonds, as herein provided, and if such Government Obligations, Substituted Obligations or monies are not applied as herein provided due to its own negligence or unlawful misconduct, the Escrow Agent shall be liable to the Metropolitan Government.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Government Obligations, Substituted Obligations and other monies available for such purpose to pay the Refunded Bonds. So long as the Escrow Agent applies the Government Obligations, Substituted Obligations and monies as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

The Escrow Agent shall not be liable except for its own negligence or unlawful misconduct.

SECTION IX. Substitution of Government Obligations. At the written request of the Board, acting for and on behalf of the Metropolitan Government in connection with the System, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder

and to substitute for the Government Obligations any direct obligations of, or non-callable, non-prepayable obligations fully guaranteed as to full and timely payment of principal and interest by, the United States of America which are not subject to redemption prior to maturity other than at the option of the holder thereof and which do not consist of investments in mutual funds or unit investment trusts (the "Substituted Obligations"). The Escrow Agent shall either (i) purchase such Substituted Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Government Obligations together with any other funds available for such purpose or (ii) acquire such Substituted Obligations in exchange for the transfer of the Government Obligations identified in written instructions of the Board to the Escrow Agent. The foregoing transactions may be effected only if: (i) an independent certified public accountant shall verify the mathematical accuracy of the information provided to such independent certified public accountant that after such transaction the principal amount of and interest income on the Substituted Obligations will, together with any other monies available for such purpose, be sufficient to pay, excluding reinvestment earnings, as the same become due at maturity or earlier redemption, all principal or Redemption Price of and all interest on the Refunded Bonds which have not been paid previously; (ii) the amounts and dates of the anticipated transfers from the Escrow Account to the appropriate paying agents for the Refunded Bonds will not be diminished or postponed thereby, which may be evidenced in the report of the independent certified public accountant delivered pursuant to clause (i) hereof; and (iii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds to the effect that (a) such disposition and substitution or purchase would not cause any of the Refunded Bonds or 2027 Series B Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder in effect on the date of such disposition and substitution and applicable to the Refunded Bonds and the 2027 Series B Bonds and (b) such disposition, substitution or purchase is permitted under the terms of the Resolution. Any cash from the sale of any Government Obligations or Substituted Obligations received from the disposition and substitution of obligations pursuant to this Section IX, to the extent such cash will not be required, in accordance with the Resolution and this Agreement, at any time for the payment when due of the principal or Redemption Price of or interest on the Refunded Bonds, shall be paid to the Board, acting for and on behalf of the Metropolitan Government in connection with the System, for the account of the System, as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing under this Agreement.

SECTION X. Irrevocable Instructions as to Notice. The Escrow Agent, as Fiscal Agent under the Resolution, hereby acknowledges receipt of notice that upon the funding of the Escrow Account as provided in this Agreement and the giving of irrevocable instructions to mail the notices as provided in the Irrevocable Instructions and Request to Fiscal Agent attached hereto as Schedule B, the outstanding Refunded Bonds shall be deemed paid in accordance with the Resolution, and the Refunded Bonds shall cease to be entitled to any lien, benefit or security under the resolution.

SECTION XI. Amendments. This Agreement is made for the benefit of the Board, the Metropolitan Government 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, the Board and the Metropolitan Government; provided, however, that the Board, the Metropolitan Government and the Escrow Agent may, without the consent of, or notice to, such holders of the Refunded Bonds, amend this Agreement or 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: (i) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Agreement; (ii) to grant to, or confer upon, the holders of the Refunded Bonds or the Escrow Agent any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; (iii) to include under this Agreement additional funds, securities or properties; and (iv) to amend, supplement or sever any provision of this Agreement deemed, in the opinion of nationally recognized bond counsel, to be in need of such amendment, supplement or severance in order to protect the tax-exempt status of interest on any of the Refunded Bonds or on any of the 2027 Series B Bonds, but only to the extent not detrimental to the holders of the Refunded Bonds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section XI, 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 XI.

SECTION XII. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section V.B. of this Agreement.

SECTION XIII. Compensation. The Escrow Agent's acts hereunder shall constitute services for which the Metropolitan Government shall pay the Escrow Agent, and the Escrow Agent is entitled to reasonable compensation in accordance with the fee schedule attached hereto as Schedule C; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien whatsoever on any moneys or obligations in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION XIV. Resignation or Removal of Escrow Agent.

A. The Escrow Agent may resign by giving notice in writing to the Board and the Metropolitan Government, which notice shall be mailed to the holders of the Refunded Bonds in the manner provided in the Resolution. The Escrow Agent may be removed (1) by (i) filing with the Board and the Metropolitan Government of an instrument or instruments executed by the holders of at least fifty-one percent (51%) in aggregate principal amount of the Refunded Bonds then remaining unpaid evidencing the desire of such holders to remove the Escrow Agent, (ii) mailing notice of such filing at least sixty (60) days prior to the effective date of said removal to the holders of the Refunded Bonds as aforesaid, and (iii) the delivery of a copy of the instruments filed with the Board and the Metropolitan Government to the Escrow Agent or (2) by a court of competent

jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the Metropolitan Government or the holders of five percent (5%) or more in aggregate principal amount of the Refunded Bonds then remaining unpaid or (3) in the event the Escrow Agent assigns this Agreement without the prior written consent of the Board and the Metropolitan Government as required under Section XX or in the event the Escrow Agent sells, transfers, assigns or in any way disposes of all or substantially all of its corporate trust business, including its rights under this Agreement, the Board and the Metropolitan Government, in their sole discretion, may remove the Escrow Agent by (i) the delivery to the Escrow Agent by the Board and the Metropolitan Government of notice in writing evidencing the desire of the Board and the Metropolitan Government to remove the Escrow Agent, and (ii) the mailing of such notice at least sixty (60) days prior to the effective date of said removal to the holders of the Refunded Bonds as aforesaid.

B. If the position of Escrow Agent becomes vacant due to resignation or removal of the Escrow Agent or any other reason, a successor Escrow Agent may be appointed by the Board and the Metropolitan Government. Notice of such appointment shall be mailed in accordance with the requirements more specifically set forth in clause (1)(ii) of subsection A of this Section. Within one (1) year after a vacancy, the holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the Board and the Metropolitan Government, appoint a successor Escrow Agent who shall supersede any Escrow Agent theretofore appointed by the Board and the Metropolitan Government. If no successor Escrow Agent is appointed by the Board and the Metropolitan Government or the holders of such Refunded Bonds then remaining unpaid, within forty-five (45) days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The responsibilities of the Escrow Agent under this Escrow Agreement will not be discharged until a new Escrow Agent is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Agent.

SECTION XV. No Implied Duties; Reliance on Counsel. The Escrow Agent shall have no implied duties under this Agreement. In the event of any question arising hereunder, the Escrow Agent shall be entitled to rely conclusively on the opinion of nationally recognized municipal bond attorneys.

SECTION XVI. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Board, the Metropolitan Government or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION XVII. 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.

SECTION XVIII. Governing Law. This Agreement shall be construed under the laws of the State of Tennessee. Venue for any action arising hereunder shall be in the state or federal courts located within Davidson County, Tennessee.

SECTION XIX. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION XX. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Metropolitan Government and the Board.

(signatures begin on following page)

IN WITNESS WHEREOF, the Metropolitan Government and the Board have caused this Agreement to be executed by their duly authorized officers and their seals to be hereunto affixed and attested as of the date set forth above, and the Escrow Agent has caused this Agreement to be executed by a duly authorized officer as of the date set forth above.

THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY

(SEAL)
ATTEST:

By:_____
Title: _____

By:_____
Metropolitan Government Clerk

APPROVED AS TO FORM AND LEGALITY:

_____
Director of Law

(signatures continued on following page)

ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By:_____
Title:_____

SEAL
ATTEST:

By:_____
Title:_____

APPROVED AS TO FORM AND LEGALITY:

_____
General Counsel

(signatures continued on following page)

REGIONS BANK, as Escrow Agent
By:_____
Title:_____

SCHEDULE A-I

The "Government Obligations" referred to in clause A of Section III of the Escrow Agreement shall be as follows:

[INSERT]

The aggregate principal amount of the foregoing Government Obligations, together with all interest due or to become due on such Government Obligations, together with any uninvested cash as provided clause A of Section III of the Escrow Agreement, shall be used to pay the Refunded 2015 Series A Bonds as follows:

[INSERT]

SCHEDULE A-II

The "Government Obligations" referred to in clause B of Section III of the Escrow Agreement shall be as follows:

[INSERT]

The aggregate principal amount of the foregoing Government Obligations, together with all interest due or to become due on such Government Obligations, together with any uninvested cash as provided clause B of Section III of the Escrow Agreement, shall be used to pay the Refunded 2017 Series A Bonds as follows:

[INSERT]

SCHEDULE A-III

The "Government Obligations" referred to in clause C of Section III of the Escrow Agreement shall be as follows:

[INSERT]

The aggregate principal amount of the foregoing Government Obligations, together with all interest due or to become due on such Government Obligations, together with any uninvested cash as provided clause C of Section III of the Escrow Agreement, shall be used to pay the Refunded 2017 Series B Bonds as follows:

[INSERT]

SCHEDULE B

IRREVOCABLE INSTRUCTIONS AND REQUEST TO FISCAL AGENT

_____, 2027

Regions Bank,
as Fiscal Agent
1600 Division Street
Suite 900
Nashville, TN 37203

The Metropolitan Government of Nashville and Davidson County Electric System Revenue Refunding Bonds, 2015 Series A, Electric System Revenue Bonds, 2017 Series A and Electric System Revenue Refunding Bonds, 2017 Series B

Gentlemen:

As Fiscal Agent under that certain resolution of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") adopted November 5, 1985, entitled "Electric System Revenue Bond Resolution," as amended and supplemented (the "Resolution"), you are hereby notified that the Metropolitan Government has issued Electric System Revenue Refunding Bonds, 2027 Series B, the proceeds of which will be used as follows: (a) to redeem on May 15, 2027, at a Redemption Price of 100%, [all] [$_____ principal amount] of the 2015 Series A Bonds scheduled to mature on _____ (such 2015 Series A Bonds being redeemed on May 15, 2027 being referred to hereafter collectively as the "Refunded 2015 Series A Bonds"), to pay the Redemption Price of such Refunded 2015 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2015 Series A Bonds on and prior to such date of redemption; (b) to redeem on May 15, 2027, at a Redemption Price of 100%, [all] [$_____ principal amount] of the 2017 Series A Bonds scheduled to mature on _____ (such 2017 Series A Bonds being redeemed on May 15, 2027 being referred to hereafter collectively as the "Refunded 2017 Series A Bonds"), to pay the Redemption Price of such Refunded 2017 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2017 Series A Bonds on and prior to such date of redemption; and (c) to redeem on May 15, 2027, at a Redemption Price of 100%, [all] [$_____ principal amount] of the 2017 Series B Bonds scheduled to mature on _____ (such 2017 Series B Bonds being redeemed on May 15, 2027 being referred to hereafter collectively as the "Refunded 2017 Series B Bonds"), to pay the Redemption Price of such Refunded 2017 Series B Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2017 Series B Bonds on and prior to such date of redemption (the Refunded 2015 Series A Bonds, the Refunded 2017

Series A Bonds and the Refunded 2017 Series B Bonds are hereinafter sometimes collectively referred to as the "Refunded Bonds").

You are also hereby irrevocably instructed to mail notice of redemption of the Refunded Bonds which are scheduled to be redeemed prior to maturity to such extent such Refunded Bonds have not been otherwise redeemed or purchased by the Fiscal Agent prior to said redemption dates. Such notice shall be in the form annexed hereto as Exhibit A.

You are hereby further irrevocably instructed to mail, as soon as practicable, a notice to the Holders of the Refunded Bonds (in the form annexed hereto as Exhibit B) that a deposit of Government Obligations and monies has been made with you as such Fiscal Agent under the Resolution and that the projected withdrawals from such escrow have been calculated to be adequate to pay the Redemption Price (as defined in the Resolution) of and the interest on said Refunded Bonds as such become subject to redemption.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By:_____
Name:_____
Title:_____

Receipt acknowledged and
accepted:

REGIONS BANK,
as Fiscal Agent

By:_____
Name:_____
Title:_____

EXHIBIT A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
NOTICE OF REDEMPTION OF
ELECTRIC SYSTEM REVENUE REFUNDING BONDS,
2015 SERIES A

Notice is hereby given to the holders of the outstanding bonds designated The Metropolitan Government of Nashville and Davidson County (Tennessee) Electric System Revenue Refunding Bonds, 2015 Series A (the "2015 Series A Bonds") maturing on _____, described as follows:

Series	Maturity Date	Interest Rate	Original Principal Amount	Principal Amount to be Redeemed	Redemption Date	Redemption Price	CUSIP

that [the indicated principal amount of] such 2015 Series A Bonds have been called for redemption prior to maturity in accordance with their terms at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon to May 15, 2027. The source of the funds to be used for such redemption is the principal of and interest on Government Obligations heretofore deposited with the Fiscal Agent as Escrow Agent, together with moneys, if any, heretofore deposited with the Escrow Agent.

The redemption price of and accrued interest on [the indicated principal portion of] the 2015 Series A Bonds maturing on _____ shall become due and payable on May 15, 2027, and from and after May 15, 2027, interest on [the indicated principal portion of] the 2015 Series A Bonds maturing on _____ shall cease to accrue and be payable.

Holders of [the indicated principal portion of] the 2015 Series A Bonds maturing on _____ _____ will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at

the principal corporate trust office of Regions Bank, as Fiscal Agent, Corporate Trust Operations, [250 Riverchase Parkway E., 4th Floor, Birmingham, Alabama 35244].

Dated this _____ day of _____, 2027.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
By: Regions Bank, as Paying Agent

EXHIBIT A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
NOTICE OF REDEMPTION OF
ELECTRIC SYSTEM REVENUE BONDS,
2017 SERIES A

Notice is hereby given to the holders of the outstanding bonds designated The Metropolitan Government of Nashville and Davidson County (Tennessee) Electric System Revenue Bonds, 2017 Series A (the "2017 Series A Bonds") maturing on _____, described as follows:

Series	Maturity Date	Interest Rate	Original Principal Amount	Principal Amount to be Redeemed	Redemption Date	Redemption Price	CUSIP

that [the indicated principal amount of] such 2017 Series A Bonds have been called for redemption prior to maturity in accordance with their terms at a redemption price of 100% of the principal amount thereof to be redeemed, together with accrued interest thereon to May 15, 2027. The source of the funds to be used for such redemption is the principal of and interest on Government Obligations heretofore deposited with the Fiscal Agent as Escrow Agent, together with moneys, if any, heretofore deposited with the Escrow Agent.

The redemption price of and accrued interest on [the indicated principal portion of] such 2017 Series A Bonds maturing on _____ shall become due and payable on May 15, 2027, and from and after May 15, 2027, interest on [the indicated principal portion of] such 2017 Series A Bonds maturing on _____ shall cease to accrue and be payable.

Holders of [the indicated principal portion of] such 2017 Series A Bonds maturing on _____ will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of Regions Bank, as Fiscal Agent, Corporate Trust Operations, [250 Riverchase Parkway E., 4th Floor, Birmingham, Alabama 35244].

Dated this _____ day of _____, 2027.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
By: Regions Bank, as Paying Agent

EXHIBIT A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
NOTICE OF REDEMPTION OF
ELECTRIC SYSTEM REVENUE REFUNDING BONDS,
2017 SERIES B

Notice is hereby given to the holders of the outstanding bonds designated The Metropolitan Government of Nashville and Davidson County (Tennessee) Electric System Revenue Refunding Bonds, 2017 Series B (the "2017 Series B Bonds") maturing on _____, described as follows:

Series	Maturity Date	Interest Rate	Original Principal Amount	Principal Amount to be Redeemed	Redemption Date	Redemption Price	CUSIP

that [the indicated principal amount of] such 2017 Series B Bonds have been called for redemption prior to maturity in accordance with their terms at a redemption price of 100% of the principal amount thereof to be redeemed, together with accrued interest thereon to May 15, 2027. The source of the funds to be used for such redemption is the principal of and interest on Government Obligations heretofore deposited with the Fiscal Agent as Escrow Agent, together with moneys, if any, heretofore deposited with the Escrow Agent.

The redemption price of and accrued interest on [the indicated principal portion of] such 2017 Series B Bonds maturing on _____ shall become due and payable on May 15, 2027, and from and after May 15, 2027, interest on [the indicated principal portion of] such 2017 Series B Bonds maturing on _____ shall cease to accrue and be payable.

Holders of [the indicated principal portion of] such 2017 Series B Bonds maturing on _____ will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of Regions Bank, as Fiscal Agent, Corporate Trust Operations, [250 Riverchase Parkway E., 4th Floor, Birmingham, Alabama 35244].

Dated this _____ day of _____, 2027.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
By: Regions Bank, as Paying Agent

EXHIBIT B

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
ELECTRIC SYSTEM REVENUE REFUNDING BONDS,
2015 SERIES A

Notice is hereby given to the holders of the outstanding bonds designated The Metropolitan Government of Nashville and Davidson County (Tennessee) Electric System Revenue Refunding Bonds, 2015 Series A maturing _____ (collectively, the "2015 Series A Bonds"), as follows:

(i) that there has been deposited with Regions Bank, as Escrow Agent, moneys and Government Obligations as permitted by the resolution adopted by The Metropolitan Government of Nashville and Davidson County on November 5, 1985, as amended and supplemented (the "Bond Resolution"), the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, shall be sufficient and available (A) to pay the Redemption Price of [all] [the indicated principal portion] of the 2015 Series A Bonds (such portion being referred to herein as the "Refunded Bonds"), as follows:

Series	Maturity Date	Interest Rate	Original Principal Amount	Principal Amount to be Refunded	Redemption Date	Redemption Price	CUSIP

and (B) to pay the interest on all Refunded Bonds when due on and prior to the date of redemption set forth above; and

(ii) that the Escrow Agent has been irrevocably instructed to redeem such Refunded Bonds on the redemption date set forth above; and

(iii) that the Refunded Bonds are deemed to be paid in accordance with the Bond Resolution.

Dated this ____ day of _____, 2027.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

By: Regions Bank, as Escrow Agent

EXHIBIT B

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
ELECTRIC SYSTEM REVENUE BONDS,
2017 SERIES A

Notice is hereby given to the holders of the outstanding bonds designated The Metropolitan Government of Nashville and Davidson County (Tennessee) Electric System Revenue Bonds, 2017 Series A maturing _____ (collectively, the "2017 Series A Bonds"), as follows:

(i) that there has been deposited with Regions Bank, as Escrow Agent, moneys and Government Obligations as permitted by the resolution adopted by The Metropolitan Government of Nashville and Davidson County on November 5, 1985, as amended and supplemented (the "Bond Resolution"), the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, shall be sufficient and available (A) to pay the Redemption Price of [all] [the indicated principal portion] of the 2017 Series A Bonds (such portion being referred to herein as the "Refunded Bonds"), as follows:

Series	Maturity Date	Interest Rate	Original Principal Amount	Principal Amount to be Refunded	Redemption Date	Redemption Price	CUSIP

and (B) to pay the interest on all Refunded Bonds when due on and prior to the date of redemption set forth above; and

(ii) that the Escrow Agent has been irrevocably instructed to redeem such Refunded Bonds on the redemption date set forth above; and

(iii) that the Refunded Bonds are deemed to be paid in accordance with the Bond Resolution.

Dated this ____ day of _____, 2027.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

By: Regions Bank, as Escrow Agent

EXHIBIT B

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2017 SERIES B

Notice is hereby given to the holders of the outstanding bonds designated The Metropolitan Government of Nashville and Davidson County (Tennessee) Electric System Revenue Refunding Bonds, 2017 Series B maturing _____ (collectively, the "2017 Series B Bonds"), as follows:

(i) that there has been deposited with Regions Bank, as Escrow Agent, moneys and Government Obligations as permitted by the resolution adopted by The Metropolitan Government of Nashville and Davidson County on November 5, 1985, as amended and supplemented (the "Bond Resolution"), the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, shall be sufficient and available (A) to pay the Redemption Price of [all] [the indicated principal portion] of the 2017 Series B Bonds (such portion being referred to herein as the "Refunded Bonds"), as follows:

Series	Maturity Date	Interest Rate	Original Principal Amount	Principal Amount to be Refunded	Redemption Date	Redemption Price	CUSIP

and (B) to pay the interest on all Refunded Bonds when due on and prior to the date of redemption set forth above; and

(ii) that the Escrow Agent has been irrevocably instructed to redeem such Refunded Bonds on the redemption date set forth above; and

(iii) that the Refunded Bonds are deemed to be paid in accordance with the Bond Resolution.

Dated this ____ day of _____, 2027.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

By: Regions Bank, as Escrow Agent

SCHEDULE C

Acceptance fee of $[_____] and reimbursement of out-of-pocket expenses.

RECOMMENDATION FOR APPROVAL OF UTILITY BILL ASSISTANCE FUNDS

NES has a long history of supporting customers who need assistance paying their electric bills through its partnership with NeedLink Nashville. NeedLink administers utility bill assistance on behalf of NES, including screening applicants for eligibility, coordinating with other social service agencies, and applying assistance to qualifying customer accounts.

Management recommends that NES contribute an additional $500,000 to NeedLink Nashville in October 2026 to provide utility bill assistance to elderly, disabled, and low-income customers. The contribution will be funded from non-electric revenues.

The additional funding will be incorporated into NES's existing Utility Bill Assistance contract with NeedLink Nashville, increasing the contract's not-to-exceed amount from $4.5 million to $5 million and extending the contract end date to August 15, 2027.

Management recommends approval of a $500,000 contribution to NeedLink Nashville, funded from non-electric revenues, and the associated amendment to the Utility Bill Assistance contract.

RECOMMENDATION FOR APPROVAL OF REVISIONS TO THE DISCONNECT POLICY

In November 2025, we revised the Customer Relations Policy Manual regarding when disconnection of services will be paused. The change was made to better align our business processes and system functionality. The intent was to allow us to proactively suspend disconnections when extreme heat or cold was forecasted, rather than wait until the day of disconnection to make that determination.

While well-intended, the changes created unexpected challenges by significantly limiting our ability to disconnect service for nonpayment. As a result, NES had only eight eligible disconnection days between November 2025 and January 2026.

We seek approval to revise the policy to better align weather-related moratoriums with conditions on the actual day of disconnection. The proposed changes would preserve customer protections during extreme heat and cold while allowing normal collection activities to continue during favorable weather conditions.

At NES, disconnecting service for nonpayment is always a last resort. Our priority is to work with customers through flexible payment arrangements and proactive communication to help them maintain service.

Management recommends approval of these revisions.

Customer Relations Disconnect Policy 2026 – redline

1.9 Disconnection of Service

1. Service may be cut off to any premise to which a valid notice has been sent and has expired.
2. No residential disconnection of service for nonpayment will take place:
a. On any day when the National Weather Service local forecast predicts that the temperature will be greater than 95 degrees or the heat index will be greater than 102 degrees ~~during the following 24 hours.~~ during the calendar day on which disconnection is scheduled to occur.
b. On any day when the National Weather Service forecasts that the actual high temperature will be below 32 degrees Fahrenheit during the calendar day on which disconnection is scheduled to occur. ~~temperature will drop below 32 degrees during the following 24 hours.~~
c. On days where NES will not be available to reconnect service the next day following disconnection.
d. The forecast for Nashville, TN 37217 (www.noaa.gov) will be used when making the determination to suspend residential disconnections due to weather.
3. If service is disconnected for nonpayment prior to the temperatures reaching the thresholds set in 1.9.1, reconnection will not be made.

Disconnection of Service Policy

Proposed revision to weather-related disconnection criteria

Electric Power Board | October 28, 2026

Laine Arnold, Chief Communications and Customer Officer

The goal is to keep balances within reach, not to disconnect more customers.

Before disconnection

Customers receive billing notices and disconnect courtesy calls. Customer Relations sets up payment arrangements and refers customers to assistance agencies.

Bill assistance

NES gives $1 million a year to NeedLink. Management is also asking the Board this month to pay it in two installments, $500,000 in October and $500,000 in January. NES works with United Way and the Metro Action Commission to connect eligible customers with other help, including federal LIHEAP funds.

When payment comes in

Service is reconnected through the system after payment is received, without a trip to the meter.

Management recommends approval of the revised Disconnection of Service policy, as shown in the board packet.

Fall is the best chance to bring past-due balances down before winter weather limits collections again.

Source: NES Customer Relations.

The November 2025 change left very few days when NES could disconnect for nonpayment, allowing balances to grow.

5 of 27

workdays from November 21 to the storm when NES ran full disconnect days

18 of 41

eligible days since August 3 when NES could disconnect. Weather holds stopped the other 23.

The intent in November was to suspend disconnections ahead of forecast heat or cold. In practice, the 24-hour look-ahead sharply limited the days NES could disconnect.

How we got here

Nov 2025	Policy revised to judge weather over the following 24 hours
Jan 28	Disconnect and late-fee moratorium begins
Jun 19	About 25,000 accounts placed on long-term payment extensions
Jun 22 to 30	Targeted customer outreach and social media before collections resume
July	Collection warnings, reminder calls, and late fees resume
Aug 3	Disconnections for nonpayment resume

Source: NES Customer Relations. A few other days in the November to January period show fewer than 10 completed orders.

The revision judges the weather on the day of disconnection, as NES did before November 2025, which keeps balances manageable.

	Today, since November 2025	Proposed
Extreme heat	No disconnection if the forecast is above 95 degrees or the heat index above 102 during the following 24 hours	**Same 95 degree and 102 heat index thresholds, based on the forecast for the scheduled day**
Extreme cold	No disconnection if the temperature is forecast to drop below 32 degrees during the following 24 hours	**No disconnection if the forecast high for the scheduled day is below 32 degrees**
Forecast period	The following 24 hours	**The calendar day the disconnection is scheduled**

Unchanged

- No disconnection on any day NES cannot reconnect service the next day
- The National Weather Service forecast for Nashville, 37217, remains the basis for the decision

How the decision is made

Revenue Support decides by 1 p.m. the day before, using the forecast for the scheduled day. That timing works with the billing system and keeps the protection tied to the day service is actually affected.

Source: Customer Relations Policy Manual, Disconnection of Service. The full redline is in the board packet. The cold threshold and forecast period return to the rule in effect before November 2025.

Under the proposed rule, most of the days NES could not disconnect last winter would have been open.

Current rule Actual, 5 full disconnect days

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Nov 17				20	21	22	23
Nov 24	24	25	26	27	28	29	30
Dec 1	1	2	3	4	5	6	7
Dec 8	8	9	10	11	12	13	14
Dec 15	15	16	17	18	19	20	21
Dec 22	22	23	24	25	26	27	28
Dec 29	29	30	31	1	2	3	4
Jan 5	5	6	7	8	9	10	11
Jan 12	12	13	14	15	16	17	18
Jan 19	19	20	21	22	23	24	25
Jan 26	26	27	28				

Proposed rule Modeled, about 22 days

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Nov 17				20	21	22	23
Nov 24	24	25	26	27	28	29	30
Dec 1	1	2	3	4	5	6	7
Dec 8	8	9	10	11	12	13	14
Dec 15	15	16	17	18	19	20	21
Dec 22	22	23	24	25	26	27	28
Dec 29	29	30	31	1	2	3	4
Jan 5	5	6	7	8	9	10	11
Jan 12	12	13	14	15	16	17	18
Jan 19	19	20	21	22	23	24	25
Jan 26	26	27	28				

Could disconnect | Held for weather | Not a disconnect day (Fri, weekends, holidays) | Storm

About 4,150 disconnects completed on the five full disconnect days, about 830 a day.

Modeled. Based on actual daily highs, not forecasts.

Source: NES Customer Relations, completed cut-for-nonpayment activity, November 20, 2025 to January 28, 2026. A few other days show fewer than 10 completed orders and are not counted as disconnect days. Temperatures from the Open-Meteo archive.

The goal is to keep balances within reach, not to disconnect more customers.

Before disconnection

Customers receive billing notices and disconnect courtesy calls. Customer Relations sets up payment arrangements and refers customers to assistance agencies.

Bill assistance

NES gives $1 million a year to NeedLink. Management is also asking the Board this month to pay it in two installments, $500,000 in October and $500,000 in January. NES works with United Way and the Metro Action Commission to connect eligible customers with other help, including federal LIHEAP funds.

When payment comes in

Service is reconnected through the system after payment is received, without a trip to the meter.

Management recommends approval of the revised Disconnection of Service policy, as shown in the board packet.

Fall is the best chance to bring past-due balances down before winter weather limits collections again.

Source: NES Customer Relations.

Recommendation of Purchases and Contracts
at the Meeting on Wednesday October 28, 2026

Management recommends Board approval
of the following purchases and contracts:

Total Materials and Supplies Purchases	**$13,045,206.80**
Total Contracts and Services	**$1,100,000.00**
Total Additions, Extensions, and Changes	**$2,053,500.00**
Total Ratified Purchases and Contracts	**$2,681,532.64**
TOTAL	**$18,880,239.44**
Total Line Items	**$500,000.00**

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

MATERIALS AND SUPPLIES PURCHASES

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Cable, Aluminum, 25KV EPR 500KCMIL W/CN 1C (18,000 ft.)	Wesco Distribution	$560,160.00	Competitive	3/5
Cable, Copper, 25KV EPR 4/0 W/CN 3CP (6,000 Circuit ft.)	Wesco Distribution	292,980.00	Competitive	4/5
Custom Engineered Steel Structures (3)	Rohn Products	437,750.00	Competitive	1/7
Transformer, Outdoor, Three Phase, 24/32/40MVA, 69:23.9x13.8kV (4)	Niagara Transformer Corp.	*11,754,316.80	Competitive	4/8
TOTAL		**$13,045,206.80**		

*Price includes a 20% contingency.

CONTRACTS AND SERVICES

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Third Party Administration for Worker's Compensation	Charles Taylor TPA, LLC	$500,000.00	Competitive (3 Years)	5/12
WFM Support	E Source Companies LLC	600,000.00	Professional Service (3 Years)	N/A
TOTAL		**$1,100,000.00**		

ADDITIONS, EXTENSIONS, AND CHANGES

Item Description	Contractor	Additional Amount	Change Requested
Emergency Plumbing Repair	Lee Company	$150,000.00	Addition (New NTE $450,000.00)
GIS Support, Maintenance, and Transfer of Knowledge	Ferguson and Associates	120,000.00	Addition (New NTE $360,000.00) Extension (6 Months)

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Home Uplift Program Administration	Pathway Lending	1,200,000.00	Addition (New NTE $5,700,00.00) Extension (2 Years)
NESPower.com and Bid Center Website Hosting, Support, and Services	Svanaco, Inc.	360,000.00	Addition (New NTE $1,620,000.00) Extension (1 Year)
Performance and Professional Development Training	Peak Learning Inc.	3,500.00	Addition (New NTE $321,500.00) Extension (1 Year)
Performance and Professional Development Training	YMG Enterprises, LLC	20,000.00	Addition (New NTE $375,000.00)
Pre-Employment/ Reclassification Physical Exams and Drug & Alcohol Testing	CBS, Inc.	N/A	Extension (2 Years)
Secondary Overflow Call Center Services	Harris & Harris, Ltd	N/A	*Extension (3 Months)
Time Collection Software, Hardware, Licensing, and Implementation Services	TimeClock Plus LLC	200,000.00	Addition (New NTE $500,000.00) Extension (2 Years)
TOTAL		**$2,053,500.00**	

*Total contract term is five years and three months.

RATIFIED PURCHASES AND CONTRACTS

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Automatic Gate Opener Service	Hydro-Exc., Inc.	$200,000.00	Competitive (5 Years)	1/4
Boardvantage Software Subscription	NASDAQ QMX Corp. Solutions	4,248.00	Addition (New NTE $69,030.00)	N/A
Cable, Aluminum, Triplex, 2/0, 19 Strand, 600 Volt (84,000 ft.)	Wesco Distribution	159,180.00	Competitive (1 Year) **Blanket**	7/8

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Cable, Aluminum, Triplex, 4/0, 19 Strand, 600 Volt, with 2/0 19 Strand Neutral (36,000 ft.)	Cape Electric	96,840.00	Competitive (1 Year) **Blanket**	4/8
Cable, #2 Copper, 7 Strand, Soft Drawn (58,500 ft.)	Gresco	107,055.00	Competitive (1 Year) **Blanket**	5/8
DILO Equipment Maintenance	**DILO Company, Inc.**	200,000.00	**Sole Source** (3 Years)	N/A
DocuSign Maintenance	**Carahsoft Technology**	82,972.50	**Sole Source** (1 Year)	N/A
Executive Coaching	ECS Group, Inc.	N/A	Extension (1 Year)	N/A
Executive Coaching	Janet J. Walls dba Delta Blvd	1,000.00	Addition (New NTE $60,000.00) Extension (1 Year)	N/A
Flexi Software Maintenance Renewal	**Flexi Software**	50,234.00	**Sole Source** (1 Year)	N/A
Insulator, Suspension, 25KV, Polymer 15,000 lbs. (6,300)	Border States Industries	84,672.00	Competitive (1 Year) Blanket	6/8
Legal Services	Butler Snow	100,000.00	Professional Service (3 Years)	N/A
Luminaire, Roadway, LED, 20,000 Lumens, (392)	Cape Electric	51,943.92	Competitive	7/19
Medical Director for Dispensary and AED Medical Oversight	Cerisia A. Cummings, D.O.	64,000.00	Professional Service (3 Years)	N/A
Pole, Steel, Galvanized, H8, 60 ft. (12)	Valmont Industries	149,520.00	Competitive	4/6
Pole, Steel, Galvanized, H9, 100 ft. (8)	Valmont Industries	214,544.00	Competitive	5/6
Pole, Steel, H4, 100 ft. (6)	Stuart C. Irby	85,800.00	Competitive	4/6
Recloser Control, Retrofit 651RA, for Easton 6 Recloser (4); Reclosure Control Enclosure (13)	**Schweitzer Engineering Labs, Inc.**	158,083.77	Competitive **Sole Brand**	2/18
Sampling, Analyzing, and Reporting Results of Oil Samples, On Site	United Power Service	125,000.00	Addition (New NTE $370,000.00)	N/A
SCADA Software Support	**GE Grid Solutions**	174,268.00	**Sole Source (1 Year)**	N/A

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Service Entrance Connector (1,716)	Stuart C. Irby	94,551.60	Competitive (1 Year) **Blanket**	7/8
Sitecore Experience Platform Annual Maintenance	**Sitecore USA, Inc.**	161,619.75	**Sole Source** (1 Year)	N/A
SmartSheets Subscription	CarahSoft Technology Corp.	14,680.10	Addition (New NTE $54,280.10) Extension (120 Days)	N/A
Steel Drums, 55 Gallon	Frank Belcher Supply	80,000.00	Competitive (2 Years)	1/10
Third Party Administration and Case Management Services for Non-Work Related Disability Plan	Genex Services, Inc.	90,000.00	Addition (New NTE $240,000.00)	N/A
Utility Oil Filter Cartridge (280)	Sunago Supply Corp.	78,400.00	Competitive	8/98
Utility Oil Filter Cartridge (280)	West End Group	52,920.00	Competitive	8/98
TOTAL		**$2,681,532.64**		

LINE ITEMS

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Utility Bill Assistance	NeedLink Nashville	$500,000.00	Addition (New NTE $5,000,000.00) Extension (1 Year)	N/A
TOTAL		**$500,000.00**		

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

VENDOR OUTREACH & ENGAGEMENT PROGRAM
Q1 FY2027

The Vendor Outreach & Engagement Program (VOEP) reported $3.2 million in spend with small businesses during Q1 FY2027, representing 3% of total organizational spend. While overall NES expenditures increased by approximately $32.9 million compared to the same period last year, VOEP business spend decreased by 4%. NES conducted business with 79 small business enterprises during the quarter.

NES also continued its support of local financial institutions through a $250,000 investment, generating $1,877.81 in interest earnings during the quarter.

The program remains focused on strengthening vendor engagement and supporting opportunities for small businesses to participate in NES procurement activities.

RECOMMENDATION FOR THE APPOINTMENT OF A SECRETARY AND TREASURER OF THE ELECTRIC POWER BOARD

Article 42 of Appendix III to the Metropolitan Charter ("Charter") recognizes certain statutory officers of the Electric Power Board, including Secretary and Treasurer. The Bylaws further provide that the offices of Secretary and Treasurer may be combined and that the Chief Financial Officer (CFO) shall serve as Secretary-Treasurer unless the Board votes otherwise.

In 2022, the Board appointed CFO David Frankenberg as Secretary-Treasurer. Mr. Frankenberg resigned earlier this year. Tabitha Beach has been serving as Acting CFO, and Dr. Trish Holliday, the Assistant Secretary of the Board, has been performing the duties of Secretary.

Management believes that separating the roles of Secretary and Treasurer is in the best interests of the Board and Nashville Electric Service. Accordingly, Management recommends that the Board appoint Laine Arnold, Chief Communications Officer, as Secretary to the Electric Power Board and Tabitha Beach, Acting CFO, as Treasurer. Dr. Trish Holliday will continue to serve as Assistant Secretary.

FIRST QUARTER REPORT ON
COMMUNITY INVOLVEMENT AND ECONOMIC DEVELOPMENT

Total expenditures for the first quarter of Fiscal Year 2027 were:

DATE	DESCRIPTION	AMOUNT
	Community Involvement	
07/14/26	Power Play Scholarship Association	$ 1,350.00
07/16/26	Advancing Women in Nashville	5,000.00
07/16/26	Goodwill Industries of Middle Tennessee, Inc.	5,000.00
07/16/26	Harpeth Conservancy	2,000.00
07/16/26	Humanities Tennessee	5,000.00
07/16/26	Lawyers' Association for Women	2,500.00
07/16/26	Nashville Downtown Partnership	3,000.00
07/16/26	W.O. Smith Music School	2,500.00
07/17/26	Women's Political Collaborative of Tennessee	2,500.00
07/23/26	Big Brothers Big Sisters of Middle Tennessee	5,000.00
07/23/26	Dismas House	1,000.00
07/23/26	The Nashville Symphony	5,000.00
07/24/26	YWCA Nashville & Middle Tennessee	3,000.00
07/27/26	Friends of Mill Ridge Park	2,500.00
07/27/26	Habitat for Humanity of Greater Nashville	5,000.00
07/31/26	Girl Scouts of Middle Tennessee	2,500.00
08/04/26	Community Life Bridge, Inc.	1,500.00
08/07/26	PENCIL	1,000.00
08/20/26	Cheekwood Estate & Gardens	1,500.00
08/27/26	Nashville Children's Alliance	2,000.00
09/25/26	Harvest Hands Community Development Corp.	4,000.00
	Subtotal	**$ 62,850.00**
	Economic Development	
07/02/26	Nashville Area Chamber of Commerce Partnership 2030 – Quarterly Payment	$ 65,901.50
	1st Quarter Total	**$128,751.50**

10-28-26

NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF SEPTEMBER 30, 2026

FINANCIAL RESULTS

(millions)	YTD Actual	YTD Budget	Variance	%
Operating Revenues	$ 483.8	$ 451.3	$ 32.5	7.2%
Purchased Power	(349.8)	(318.8)	(31.0)	9.7%
Sales Margin	**$ 134.0**	**$ 132.5**	**$ 1.5**	1.1%
Operating Expenses	(55.5)	(73.8)	18.3	-24.8%
Other Revenues	7.1	7.6	(0.5)	-6.6%
Depreciation	(25.9)	(28.9)	3.0	-10.4%
Taxes	(11.8)	(12.0)	0.2	-1.7%
Interest Income	4.1	4.7	(0.6)	-12.8%
Other Non-Operating Income	6.2	0.4	5.8	1450.0%
Interest/Other Expense	(4.8)	(5.0)	0.2	-4.0%
Change in Net Position	**$ 53.4**	**$ 25.5**	**$ 27.9**	109.4%

Highlights

Margin - more extreme weather patterns/temperatures than anticipated
Operating Expenses - lower pension expense from stronger investment returns and favorable actuarial results, along with reduced OPEB, labor, contract tree & grass and IT shared services, offset by over budget in uncollectible accounts and outside services
Other Revenues - late fees suspended in July
Depreciation - timing of asset capitalization
Interest Income - lower investable balance than planned
Other Non-Operating Income - unplanned FEMA reimbursements and profit on disposal of 18 Music Circle East

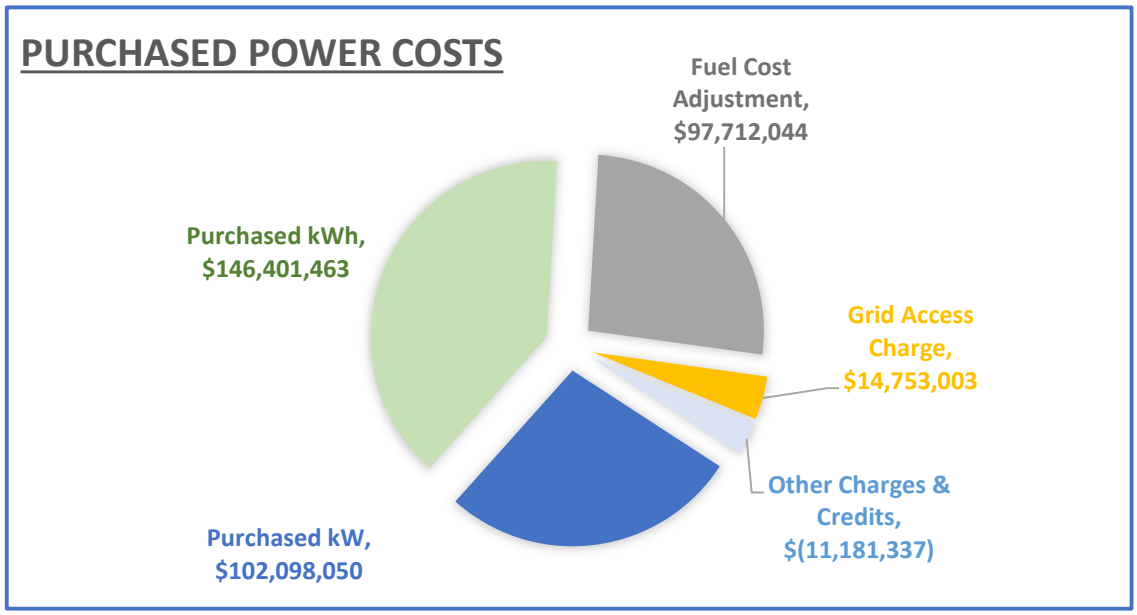
FINANCIAL GOALS

GOAL	TARGET	ACTUAL
Debt Service Coverage	2.0	3.7
Days Cash on Hand	90	109

NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF SEPTEMBER 30, 2026

WHOLESALE UNITS AND CHARGES

Purchased kW	8,082,380	$	102,098,050	*29.2%*
Purchased kWh	3,894,104,938	$	146,401,463	*41.9%*
Fuel Cost Adjustment		$	97,712,044	*27.9%*
Grid Access Charge		$	14,753,003	*4.2%*
Other Charges & Credits		$	(11,181,337)	*-3.2%*
Total Purchased Power Costs		**$**	**349,783,222**	



Units & Charges: Retail Sales vs. Wholesale Purchased

Description		Retail		Wholesale
kWh		3,788,927,988		3,894,104,938
KW		4,975,562		8,082,380
Sales / Purchases	$	483,829,852	$	349,783,223
FCA	$	99,298,097	$	97,712,044
Degree Days		1,557		1,546
Temperature at Peak		Various		Various

NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF SEPTEMBER 30, 2026

SALES VOLUME & CUSTOMER STATS

SALES VOLUME - MWH				
Sales Volume	**YTD Actual**	**YTD Budget**	**Variance**	**%**
Residential	1,677,675	1,531,074	146,601	9.6%
Small Commercial	258,967	249,081	9,886	4.0%
Large Commercial	1,828,005	1,759,751	68,254	3.9%
Street & Highway Lighting	24,281	25,004	(723)	-2.9%
Total MWH Sales	**3,788,928**	**3,564,910**	**224,018**	6.3%

NUMBER OF CUSTOMERS	
Residential	434,045
Small Commercial	37,372
Large Commercial	7,295
Large Commercial BCD	42
Street & Highway Lighting	207
Total Number of Customers	**478,961**

CAPITAL BUDGET RESULTS

(millions)	FY27 Budget	YTD Actuals	FY27 Balance	YTD % Budget
New Business	16,622	4,426	12,196	*27%*
System Construction - Capacity	16,459	2,065	14,394	*13%*
System Construction - Reliability	2,253	483	1,770	*21%*
System Construction - Asset Mgmt	40,045	6,605	33,440	*16%*
Unplanned Replacements	27,036	7,593	19,443	*28%*
Relocations	10,827	1,905	8,922	*18%*
Lighting Systems	13,650	2,107	11,543	*15%*
Meters	4,559	1,325	3,234	*29%*
Transformers	41,100	10,252	30,848	*25%*
Equipment & Facilities	22,482	1,318	21,164	*6%*
Total Capital Budget Results	**195,033**	**38,079**	**156,954**	***20%***

Overview of the Annual Customer Survey and Actions NES Has Taken

Customer satisfaction research, 2025 and 2026

Board of Directors | October 28, 2026
Laine Arnold, Chief Communications and Customer Officer

In our annual May 2026 survey, customer satisfaction fell to 69 percent, with the largest drops tied to the storm

69% was 86% in 2025

Overall satisfaction with NES

Lowest in eleven years of tracking

46% 40% dissatisfied

Satisfied with the storm response

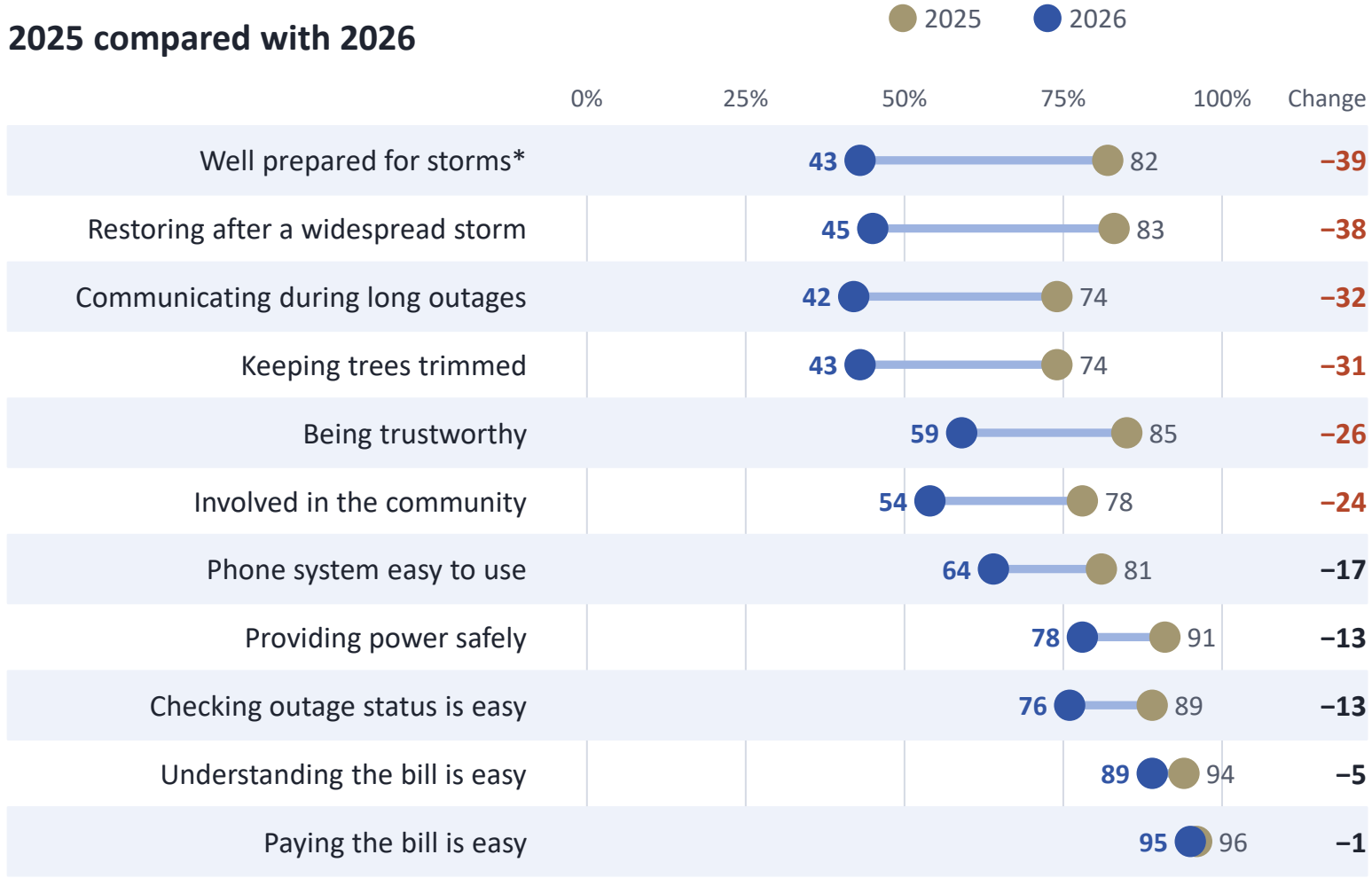
Overall satisfaction runs 23 points higher

60% was 85% in 2025

Satisfied with customer service

Customers 65 and older fell the most

2025 compared with 2026



Source: Message Factors customer satisfaction research for NES. 2026 fielded May 21 to 31, 666 respondents, plus or minus 3 points. *Customers rated how well this describes NES on a scale of 1 to 10. The figure is the share who gave 6 or higher. Other ratings are the top two answers.

What customers raised falls into four issues

1

Storm preparation and restoration

82% to 43%

say NES is well prepared for storms

Restoring power after a widespread storm fell from 83% to 45%

93 comments on preparation and crew levels

2

Outage communication

74% to 42%

rated good or excellent on long-outage communication

Checking outage status is easy fell from 89% to 76%

41 comments cite wrong estimates or false restored alerts

3

Reaching NES

85% to 60%

satisfied with customer service

Phone system ease of use fell from 81% to 64%

48% rank a live advisor as their first choice

4

How tree work is done

74% to 43%

rated good or excellent on keeping trees trimmed

Customers with recent trimming rated the work 72%, down from 86%

41 comments say trees weren't trimmed before the storm

Source: Message Factors, 2025 and 2026. For preparedness, customers rated how well it describes NES on a scale of 1 to 10, and the figure is the share who gave 6 or higher. Other ratings are the top two answers. Comment counts from 506 written storm comments.

The Four Pillars work targeted the same four issues

What customers raised, and the Four Pillars work behind it	What NES completed
1 Storm preparation and restoration Pillar 1: Emergency Management and ICS	• Incident command structure and storm roles for every employee • Mutual aid and storm contracts for line crews • Emergency operations center rebuilt, storm materials staged • Emergency Response Plan updated
2 Outage communication Pillar 3: Estimated Time of Restoration (ETR) Pillar 2: Communications and Customer Information	• Restoration estimate process updated, with an accuracy measure • Outage map and outage management system fixes • Rules for when storm communications start, and a shared workspace
3 Reaching NES Pillar 2: Communications and Customer Information	• Phone and text platform tested to 1,000 concurrent calls • Strike team for customer requests • NES mobile app launched
4 How tree work is done Pillar 4: Resiliency, Undergrounding, and Vegetation Management	• Annual trimming goal and carryover completed • Reliability plan updated, four undergrounding pilots budgeted • Vegetation risk communication and outreach

Where NES goes next and how progress will be measured

What NES can do next	Should show up in the next survey	Today
1 Confirm power at the meter before any restoration text	Communicating during extended outages	42%
2 Give customers a faster route to a person during storms	Satisfaction with customer service	60%
3 Contact critical care customers before winter	Well prepared for storms	43%
4 Tell customers what has changed since January	Transparent and trustworthy	48%

Overall satisfaction is 69% today. It held between 80% and 87% every year from 2016 to 2025. The next annual survey will show whether these steps are working.

Source: Message Factors customer satisfaction research for NES, June 2026.

For reference

Five years of survey results

How customers rate NES against their other providers

What customers wrote about the storm

Five years of customer survey results

85+ | 80 to 84 | 75 to 79 | 70 to 74 | 60 to 69 | 50 to 59 | Under 50

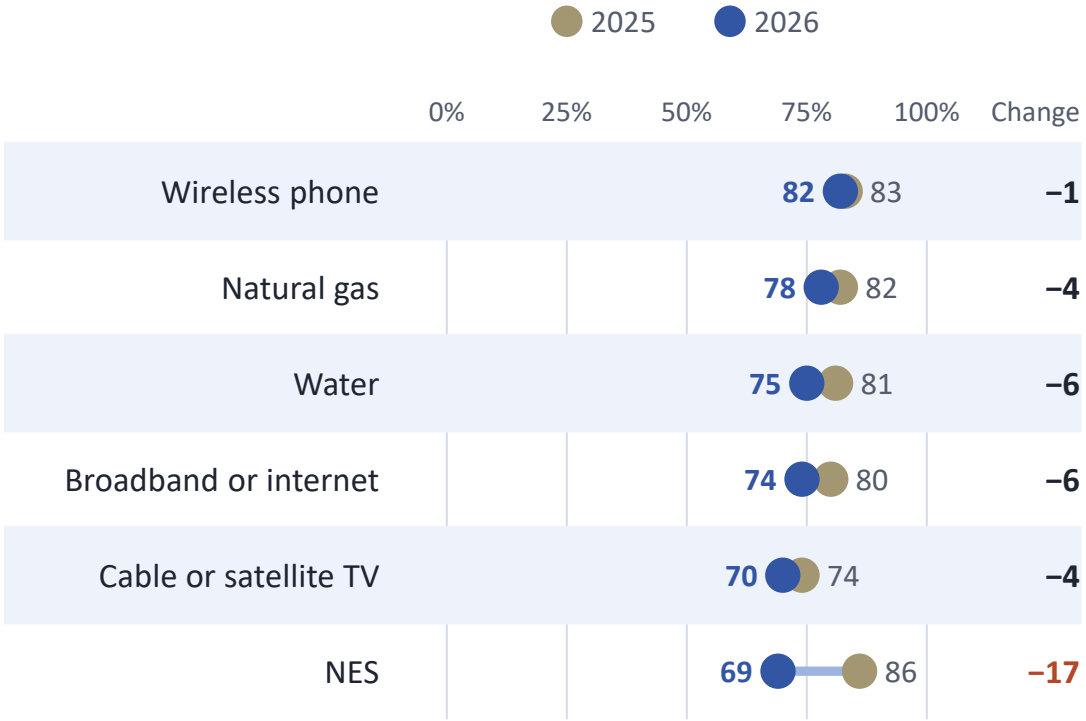
	2022	2023	2024	2025	2026
Overall Very or somewhat satisfied					
Overall satisfaction	85	80	83	86	69
Customer service	85	80	85	85	60
Phone system easy to use	82	78	85	81	64
How well each describes NES 6 or higher of 10					
Goes above and beyond	78	74	81	84	49
Uses technology well	75	71	80	84	58
Well prepared for storms	80	75	82	82	43
Communicates clearly*	75	71	77	81	49
Educates customers*	67	70	73	79	53
Transparent and trustworthy	72	70	74	78	48
Listens to customers*	72	68	75	76	49
Helps me save energy	65	64	71	76	51
Cares about me	68	67	72	76	49
Community partner	68	65	72	74	50
Cares for environment	69	67	72	73	51
Shows compassion	63	62	69	72	47
General performance Excellent or good					
Providing power safely	90	90	89	91	78
Being trustworthy	80	79	82	85	59
Handling questions	79	77	79	81	57
Environmentally friendly	75	75	78	80	60
Involved in the community	71	73	77	78	54
Reliable power, fair price	68	72	73	73	54
Good value for the money	68	71	72	73	54

	2022	2023	2024	2025	2026
Outages and restoration Excellent or good					
Restoring after major storms	82	74	81	83	45
Restoring after other outages	81	75	81	82	63
Minimizing brief flickers	81	74	79	80	62
Minimizing longer outages	75	67	74	77	51
Keeping trees trimmed	69	68	75	74	43
Long-outage updates	55	65	72	74	42
Tree trimming Customers with recent trimming					
Vegetation department	77	77	85	87	71
Trimming hotline	81	80	86	87	76
Handling of the work	75	81	82	86	72
Advance notice	70	64	78	84	64
Ease of doing business Very or somewhat easy					
Paying the bill	94	96	95	96	95
Understanding the bill	87	91	92	94	89
Reporting an outage	85	91	91	94	88
Viewing usage details	80	90	91	90	86
Finding information online	78	89	87	90	83
Checking outage status	78	85	89	89	76
Reaching customer service	75	79	86	87	77
Learning to reduce use*	65	77	86	84	76

*Wording changed in 2025, so earlier years are close but not identical. 2022 to 2024 values from the trend charts in the 2025 report. Source: Message Factors research for NES, 2025 and 2026.

NES went from first to last among customers' providers

NES customers rated NES and each of the other services they use. The survey did not ask the customers of those companies, so this is how the same people judge NES against the rest of their household services.



Eleven years of results

	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26
NES	85	83	81	84	81	87	85	80	83	86	69
Wireless phone	77	77	78	80	80	83	78	80	80	83	82
Natural gas	82	77	78	79	78	81	74	76	76	82	78
Water	79	76	77	78	75	79	78	76	78	81	75
Broadband	57	64	64	67	69	72	72	74	75	80	74
Cable or satellite	58	60	60	62	62	66	67	70	69	74	70

From 2016 through 2025, NES ranked first or tied for first every year. NES now trails cable TV by one point.

Source: Message Factors, 2016 to 2026.

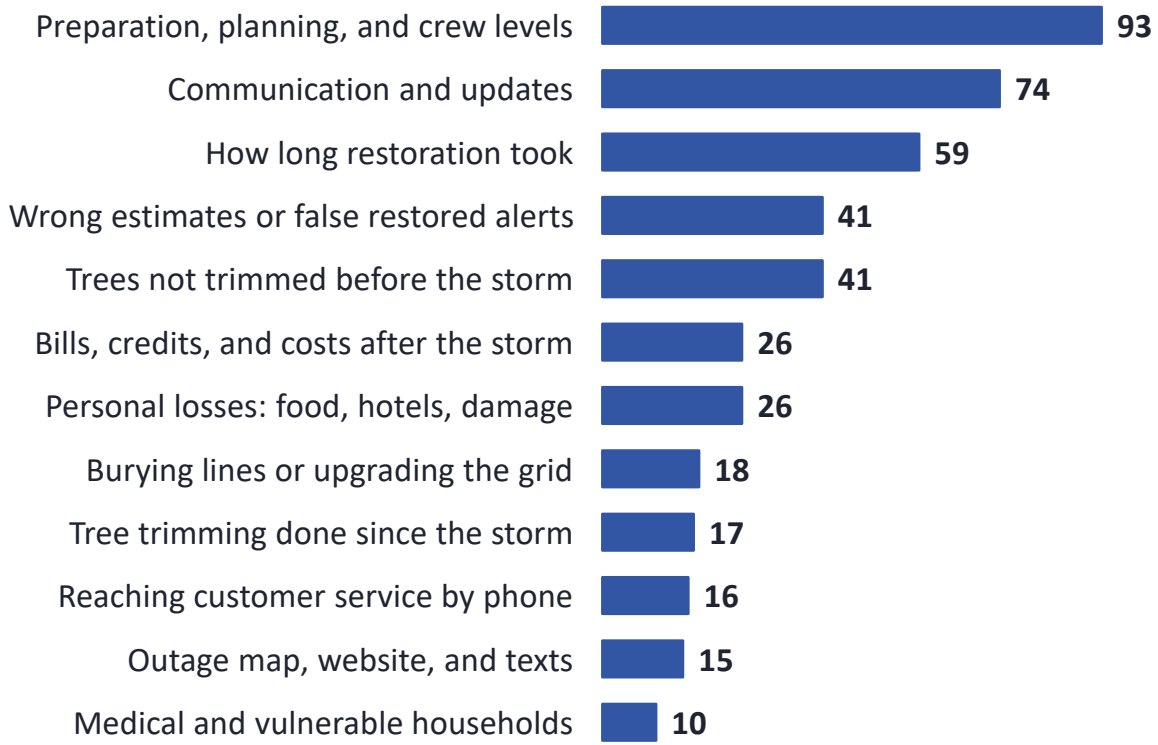
What customers wrote about the storm

506 written storm comments, each read and sorted by theme



Critical 308, mixed 27, positive 94, and 77 with no impact, no comment, or off topic

What the comments raised



In their words

> Alerting neighbors that their power was restored when it was not was egregious

> Every day for 11 days!! I would have liked a clearer sense of when I could anticipate restoration.

> Help offered from other areas should have been accepted.

> Line workers are great. Problems seem to be internally.

> I am LESS HAPPY with what NES is doing to the trees in neighborhoods.

Comments come from customers who chose to write, so they show what is on customers' minds, not how many hold a view. Quotes verbatim. Source: Message Factors, June 2026.

NES ENGAGEMENT REPORT
October 2026

October engagement includes hands-on learning for students, neighborhood outreach, workforce development and participation in industry events. This report highlights how NES employees and leaders connect with the communities we serve and share their expertise with industry peers.

Supporting Students and Career Readiness
NES employees supported students through career exploration, scholarship interview preparation and hands-on learning. These activities gave students opportunities to learn about careers at NES, practice interview skills and test classroom concepts with help from NES employees and equipment.

On October 2, Sheryl Haley, Michael Brewster and Leah Taylor participated in Career Day at Aventura Community School, sharing their career paths and how NES serves the community. On October 5, Latresa Witherspoon, Steven Jamison and Sheryl Haley conducted mock interviews with Hunters Lane High School seniors to help them prepare for Belmont Bell Tower Scholarship interviews.

On October 6, Travis White, Leah Taylor, Luke Haynes and Hunter Olson supported MLK Jr. Middle School's 20th Annual Egg Drop Day, helping students refine their designs and test them with drops from an NES bucket truck.

Connecting With Neighborhoods and Families
Community events provide opportunities for NES employees to connect with residents and local organizations. October activities include neighborhood outreach and a Touch-a-Trunk event.

On October 6, Leah Taylor and Jalen Edwards represented NES at the North Precinct's community event at Greater St. John Missionary Baptist Church, connecting with residents and community partners. On October 24, Will Woodward, Ryan Mahaney and Travis White participated in St. Bernard's Academy's Touch-a-Trunk event, where children explored vehicles and collected candy.

Expanding Access to Career Opportunities
NES leadership's involvement with community organizations extends to education, career training and employment services. Through her service on the Board of Directors for Goodwill of Middle Tennessee, Dr. Trish Holliday supports an organization focused on these opportunities.

Dr. Holliday participated in the grand opening of the new Goodwill Opportunity Campus in Nashville, a space designed to bring education, career training, employment services and greater opportunity together under one roof.

Sharing Expertise Across the Electric Industry
NES leaders are participating in industry events focused on resilience, reliability, emergency management and customer connections. These engagements provide a forum to share NES's experience and contribute to discussions with utility peers.

On October 21, Brad Heck, Aleisha Johnson, Kevin Phelps and Daniel Johnson co-presented at TMEPA on NES's improved resiliency, reliability and emergency management after Winter Storm Fern. On October 26, Teresa Broyles-Aplin presented opening remarks at the APPA Customer Connections Conference.

Supporting Community Health and Cancer Awareness
Employees are supporting community health through local outreach and breast cancer awareness and fundraising. October activities include a community health fair and efforts benefiting the American Cancer Society.

On October 24, Sheryl Haley, Kari Willis and Garret Potts represented NES at Greater Christ Temple Church's Community Health Fair, which offered free health screenings, wellness resources and educational activities.

In October, Rashed Fakhruddin is serving his eighth year as an American Cancer Society Men Wear Pink ambassador, raising breast cancer awareness and funds for research and survivor support. The organization also selected him for its inaugural 2026 Commitment to the Fight Award.

Fakhruddin is leading the seventh annual Fit Crawl to Fight Breast Cancer, taking place October 31 at Rose Park. The event will feature family activities and an adult field day, with all participation proceeds benefiting the American Cancer Society.

Recognizing Customer Service Performance
Customer Relations recognition highlights advisors who meet service quality standards and exceed productivity goals. The latest results provided for this report reflect September performance.

In September, three advisors achieved Pacesetter status by exceeding productivity goals, and nine advisors earned membership in the 100 Percenters Club by achieving 100 percent in all call monitoring categories.

2026 NES SUCCESSION PLAN REPORT

It is the policy of NES to project the future leadership needs of the organization and to strive to ensure the availability of qualified and prepared individuals to provide leadership in achieving the organization's mission and goals. This report includes a list of senior management positions that were filled during the past fiscal year alone with a list of key positions that are likely to become vacant over the next several years due to retirements. Management continues to assess the organization's "bench-strength" and leadership potential for backfilling key positions should that become necessary because of retirements, promotions, reassignments, or actions that result in a key position vacancy.

The Senior Management position below was filled between July 1, 2025 - June 30, 2026:

Chief Communications Officer – Laine Arnold

We have one vacant position due to the resignation of David Frankenberg (CFO) effective August 31, 2026 and are also looking for a COO. While there is no indication of any "Chief" level Vice President considering retirement anytime soon, there is one (1) individual in this category currently eligible to retire without a pension benefits reduction:

Chief Legal Officer and General Counsel

While there is no indication of any Vice President considering retirement anytime soon, there are two (2) VP's currently eligible to retire without a pension benefits reduction:

Vice President Operations – Transmission and Distribution

Vice President Operations – Grid Transformation and Project Management

There are eight (8) NES managers across the organization who are currently eligible to retire with unreduced pension benefits. There are also employees within the organization who meet the current minimum qualifications for these positions.

Managers who are eligible for Unreduced Retirement Benefits

Operations Manager	Stephen Clark	Construction & Maintenance
Engineering Manager	Leonard Leech	Planning and Reliability
Engineering Manager	Tony Richman	Innovation, Projects, and Standards
Engineering Manager	Raymond Foster	Design and Project Management
Safety Engineer & Trans. Manager	Mark Booker	Safety & Transportation
Controls & Compliance Manager	Sandra Chapman	Controls and Compliance
Utility Compliance Manager	Kent Cochran	Utility Compliance
Customer Relations Manager	Sonya Pullens	Customer Services

EMERGENCY SUCCESSION POLICY

Management has developed the NES Management Succession Plan. The plan was developed to provide for contingencies due to the disability, death or departure of the President and Chief Executive Officer. The plan has been adopted by the Board and is included in the NES Policy Manual. The President and CEO reviews the details of the plan with the Board on an annual basis.

Policy Manual - Governance and Administration
6. Succession Planning and Emergency Succession
NES recognizes the need for contingencies due to the disability, death, or departure of the President and CEO. When NES is faced with an untimely vacancy, NES activates plans to facilitate the transition to both acting and longer-term leadership for the President and CEO position. Further, general succession planning identifies and prepares candidates for other upper-management positions that become vacant due to retirement, resignation, death, or new career opportunities within NES. If the organization is faced with the unlikely event of an untimely vacancy, NES has in place the following emergency succession plan to facilitate the transition to both acting and longer-term leadership. The Board has a clear understanding of the President and CEO's role in organizational leadership, program development, program administration, operations, Board relationships, financial operations, resource development and community presence.

6. D. 2 Emergency Succession Procedures

A temporary absence is one in which it is expected that the President and CEO will return to his/her position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as a vacation or sabbatical. The Board authorizes NES to implement the terms of this emergency plan in the event of the unplanned absence of the President and CEO. In the event of an unplanned absence of the President and CEO, the Executive Vice President (EVP) is to immediately inform the Board Chairperson of the absence. As soon as it is feasible, the Chairperson should convene a meeting of the Board to affirm the procedures prescribed in this plan or to make modifications as the Board deems appropriate. At the time that the emergency plan is implemented, the position of Acting President and CEO will be filled by the EVP. Should the EVP be unable to serve, the back-up appointees for the position will be determined by the Board Chair. The appointees may be any of the following:

(i.) EVP and Chief Operating Officer
(ii.) Chief Legal Officer & General Counsel
(iii.) Chief People Officer
(iv.) Chief Financial Officer
(v.) Chief Communications Officer
(vi.) Chief Information Officer
(vii.) VP Customer Relations
(viii.) VP Operations Power Systems Operations
(ix.) VP Operations Engineering
(x.) VP Operations Transmission and Distribution
(xi.) VP Operations Grid Transformation and Project Management

The above listing is not meant to dictate the order in which an appointee is selected. Other criteria such as time in a position, time with the company or overall operational knowledge of the company may be used as the deciding factor. The Board may also consider the option of splitting executive duties among multiple appointees.

Miscellaneous

Recess to Civil Service Board Meeting

Reconvene to ratify actions taken by Civil Service Board

Adjournment of Electric Power Board Meeting