

RESOLUTION NO. RS2023-_____

Adopted December 5, 2023

A Thirty-First 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, 2024 Series A, and Electric System Revenue Refunding Bonds, 2024 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 November 15, 2023 that it is in the best interest of the electric system under its control to issue revenue bonds in an amount not to exceed \$325,000,000, such bonds to be designated as the Electric System Revenue Bonds, 2024 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 2024 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 2024 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 November 15, 2023 that it is in the best interest of the electric system under its control to issue revenue bonds in an amount not to exceed \$139,990,000, such bonds to be designated as the Electric System Revenue Refunding Bonds, 2024 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 2024 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-First 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-First Supplemental Resolution. This Thirty-First 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-First 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-First Supplemental Resolution as such terms are given in said Section 101 of the Electric System Revenue Bond Resolution.

(2) In this Thirty-First Supplemental Resolution:

2013 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2013 Series A, authorized by Article II of the Twenty-Fifth Supplemental Resolution.

2014 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Bonds, 2014 Series A, authorized by Article II of the Twenty-Sixth Supplemental Resolution.

2024 Bonds shall mean collectively the 2024 Series A Bonds and the 2024 Series B Bonds.

2024 Capital Appreciation Bonds shall mean collectively the 2024 Series A Capital Appreciation Bonds and the 2024 Series B Capital Appreciation Bonds.

2024 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Bonds, 2024 Series A, authorized by Article II of this Thirty-First Supplemental Resolution.

2024 Series A Capital Appreciation Bonds shall mean those 2024 Series A Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(A) of this Thirty-First Supplemental Resolution, to be issued as Capital Appreciation Bonds under the terms of the Electric System Revenue Bond Resolution.

2024 Series B Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2024 Series B, authorized by Article II of this Thirty-First Supplemental Resolution.

2024 Series B Capital Appreciation Bonds shall mean those 2024 Series B Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(B) of this Thirty-First Supplemental Resolution, to be issued as Capital Appreciation Bonds under the terms of the Electric System Revenue Bond Resolution.

2024 System Improvements shall mean those improvements to the System paid by the Board from October 9, 2023 to the date of issuance of the 2024 Series A Bonds and those improvements to the System scheduled to be paid over the three years after the date of issuance of the 2024 Series A Bonds as identified in the Board's proposed capital budgets for fiscal years 2024, 2025 and 2026 and totaling in the aggregate approximately \$550,700,000 (excluding expenditures for information technology).

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 person 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 person elected and serving in such capacity pursuant to the provisions of the Charter of the Metropolitan Government.

Refunded Bonds shall mean those 2013 Series A Bonds, if any, and those 2014 Series A Bonds, if any, which are designated by the Board, in accordance with the provisions of Section 207(C) of this Thirty-First 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 person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Metropolitan Treasurer, or his or her designee.

Thirty-First Supplemental Resolution shall mean this Thirty-First Supplemental Electric System Revenue Bond Resolution.

Twenty-Fifth Supplemental Resolution shall mean collectively Resolution No. RS2013-709 of the Metropolitan Government, entitled "A Twenty-Fifth 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, 2013 Series A, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on June 4, 2013, as supplemented and amended by Resolution No. RS2013-744 of the Metropolitan Government, entitled "A Resolution supplementing and amending the Twenty-Fifth Supplemental Electric System Revenue Bond Resolution of The Metropolitan Government of Nashville and Davidson County authorizing the issuance of Electric System Revenue Refunding Bonds, 2013 Series A," adopted on June 18, 2013.

Twenty-Sixth Supplemental Resolution shall mean Resolution No. RS2014-1067 of the Metropolitan Government, entitled "A Twenty-Sixth 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, 2014 Series A, and Electric System Revenue Refunding Bonds, 2014 Series B, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on May 6, 2014.

ARTICLE II AUTHORIZATION OF 2024 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 \$325,000,000. 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, 2024 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 \$139,990,000. 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, 2024 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 2024 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 2024 System Improvements. Proceeds of the 2024 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 2024 Series A Bonds during the construction period for the 2024 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 2024 Series A Bonds as described in subparagraph (iii) of Section 209(A).

(B) The 2024 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 2024 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 2024 Series B Bonds, redeeming the Refunded Bonds and refunding the Refunded Bonds as described in subparagraph (iii) of Section 209(B).

203. Date. The 2024 Bonds, other than the 2024 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 2024 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 2024 Capital Appreciation Bonds shall be dated such November 15 or May 15, or unless such 2024 Capital Appreciation Bonds are authenticated prior to the first interest payment date for 2024 Bonds (other than the 2024 Capital Appreciation Bonds), in which case such 2024 Capital Appreciation Bonds shall be dated the respective dates of their original issuance.

204. Denomination, Numbers and Letters. The 2024 Bonds (other than the 2024 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 2024 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 2024 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 2024 Bonds, and interest accrued in the case of the 2024 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 2024 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 2024 Bonds, written acceptance of the office of Paying Agent in substantially the form attached hereto as Exhibit A. The principal of all 2024 Bonds, and interest accrued in the case of the 2024 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 2024 Bonds (other than that accruing on 2024 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 2024 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 2024 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 2024 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 2024 Bonds as determined by the Board is greater than zero when the 2024 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 2024 Bonds. If at any time after the issuance of the 2024 Bonds the Metropolitan Government is required to fund the Debt Service Reserve Account with respect to the 2024 Bonds, or to increase the amount in the Debt Service Reserve Account with respect to the 2024 Bonds due to an increase in the Debt Service Reserve Requirement for the 2024 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 2024 Bonds. The foregoing provisions of this paragraph relate only

to the deadline for the initial funding of the Debt Service Reserve Requirement for the 2024 Bonds and for the funding of any subsequent increase in the Debt Service Reserve Requirement for the 2024 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 2024 Series A Bonds to determine the following:

(i) the principal amount of 2024 Series A Bonds to be issued, provided that the principal amount of 2024 Series A Bonds to be issued shall not exceed the amount set forth in Section 201(A) of this Thirty-First Supplemental Resolution;

(ii) the maturity date or dates and the principal amount of each maturity of the 2024 Series A Bonds, provided that the first maturity date shall be a date on or after May 15, 2024, and the last maturity date shall be a date not later than May 15, 2059;

(iii) the interest rate or rates for each maturity of the 2024 Series A Bonds, provided that the interest rate for each maturity of the 2024 Series A Bonds shall not exceed the maximum lawful rate;

(iv) which, if any, of the 2024 Series A Bonds shall be issued as Capital Appreciation Bonds, and all matters pertaining thereto;

(v) which, if any, of the 2024 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 2024 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 2024 Series A Bonds as "Electric System Revenue Bonds, 2024 Series A-1," and the designation of the federally taxable 2024 Series A Bonds as "Electric System Revenue Bonds, 2024 Series A-2 (Federally Taxable)";

(vii) the optional redemption provisions, if any, applicable to the 2024 Series A Bonds, including without limitation the Redemption Prices and dates of redemption applicable thereto;

(viii) the amount of interest on the 2024 Series A Bonds during the period of acquisition and construction of the 2024 System Improvements and for six (6) months thereafter, if any, which shall be payable from the proceeds of the 2024 Series A Bonds;

(ix) the amount of proceeds of the 2024 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 2024 Series A Bonds; and

(x) the terms of the sale of the 2024 Series A Bonds, to be set forth in a purchase contract for the sale and purchase of the 2024 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 2024 Series B Bonds to determine the following:

(i) the principal amount of 2024 Series B Bonds to be issued, provided that the principal amount of 2024 Series B Bonds to be issued shall not exceed the lesser of (i) the amount set forth in Section 201(B) of this Thirty-First 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-First Supplemental Resolution;

(ii) the maturity date or dates and the principal amount of each maturity of the 2024 Series B Bonds, provided that (a) the first maturity date shall be a date on or after May 15, 2024, and the last maturity date shall be a date not later than May 15, 2039, 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 2024 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 2024 Series B Bonds, provided that the interest rate for each maturity of the 2024 Series B Bonds shall not exceed the maximum lawful rate;

(iv) which, if any, of the 2024 Series B Bonds shall be issued as Capital Appreciation Bonds, and all matters pertaining thereto;

(v) which, if any, of the 2024 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 2024 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 2024 Series B Bonds as "Electric System Revenue Refunding Bonds, 2024 Series B-1," and the designation of the federally taxable 2024 Series B Bonds as "Electric System Revenue Refunding Bonds, 2024 Series B-2 (Federally Taxable)";

(vii) the optional redemption provisions, if any, applicable to the 2024 Series B Bonds, including without limitation the Redemption Prices and dates of redemption applicable thereto;

(viii) the amount of proceeds of the 2024 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 2024 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 2024 Series B Bonds, to be set forth in a purchase contract for the sale and purchase of the 2024 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 2013 Series A Bonds and the Outstanding 2014 Series A Bonds shall be refunded as provided in this Thirty-First 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 2024 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 2024 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 2024 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 2024 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 2024 Bonds.

208. Authentication and Delivery of the 2024 Bonds. The Fiscal Agent shall authenticate and deliver the 2024 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 2024 Bonds. (A) The proceeds of the 2024 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 2024 Bonds to equal the Debt Service Reserve Requirement for the 2024 Bonds;

(ii) There shall be deposited in the Construction Fund for application to the payment of interest to accrue on the 2024 Series A Bonds during the construction period for the 2024 System Improvements and six (6) months thereafter the amount of such interest, if any, to be paid from the proceeds of the 2024 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 2024 Series A Bonds the amount of such costs and expenses, if any, to be paid from the proceeds of the 2024 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 2024 System Improvements.

(B) The proceeds of the 2024 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 2024 Bonds to equal the Debt Service Reserve Requirement for the 2024 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 2024 Series A Bonds cannot be used to fund the entire amount of the Debt Service Reserve Requirement for the 2024 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 2024 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 2024 Series B Bonds.

210. Form of 2024 Bonds and Fiscal Agent’s Certificate of Authentication.

(A) Subject to the provisions of the Electric System Revenue Bond Resolution, the form of the 2024 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 2024 BONDS]

UNITED STATES OF AMERICA

STATE OF TENNESSEE

THE METROPOLITAN GOVERNMENT

OF NASHVILLE AND DAVIDSON COUNTY

ELECTRIC SYSTEM REVENUE [REFUNDING] BOND, 2024 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]

No. R-

<u>[Interest Rate]</u>		<u>[Original Issue Date]</u>		<u>Dated Date</u>	<u>CUSIP</u>
<u>[Approximate Yield to Maturity]</u>	<u>Maturity Date</u>				

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, 2024, 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, 2024) 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, 2024 Series [A][A-1][A-2 (Federally Taxable)][B][B-1][B-2 (Federally Taxable)]" (herein called the "2024 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 2024 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 2024 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 2024 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 2024 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:

<u>Redemption Period</u> (dates inclusive)	<u>Redemption Price</u>
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:

<u>Year</u>	<u>Principal Amount</u>
____ (maturity)	\$ _____ \$ _____]

The principal of and interest on the 2024 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 2024 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:

Attest:

Metropolitan Treasurer of The Metropolitan
Government of Nashville and Davidson County

Metropolitan Clerk of The Metropolitan
Government of Nashville and Davidson
County

(SEAL)

[TO BE ATTACHED TO 2024 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 2024 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:

<u>Date</u>	<u>Accreted Value</u>	<u>Date</u>	<u>Accreted Value</u>
May 15, ____	\$ _____	May 15, ____	\$ _____
November 15, ____	\$ _____	November 15, ____	\$ _____

**[FORM OF CERTIFICATE OF AUTHENTICATION ON
ALL 2024 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 2024 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 2024 Bonds. (A) As per the direction of the initial purchasers of the 2024 Bonds, The Depository Trust Company ("DTC"), New York, New York, shall serve, subject to this Section 211, as securities depository for the 2024 Bonds, and the ownership of one fully registered Bond for each maturity of the 2024 Series A Bonds and the 2024 Series B Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of DTC.

(B) The 2024 Series A Bonds and the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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-First Supplemental Resolution shall refer to such new nominee of DTC.

(C) (1) DTC may determine to discontinue providing its services with respect to the 2024 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 2024 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 2024 Bonds pursuant to subsection (C) of this Section 211, such 2024 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-First Supplemental Resolution upon reasonable and customary terms. If no such successor can be found within such period, the 2024 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 2024 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 2024 Bonds, and (b) the Metropolitan Government shall notify the Paying Agent that such 2024 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-First Supplemental Resolution to the contrary notwithstanding, payment of the Redemption Price of a 2024 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-First Supplemental Resolution to the contrary notwithstanding, such Redemption Price may be paid without presentation and surrender to the Paying Agent of the 2024 Bond, or portion thereof, called for redemption; provided, however, that payment of (a) the principal payable at maturity of a 2024 Bond, and interest accrued in the case of 2024 Capital Appreciation Bonds, and (b) the Redemption Price of a 2024 Bond as to which the entire principal amount thereof has been called for redemption shall be payable only upon presentation and surrender of such 2024 Bond to the Paying Agent; and provided, further, that no such redemption price shall be so payable without presentation and surrender unless such 2024 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-FIRST 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-First Supplemental Resolution to the contrary notwithstanding, upon any such payment to DTC without presentation and surrender, for all purposes of (i) the 2024 Bond as to which such payment has been made and (ii) this Thirty-First Supplemental Resolution, the unpaid principal amount of such 2024 Bond Outstanding shall automatically be reduced by the principal amount so paid. In such event, the Paying Agent shall note the particular 2024 Bond as to which such payment has been made, and the principal amount of such 2024 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 2024 Bond Outstanding as provided in this subsection.

(5) For all purposes of the Electric System Revenue Bond Resolution authorizing or permitting the purchase of 2024 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 2024 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 2024 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 2024 Bond shall be effective for purposes of the Electric System Revenue Bond Resolution only upon surrender of such 2024 Bond to the Paying Agent; and provided, further, that no portion of a 2024 Bond may be deemed to have been so purchased and cancelled without surrender thereof unless such 2024 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 2024 Bond to which such certificate relates and (ii) the Electric System Revenue Bond Resolution, the unpaid principal amount of such 2024 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 2024 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 2024 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 2024 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 2024 Series A Bonds (other than those 2024 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 2024 Series B Bonds (other than those 2024 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 2024 Series A Bonds and the 2024 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 2024 Series A Bonds and the 2024 Series B Bonds and to be executed by the Metropolitan Government on the date of the initial issuance and delivery of the 2024 Series A Bonds and the 2024 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 2024 Series A Bonds and the 2024 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 2024 Series A Bonds and the 2024 Series B Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2024 Series A Bonds and the 2024 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 2024 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 2024 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 2024 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-First 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 2024 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 2024 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 2024 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 2024 Bonds are to be insured as determined by the Board pursuant to Section 207 of this Thirty-First 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 2024 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-First Supplemental Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance and delivery by the Metropolitan Government of the 2024 Bonds.

ARTICLE IV MISCELLANEOUS

401. Resolution to Remain in Effect. Save and except as supplemented by this Thirty-First 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-First 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:

Sam Smith

General Counsel
Electric Power Board

APPROVED AS TO FORM AND
LEGALITY:

Wallace W. Dietz

Director of Law

INTRODUCED BY:

MEMBERS OF COUNCIL

EXHIBIT A

FORM OF ACCEPTANCE OF OFFICE OF PAYING AGENT

_____, 2024

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, 2024 Series A, and the Electric System Revenue Refunding Bonds, 2024 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 2024 Series A Bonds and the 2024 Series B Bonds pursuant to Section 908 of the Resolution in the event the undersigned assigns its obligations as Paying Agent for the 2024 Series A Bonds or the 2024 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 2024 Series A Bonds or the 2024 Series B Bonds.

Regions Bank, as Paying Agent

By: _____

Name: _____

Title: _____

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

\$ _____ Electric System Revenue Bonds, 2024 Series A
\$ _____ Electric System Revenue Refunding Bonds, 2024 Series B

for the use and benefit of the
ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY

BOND PURCHASE AGREEMENT

_____, 2024

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, 2024 Series A (the “2024 Series A Bonds”) and its Electric System Revenue Refunding Bonds, 2024 Series B (the “2024 Series B Bonds” and collectively with the 2024 Series A Bonds, the “2024 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 2024 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-First Supplemental Electric System Revenue Bond Resolution adopted by the Issuer on _____, 2023, 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) 2024 Series A Bonds, in the original aggregate principal amount of \$ _____ at an aggregate purchase price of \$ _____ (the “2024 Series A Purchase Price”),

representing the aggregate principal amount of the 2024 Series A Bonds, plus reoffering premium of \$ _____, less underwriters' discount of \$ _____, and (b) 2024 Series B Bonds, in the original aggregate principal amount of \$ _____ at an aggregate purchase price of \$ _____ (the "2024 Series B Purchase Price" and collectively with the 2024 Series A Purchase Price, the "Purchase Price"), representing the aggregate principal amount of the 2024 Series B Bonds, plus reoffering premium of \$ _____, less underwriters' discount of \$ _____. The 2024 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 2024 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 2024 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 2024 Series A and B Bonds, and, upon such failure of the Underwriters to accept and pay for the 2024 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 2024 Series A and B Bonds.

1. At or prior to noon, prevailing time in Nashville, Tennessee on _____, 2024, the date of delivery and payment for the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds.
3. After execution by the Issuer, the 2024 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 2024 Series A and B Bonds from safe custody at the Closing upon receipt of payment for the 2024 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 _____, 2024 (the “Preliminary Official Statement”), delivered to the Underwriters and made available on the Internet at www.munideals.com on such date, in connection with the public offering of the 2024 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 2024 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 2024 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.munideals.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 2024 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 2024 Series A and B Bonds without any requirement of prior notice, and may offer and sell the 2024 Series A and B Bonds to certain institutions (including dealers depositing the 2024 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 2024 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 2024 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 2024 Series A and B Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the 2024 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 II attached hereto, the Issuer will treat the first price at which at least 10% of each maturity of the 2024 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 2024 Series A and B Bonds. If at that time the 10% test has not been satisfied as to any maturity of the 2024 Series A and B Bonds, the Representative agrees to promptly report to the Issuer the prices at which 2024 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 2024 Series A and B Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the 2024 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 2024 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 2024 Series A and B Bonds.
4. The Representative confirms that the Underwriters have offered the 2024 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 II attached hereto, except as otherwise set forth therein. Appendix II also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2024 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 2024 Series A and B Bonds, the Underwriters will neither offer nor sell unsold 2024 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 (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the 2024 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 2024 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 2024 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 2024 Series A and B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds of each maturity allocated to it, whether or

not the Closing Date has occurred, until either all 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds.
7. The Underwriters acknowledge that sales of any 2024 Series A and B Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2024 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 2024 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 2024

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 2024 Series A and B Bonds to the public),

- (iii) a purchaser of any of the 2024 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 2024 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 2024 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 2024 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; and (ii) pay certain costs incurred in connection with the issuance of the 2024 Series A Bonds. The net proceeds from the sale of the 2024 Series B Bonds will be applied to: (i) refinance [all/portions of the Issuer's Electric System Revenue Refunding Bonds, 2013 Series A, maturing May 15, 20__ through May 15, 20__, and all/portions of the Electric System Revenue Refunding Bonds, 2014 Series A, maturing May 15, 20__ through May 15, 20__]; and (ii) pay certain costs incurred in connection with the issuance of the 2024 Series B Bonds.
3. The 2024 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 2024 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 2024 Series A and B Bonds in the manner contemplated in the Resolution, and (iii) execute and deliver the 2024 Series A and B Bonds, and perform its obligations under the 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds and the Bond Purchase Agreement, and the performance by the Issuer of the obligations on its part contained in, the 2024 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 2024 Series A and B Bonds. The issuance and sale of the 2024 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 2024 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 2024 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 2024 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 purpose 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 2024 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 2024 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 2024 Series A and B Bonds, or the pledge thereof, or the application of the proceeds of the 2024 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 2024 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 2024 Series A and B Bonds, or apply the proceeds of the 2024 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 2024 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 2024 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. Except as provided in the Official Statement, the Issuer 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.
16. Neither the Issuer nor anyone acting on its behalf has, directly or indirectly, offered the 2024 Series A and B Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Underwriters.
17. 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.
18. 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.
19. 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 2024 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 _____, 2023 and on _____, 2024 (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 2024 Series A and B Bonds, the Resolution, the NES Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, dated as of _____, 2024, 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 2024 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 2024 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 2024 Series A and B Bonds. The issuance and sale of the 2024 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 2024 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 2024 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 2024 Series A and B Bonds, or the pledge thereof, or the application of the

proceeds of the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A Bonds and being refinanced with the proceeds the 2024 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, 2023.

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 2024 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 2024 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 2024 Series A and B Bonds.

L. Certain Conditions to Underwriters' Obligations. The obligation of the Underwriters to accept delivery of and pay for the 2024 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 2024 Series A and B Bonds are subject to the performance by the Issuer and of 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 2024 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 2024 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 2024 Series A and B Bonds that, in the Representative's reasonable judgment, materially adversely affects the market for the 2024 Series A and B Bonds, or the market price generally of obligations of the general character of the 2024 Series A and B Bonds, or the ability of the Underwriters to enforce contracts for sale of the 2024 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) the occurrence of 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 2024 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

2024 Series A and B Bonds or enforce contracts for the sale of the 2024 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 2024 Series A and B Bonds or the market price thereof or makes it impracticable for the Underwriters to market the 2024 Series A and B Bonds or enforce contracts for the sale of the 2024 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 2024 Series A and B Bonds or any comparable securities of the Issuer, any obligations of the general character of the 2024 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 2024 Series A and B Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2024 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 2024 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 2024 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 2024 Series A and B Bonds or

the ability of the Underwriters to enforce contracts of the sale of the 2024 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 Wallace W. Dietz, 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, 2023, 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 2024 Series A and B Bonds; (iv) the Issuer has satisfied all conditions under the Resolution as to the issuance and delivery of the 2024 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 2024 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 2024 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, 2023, 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, 2023, 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 2024 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 2024 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 2024 Series A and B Bonds will be used in a manner that would cause the 2024 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 2024 Series A and B Bonds have been rated not less than “[]” and “[]” by Moody’s Investors Service, Inc. 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 2024 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, 2023, 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds.
- 2. The Representative shall pay the costs of qualifying the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 its 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 2024 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 2024 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
1600 Division Street, Suite 700
Nashville, Tennessee 37203

3. Raymond James & Associates, Inc.
One Burton Hills Boulevard, Suite 225
Nashville, Tennessee 37215
Attention: Hugh C. Tanner

with a copy to:

Lillian M. Blackshear
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

- 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 2024 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 2024 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:

Wallace W. Dietz, Director of Law

ACKNOWLEDGED:

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

By: _____
Name: Michael Vandenberg,
Title: Chair

APPENDIX I

To

Bond Purchase Agreement

UNDERWRITERS

Representative and Senior Manager

Raymond James & Associates, Inc.

Co-Managers

Barclays Capital Inc.

BofA Securities, Inc.

FHN Financial Capital Markets

Jefferies LLC

J.P. Morgan Securities LLC

Loop Capital Markets LLC

APPENDIX II

To

Bond Purchase Agreement

\$_____ ELECTRIC SYSTEM REVENUE BONDS, 2024 SERIES A

The 2024 Series A Bonds shall be dated the Closing Date and otherwise be in accordance with applicable provisions of the Resolution. The 2024 Series A Bonds will bear interest payable on [_____, 2024 and thereafter on May 15 and November 15] of each year. Interest on the 2024 Series A Bonds shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each. The 2024 Series A Bonds shall mature in the years, in the amounts and at the rates set forth below:

Maturity Date	Amount	Rate	Yield	Price
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[*Optional Redemption –*

Mandatory Redemption –]

\$ _____ ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2024 SERIES B

The 2024 Series B Bonds shall be dated the Closing Date and otherwise be in accordance with applicable provisions of the Resolution. The 2024 Series B Bonds will bear interest payable on [_____, 2024 and thereafter on May 15 and November 15] of each year. Interest on the 2024 Series B Bonds shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each. The 2024 Series B Bonds shall mature in the years, in the amounts and at the rates set forth below:

Maturity Date	Amount	Rate	Yield	Price
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[Optional Redemption –

Mandatory Redemption –]

APPENDIX III

To

Bond Purchase Agreement

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

\$ _____ ELECTRIC SYSTEM REVENUE BONDS, 2024 SERIES A

\$ _____ ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2024 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, 2024 Series A and \$ _____ in aggregate principal amount of Electric System Revenue Refunding Bonds, 2024 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 _____, 2024.

(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.

Dated: _____, 2024

RAYMOND JAMES & ASSOCIATES, INC., as Representative

By: _____

Name: _____

Schedule A

Sale Prices

\$ _____ ELECTRIC SYSTEM REVENUE BONDS, 2024 SERIES A

<u>Maturity</u> <u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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\$ _____ ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2024 SERIES B

<u>Maturity</u> <u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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General Rule Maturities

- Not Applicable
- Maturities Listed Below

Hold-the-Offering-Price Rule Maturities

- Not Applicable
- Maturities Listed Below

Exhibit A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

(Closing Date)

Raymond James & Associates, Inc.,
as Representative of the Underwriters
One Burton Hills Boulevard, Suite 225
Nashville, Tennessee 37215

Re: The Metropolitan Government of Nashville and Davidson County
\$ _____ Electric System Revenue Bonds, 2024 Series A and \$ _____
Electric System Revenue Refunding Bonds, 2024 Series B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced bonds (the “2024 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 _____, 2024 (the “Preliminary Official Statement”), and the Official Statement, dated _____, 2024 (the “Official Statement”), relating to the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds.

(3) The Bond Purchase Agreement, dated _____, 2024 (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 2024 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
One Burton Hills Boulevard, Suite 225
Nashville, TN 37215

Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201

Re: The Metropolitan Government of Nashville and Davidson County
\$ _____ Electric System Revenue Bonds and 2024 Series A and \$ _____
Electric System Revenue Refunding Bonds, 2024 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 "2024 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-First Supplemental Electric System Revenue Bond Resolution adopted by the Issuer on _____, 2023, authorizing the issuance and delivery of the 2024 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 _____, 2024 (the "Preliminary Official Statement"), and the Official Statement of the Issuer, dated _____, 2024 (the "Official Statement"), each relating to the sale of the 2024 Series A and B Bonds;

(iii) the Bond Purchase Agreement, dated _____, 2024 (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 _____, 2024 (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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds, the proceedings or authority under which the 2024 Series A and B Bonds are issued, the validity of the 2024 Series A and B Bonds, the right of NES to operate the Electric System or the application of the proceeds of the 2024 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; Mr. Kevin Crumbo is the duly appointed, qualified and acting Metropolitan Director of Finance of the Issuer; Ms. Michell Bosch 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 2024 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 2024 Series A and B Bonds may not rely on such certifications.

The enforceability of the Resolution, the 2024 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
One Burton Hills Boulevard, Suite 225
Nashville, Tennessee 37215

Re: The Metropolitan Government of Nashville and Davidson County
\$ _____ Electric System Revenue Bonds, 2024 Series A and
\$ _____ Electric System Revenue Refunding Bonds, 2024 Series B

Ladies and Gentlemen:

We have acted as your counsel in connection with the Bond Purchase Agreement, dated _____, 2024 (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 “2024 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 _____, 2024 (the “Official Statement”), with respect to the 2024 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 2024 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 Public Financial Management, Inc. (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 2024 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
One Burton Hills Boulevard, Suite 225
Nashville, Tennessee 37215

Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, Tennessee 37203

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

Re: The Metropolitan Government of Nashville and Davidson County
\$ _____ Electric System Revenue Bonds, 2024 Series A and
\$ _____ Electric System Revenue Refunding Bonds, 2024 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 “2024 Series A and B Bonds”).

In connection with the issuance and sale of the 2024 Series A and B Bonds, I have examined:

(i) the proceedings with respect to the adoption by NES of the resolutions dated _____, 2023 and _____, 2024 (collectively, the “Power Board Resolution”), requesting the issuance of the 2024 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-First Supplemental Electric System Revenue Bond Resolution adopted by the Issuer on _____, 2023 (such Electric System Revenue Bond Resolution, as amended and supplemented, is hereinafter referred to as the “Bond Resolution”) authorizing the issuance of the 2024 Series A and B Bonds;

(iii) that certain Bond Purchase Agreement, dated _____, 2024 (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 _____, 2024 (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 we 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 2024 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 2024 Series A and B Bonds, or which in any way seeks to restrain, enjoin or adversely affect the issuance or delivery of the 2024 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 2024 Series A and B Bonds, the proceedings or authority under which the 2024 Series A and B Bonds are issued, the validity of the 2024 Series A and B Bonds, the right of NES to operate the Electric System or the application of the proceeds of the 2024 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 2024 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 2024 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 2024 Series A and B Bonds.

Very truly yours,

Exhibit E

CERTIFICATE OF [UNDERWRITER]

Dated _____, 2024

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, 2024 Series A and its Electric System Revenue Refunding Bonds, 2024 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 preempted 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, 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 (i) in compliance with, or adherence to, calls for a boycott of Israel, or (ii) 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.

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: _____

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

New Issue - Book-Entry Only

Ratings:

Moody's: []

Fitch: []

(See "RATINGS" herein)

[In the opinion of Bond Counsel, under existing law, and assuming compliance with the tax covenants described herein, interest on the 2024 Series A and B Bonds is excluded from gross income for Federal income tax purposes and is not a specific preference item for purposes of the Federal alternative minimum tax. Furthermore, in the opinion of Bond Counsel, under existing law interest on the 2024 Series A and B Bonds is exempt from all state, county, and municipal taxation in the State of Tennessee, except franchise and excise taxes. See, however, "TAX EXEMPTION" herein regarding certain other tax considerations.]



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**[\$[PAR AMOUNT]* ELECTRIC SYSTEM REVENUE BONDS, 2024 SERIES A
\$[PAR AMOUNT]* ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2024 SERIES B**

Dated: Date of Delivery

Due: May 15 as shown on the inside cover*

The \$[PAR AMOUNT]* Electric System Revenue Bonds, 2024 Series A (the "2024 Series A Bonds") and the \$[PAR AMOUNT]* Electric System Revenue Refunding Bonds, 2024 Series B (the "2024 Series B Bonds" and, collectively with the 2024 Series A Bonds, the "2024 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 2024 Series A and B Bonds. Individual purchases of the 2024 Series A and B Bonds will be made in book-entry form only. See "DESCRIPTION OF THE 2024 SERIES A AND B BONDS – Book-Entry-Only System" herein.

Interest on the 2024 Series A and B Bonds will be payable semiannually on May 15 and November 15 of each year, commencing [____, 202_]*. Ownership of the 2024 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 2024 Series A and B Bonds. See "DESCRIPTION OF THE 2024 SERIES A AND B BONDS – Book-Entry-Only System" herein.

The 2024 Series A and B Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE 2024 SERIES A AND B BONDS – Redemption" herein.

MATURITIES, AMOUNTS, INTEREST RATES, PRICE OR YIELD AND CUSIP NUMBERS – SEE INSIDE COVER

The 2024 Series A Bonds are being issued to finance the costs of 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 2024 Series A Bonds. The 2024 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 2024 Series B Bonds. See "PLAN OF FINANCING AND REFUNDING" and "SOURCES AND USES" herein.

The 2024 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 Metropolitan Government's Electric System, on a parity with the 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 2024 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2024 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 or interest on the 2024 Series A and B Bonds. See "SECURITY FOR THE BONDS" and "Appendix D – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein.

The 2024 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 Wallace Dietz, Director of Law. It is expected that the 2024 Series A and B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about February __, 2024.

Raymond James

**[Barclays
Jefferies**

**BofA Securities
J.P. Morgan**

**FHN Financial Capital Markets
Loop Capital Markets]**

Dated January __, 2024

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The 2024 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 2024 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.

\$(PAR AMOUNT)* ELECTRIC SYSTEM REVENUE BONDS, 2024 SERIES A

<u>Maturity*</u>	<u>Principal Amount*</u> \$	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.**</u>
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\$(PAR AMOUNT)* ELECTRIC SYSTEM REVENUE REFUNDING BONDS, 2024 SERIES B

<u>Maturity*</u>	<u>Principal Amount*</u> \$	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.**</u>
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* 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 2024 Series A and B Bonds only at the time of issuance of the 2024 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 2024 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 2024 Series A and B Bonds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Honorable Freddie O'Connell, Metropolitan County Mayor

Austin Kyle, Metropolitan Clerk
Kevin Crumbo, Director of Finance
Wallace Dietz, Director of Law

ELECTRIC POWER BOARD

Michael Vandenberg, Chair
Anne Davis, Vice Chair
Clifton Harris
Robert McCabe
Casey Santos

MANAGEMENT

Teresa Broyles-Aplin, President and Chief Executive Officer
David Frankenberg, Vice President and Chief Financial Officer
Laura Smith, Esq., Vice President – General Counsel

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Arlington, Virginia

INDEPENDENT ACCOUNTANTS

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 2024 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 2024 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 2024 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 2024 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 2024 SERIES A AND B BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2024 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 2024 SERIES A AND B BONDS HAS BEEN FILED WITH THE SECURITIES EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES AGENCY. THE 2024 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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Appendix E – Form of Opinion of Bond Counsel..... E-1

Appendix F – Form of Continuing Disclosure Agreement..... F-1

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OFFICIAL STATEMENT

Relating to

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

[\$[PAR AMOUNT]]* Electric System Revenue Bonds, 2024 Series A [\$[PAR AMOUNT]]* Electric System Revenue Refunding Bonds, 2024 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 **[\$[PAR AMOUNT]]* Electric System Revenue Bonds, 2024 Series A** (the "2024 Series A Bonds") and **[\$[PAR AMOUNT]]* Electric System Revenue Refunding Bonds, 2024 Series B** (the "2024 Series B Bonds" and, collectively with the 2024 Series A Bonds, the "2024 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 2024 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 2024 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-First Supplemental Electric System Revenue Bond Resolution adopted by the Metropolitan Government on _____, 2023 (the "Supplemental Resolution"). The 2024 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 2024 Series A Bonds are being issued to finance the costs of acquisition, expansion and improvement of the Metropolitan Government's electric transmission and distribution system (the

* Preliminary, subject to change.

“Electric System”) and to pay costs of issuance of the 2024 Series A Bonds. The 2024 Series B Bonds are being issued to refinance all or a portion of the Metropolitan Government's Electric System Revenue Refunding Bonds, 2013 Series A, maturing May 15, 20__ through May 15, 20__, and all or a portion of the Metropolitan Government's Electric System Revenue Bonds, 2014 Series A, maturing May 15, 20__ through May 15, 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, 2013 Series A (the "2013 Series A Bonds"); Electric System Revenue Bonds, 2014 Series A (the "2014 Series A Bonds"); 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") and Electric System Revenue Bonds, 2021 Series A (the "2021 Series A Bonds" and, collectively with the 2013 Series A Bonds, the 2014 Series A Bonds, the 2015 Series A Bonds, the 2017 Series A Bonds and the 2017 Series B Bonds, the "Parity Debt Obligations"). See "PARITY DEBT OBLIGATIONS" herein. The 2024 Series B Bonds are being issued in part to refund all or a portion of the 2013 Series A Bonds and 2014 Series A Bonds. See "PLAN OF FINANCING AND REFUNDING" herein.

The 2024 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 Parity Debt Obligations. 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 D - 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 D - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION". Copies of the Bond Resolution may be obtained from the office of the Vice President and Chief Financial Officer, Nashville Electric Service, 1214 Church Street, Nashville, Tennessee 37246; telephone (615) 747-3831.

The 2024 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2024 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 2024 Series A and B Bonds.

PLAN OF FINANCING AND REFUNDING

2024 Series A Bonds

The proceeds of the sale of the 2024 Series A Bonds, together with all other available funds, will be used to finance all or 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 2024 Series A Bonds to pay costs of issuing the 2024 Series A Bonds.

2024 Series B Bonds

The proceeds of the sale of the 2024 Series B Bonds, together with other available funds, if applicable, will be used to refinance (i) all or a portion of the Metropolitan Government's outstanding 2013 Series A Bonds, maturing May 15, 20__ through May 15, 20__ (the "2013 Series A Refunded Bonds"), and (ii) all or a portion of the Metropolitan Government's outstanding 2014 Series A Bonds, maturing May 15, 20__ through May 15, 20__ (the "2014 Series A Refunded Bonds" and collectively with the 2013 Series A Refunded Bonds, the "Refunded Bonds").

The proceeds of the 2024 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 _____, 2024 (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 2024 Series B Bonds or any other Parity Debt Obligations. 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 2024 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, 2024. The Metropolitan Government, through the Board, will use the remaining proceeds of the 2024 Series B Bonds to pay costs of issuing the 2024 Series B Bonds.

[Remainder of Page Left Intentionally Blank]

SOURCES AND USES OF FUNDS

The sources and uses of funds are estimated as follows:

<u>Sources of Funds:</u>	<u>2024 Series A Bonds</u>	<u>2024 Series B Bonds</u>
Bond Par Amount.....		
[Net] Reoffering Premium		
Total Sources		
 <u>Uses of Funds:</u>		
Costs of Issuance.....		
Underwriters' Discount.....		
Deposit to Escrow Fund.....		
Deposit to Construction Fund		
Total Uses		

DESCRIPTION OF THE 2024 SERIES A AND B BONDS

Principal Amount, Interest, Maturity and Date

The 2024 Series A and B Bonds will be issued as fully registered bonds in the aggregate principal amount of \$[PAR AMOUNT]* and will be initially dated the date of delivery.

Interest on the 2024 Series A and B Bonds will be payable semiannually on May 15 and November 15 of each year, commencing [_____, 202_]*, at the rates set forth on the inside cover page hereof. The 2024 Series A and B Bonds will mature on the dates set forth on the inside cover page hereof.

Redemption *

Optional Redemption

The 2024 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

2024 Series A Bonds. The 2024 Series A Bond maturing May 15, 20__ (the "2024 Series A Term Bond") is subject to mandatory redemption, in part, on each Sinking Fund Installment due date for the 2024 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

* Preliminary, subject to change.

2024 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:

2024 Series A Bond Due May 15, 20__

<u>Year</u>	<u>Principal Amount</u>
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** Maturity

2024 Series B Bonds. The 2024 Series B Bond maturing May 15, 20__ (the "2024 Series B Term Bond") is subject to mandatory redemption, in part, on each Sinking Fund Installment due date for the 2024 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 2024 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:

2024 Series B Bond Due May 15, 20__

<u>Year</u>	<u>Principal Amount</u>
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** Maturity

If less than all of the 2024 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 2024 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 2024 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 2024 Series A and B Bonds or portions of 2024 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 2024 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 2024 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 2024 Series A and B Bonds or portions of 2024 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 2024 Series A and B Bonds or portions of such 2024 Series A and B Bonds shall cease to accrue; the 2024 Series A and B Bonds or portions of 2024 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 2024 Series A and B Bonds or portions of such 2024 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 2024 Series A and B Bonds for any unredeemed portion of 2024 Series A and B Bonds.

Transfer and Exchange

When in book-entry form, ownership of 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds.

Book-Entry-Only System

DTC will act as securities depository for the 2024 Series A and B Bonds. The 2024 Series A and B Bonds will be issued as fully-registered 2024 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 2024 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 2024 Series A and B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Series A and B Bonds on DTC's records. The ownership interest of each actual purchaser of 2024 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 2024 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 2024 Series A and B Bonds, except in the event that use of the book-entry system for the 2024 Series A and B Bonds is discontinued.

To facilitate subsequent transfers, all the 2024 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 2024 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 2024 Series A and B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF 2024 Series A and B BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF 2024 Series A and B BONDS.

SECURITY FOR THE BONDS

Pledge Under the Bond Resolution

The 2024 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 which can include certain Credit/Liquidity Facility 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 D – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

The 2024 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2024 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 2024 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 D – 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 D – 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 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 2024 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 2024 Series A and B Bonds are issued or for any fiscal year ending after the issuance of the 2024 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 2024 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 2024 Series A and B Bonds are issued or for any fiscal year ending after the issuance of the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds, the Board anticipates that the Debt Service Reserve Requirement for the 2024 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 2024 Series A and B Bonds will be adjusted as provided above. See "Appendix D – 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 (i) the Aggregate Debt Service on the Bonds for such fiscal year, (ii) the Debt Service, if any, on any Credit/Liquidity Facility Obligations for such fiscal year, and (iii) 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 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 (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 D – 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 2024 Series A and B Bonds and, to the extent Outstanding, the 2013 Series A Bonds, the 2014 Series A Bonds, the 2015 Series A Bonds, the 2017 Series A Bonds, the 2017 Series B Bonds and the 2021 Series A 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 to be calculated to be the sum of (A) Adjusted Aggregate Debt Service in any future fiscal year on the then Outstanding Bonds and the Additional Bonds then proposed to be issued and (B) the debt service, if any, in any future fiscal year on any Credit/Liquidity Facility Obligations; 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 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 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 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: (i) any Outstanding Bonds; (ii) any subordinate debt; and (iii) any Credit/Liquidity Facility Obligations. 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 D – 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 2024 Series A and B Bonds.

Year Ending	Outstanding Debt Service ⁽¹⁾			Plus: 2024 Series A Debt Service ⁽¹⁾⁽²⁾			Less: Refunded Bonds Debt Service ⁽¹⁾⁽²⁾⁽³⁾			Plus: 2024 Series B Debt Service ⁽¹⁾⁽²⁾			Total Outstanding Debt Service Post Issuance ⁽¹⁾		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
5/15/2024	\$28,880,000	\$23,390,913	\$52,270,913										\$28,880,000	\$26,697,988	\$55,577,988
5/15/2025	33,105,000	21,946,913	55,051,913	\$5,575,000	13,526,050	19,101,050	(\$3,720,000)	(\$5,980,000)	(\$9,700,000)	\$3,520,000	5,682,250	9,202,250	38,480,000	35,175,213	73,655,213
5/15/2026	33,690,000	20,435,950	54,125,950	5,850,000	13,247,300	19,097,300	(3,905,000)	(5,794,000)	(9,699,000)	3,695,000	5,506,250	9,201,250	39,330,000	33,395,500	72,725,500
5/15/2027	32,570,000	18,879,100	51,449,100	6,145,000	12,954,800	19,099,800	(16,570,000)	(5,598,750)	(22,168,750)	15,835,000	5,321,500	21,156,500	37,980,000	31,556,650	69,536,650
5/15/2028	34,195,000	17,250,600	51,445,600	6,450,000	12,647,550	19,097,550	(17,400,000)	(4,770,250)	(22,170,250)	16,625,000	4,529,750	21,154,750	39,870,000	29,657,650	69,527,650
5/15/2029	35,905,000	15,540,850	51,445,850	6,775,000	12,325,050	19,100,050	(18,265,000)	(3,900,250)	(22,165,250)	17,450,000	3,698,500	21,148,500	41,865,000	27,664,150	69,529,150
5/15/2030	23,270,000	13,745,600	37,015,600	7,115,000	11,986,300	19,101,300	(4,750,000)	(2,987,000)	(7,737,000)	4,495,000	2,826,000	7,321,000	30,130,000	25,570,900	55,700,900
5/15/2031	22,415,000	12,582,100	34,997,100	7,470,000	11,630,550	19,100,550	(4,985,000)	(2,749,500)	(7,734,500)	4,715,000	2,601,250	7,316,250	29,615,000	24,064,400	53,679,400
5/15/2032	20,935,000	11,461,350	32,396,350	7,845,000	11,257,050	19,102,050	(5,235,000)	(2,500,250)	(7,735,250)	4,955,000	2,365,500	7,320,500	28,500,000	22,583,650	51,083,650
5/15/2033	21,985,000	10,414,600	32,399,600	8,235,000	10,864,800	19,099,800	(5,500,000)	(2,238,500)	(7,738,500)	5,205,000	2,117,750	7,322,750	29,925,000	21,158,650	51,083,650
5/15/2034	16,250,000	9,315,350	25,565,350	8,645,000	10,453,050	19,098,050	(5,775,000)	(1,963,500)	(7,738,500)	5,465,000	1,857,500	7,322,500	24,585,000	19,662,400	44,247,400
5/15/2035	17,065,000	8,502,850	25,567,850	9,080,000	10,020,800	19,100,800	(6,060,000)	(1,674,750)	(7,734,750)	5,735,000	1,584,250	7,319,250	25,820,000	18,433,150	44,253,150
5/15/2036	17,915,000	7,649,606	25,564,606	9,530,000	9,566,800	19,096,800	(6,365,000)	(1,371,750)	(7,736,750)	6,020,000	1,297,500	7,317,500	27,100,000	17,142,156	44,242,156
5/15/2037	18,815,000	6,753,850	25,568,850	10,010,000	9,090,300	19,100,300	(6,685,000)	(1,053,500)	(7,738,500)	6,325,000	996,500	7,321,500	28,465,000	15,787,150	44,252,150
5/15/2038	19,750,000	5,813,100	25,563,100	10,510,000	8,589,800	19,099,800	(7,015,000)	(719,250)	(7,734,250)	6,635,000	680,250	7,315,250	29,880,000	14,363,900	44,243,900
5/15/2039	20,740,000	4,825,600	25,565,600	11,035,000	8,064,300	19,099,300	(7,370,000)	(368,500)	(7,738,500)	6,970,000	348,500	7,318,500	31,375,000	12,869,900	44,244,900
5/15/2040	13,970,000	3,860,150	17,830,150	11,585,000	7,512,550	19,097,550							25,555,000	11,372,700	36,927,700
5/15/2041	14,590,000	3,236,100	17,826,100	12,165,000	6,933,300	19,098,300							26,755,000	10,169,400	36,924,400
5/15/2042	15,245,000	2,584,000	17,829,000	12,775,000	6,325,050	19,100,050							28,020,000	8,909,050	36,929,050
5/15/2043	8,455,000	1,821,750	10,276,750	13,415,000	5,686,300	19,101,300							21,870,000	7,508,050	29,378,050
5/15/2044	8,875,000	1,399,000	10,274,000	14,085,000	5,015,550	19,100,550							22,960,000	6,414,550	29,374,550
5/15/2045	9,320,000	955,250	10,275,250	14,790,000	4,311,300	19,101,300							24,110,000	5,266,550	29,376,550
5/15/2046	9,785,000	489,250	10,274,250	15,565,000	3,534,825	19,099,825							25,350,000	4,024,075	29,374,075
5/15/2047				16,380,000	2,717,663	19,097,663							16,380,000	2,717,663	19,097,663
5/15/2048				17,240,000	1,857,713	19,097,713							17,240,000	1,857,713	19,097,713
5/15/2049				18,145,000	952,613	19,097,613							18,145,000	952,613	19,097,613
Total	\$477,725,000	\$222,853,828	\$700,578,828	\$266,415,000	\$214,452,875	\$480,867,875	(\$119,600,000)	(\$45,164,750)	(\$164,764,750)	\$113,645,000	\$42,833,813	\$156,478,813	\$738,185,000	\$434,975,766	\$1,173,160,766

⁽¹⁾ Totals may not add due to rounding. Represents a full year of debt service in the year ending 5/15/2024, regardless of payments that have been previously made throughout the year.

⁽²⁾ Actual debt service on the 2024 Series A and B Bonds will be determined at the time of sale. The maturities or portions of maturities of the Refunded Bonds to be refunded by the 2024 Series B Bonds are subject to change based upon market conditions at the time of sale.

⁽³⁾ Net of Debt Service Fund contributions for the year ending 5/15/2024.

CONSTRUCTION AND FINANCING PROGRAM

Construction Program

The Board's construction program for the fiscal years ending June 30, 2024 through June 30, 2028 consists of capital improvements and construction of the transmission and distribution facilities described herein under "THE ELECTRIC SYSTEM." The estimated construction costs to be incurred by the Board in each of the fiscal years 2024 through 2028 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 the 2024 Series A Bonds.

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 2026, 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 issuing one or more additional Series of Bonds in 2027 to finance future capital needs.

[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 "2024 Line of Credit") with Pinnacle Bank for the purchase of electric power in case of a natural disaster. The 2024 Line of Credit became effective January 1, 2024 and expires on December 31, 2024. There have currently been no borrowings under the 2024 Line of Credit. Any borrowings under the 2024 Line of Credit will bear interest at a variable rate and will be secured by net revenues of the Electric System, subject to the prior pledge of said revenues in favor of the Bonds. In the event of a default in the terms of the 2024 Line of Credit, Pinnacle Bank has the option to accelerate payment of all amounts due under the 2024 Line of Credit. The Metropolitan Government, acting by and through the Board, intends to renew the 2024 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 Nashville Electric Service ("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 an efficient electrical distribution system with a strong financial base.

The Board is composed of five members appointed by the Metropolitan Mayor (the "Mayor") and confirmed by the Metropolitan Council (the "Council"). Members of the Board serve staggered five-year terms without pay with the Chairman and Vice Chairman elected for one-year terms by the Board. Pursuant to the Metropolitan Charter, 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 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.

Except as otherwise provided herein regarding certain solar generating capacity, NES has no generating capacity and purchases 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, but beginning on December 19, 1987, and on each subsequent anniversary thereof, the contract has been and is automatically extended for additional one-year renewal terms beyond its then existing time of expiration. Prior to August 28, 2019, the Power Contract had been subject to earlier termination by either party on not less than ten (10) years' written notice. Effective August 28, 2019, a Long-Term Partnership Agreement with TVA (the "Long-Term Partnership Agreement") extended the termination notice period to twenty (20) years, provided, however, that if certain provisions regarding wholesale rate stability are not met by TVA, the termination notice period could revert back to ten (10) years. In exchange for an extended termination notice period, TVA reduced certain non-fuel wholesale rates by 3.1% and committed to collaborating on distribution power solutions. See "THE ELECTRIC SYSTEM" herein.

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. Michael P. Vandenberg, *Chair*, has been a member of the Board since 2020. He is the David Daniels Allen Distinguished Chair in Law at Vanderbilt University Law School, Director of the Climate Change Research Network, and Co-Director of the Energy, Environment and Land Use Program. Mr. Vandenberg was named a 2022 Andrew Carnegie Fellow for his research on overcoming polarization on climate change. An award-winning teacher, Mr. Vandenberg has published numerous articles and book chapters on private environmental governance and household energy use in peer-reviewed publications, such as the *Proceedings of the National Academies of Science*, *Nature Climate Change*, and *Energy Policy*, and in legal publications such as the *Columbia*, *New York University*, and *Cornell Law Reviews*. "Beyond Gridlock," his article on private climate governance with physicist Jonathan Gilligan, won the Morrison Prize as the top sustainability article in North America in 2015. His book with professor Gilligan, *BEYOND POLITICS: THE PRIVATE GOVERNANCE RESPONSE TO CLIMATE CHANGE*, was published by Cambridge University Press in 2017, won the 2018 Chancellor's Award for Research, and was identified in the *ENVIRONMENTAL FORUM* as one of the top environmental law and policy books of the last 50 years. Prior to joining the Vanderbilt faculty, Mr. Vandenberg was a partner at Latham & Watkins in Washington, D.C., and served as Chief of Staff of the Environmental Protection

Agency from 1993-95. He has been a visiting professor at Harvard, the University of Chicago, and the Wharton School. His research has been discussed in major media outlets such as National Public Radio's All Things Considered, National Geographic, USA Today, and the Washington Post. He is a member of the Board on Environmental Change and Society of the National Academies of Science, Engineering and Medicine, and of the American College of Environmental Lawyers. His current term on the Board ends in 2025.

Ms. Anne Davis, *Vice Chair*, has been a member of the Board since 2021. She is currently a Senior Advisor to the Energy, Environment and Land Use Program at Vanderbilt University Law School, where she also teaches a course in climate change law and policy. From 2011 until 2017, Ms. Davis was with the Southern Environmental Law Center ("SELC"), opening its Tennessee office and serving as its managing attorney. While there, she worked on clean water and clean energy issues and was a member of TVA's Regional Energy Resource Council. In 2017, she left SELC to join her husband, former Nashville Mayor Karl Dean, in his campaign for governor of Tennessee. As First Lady of Nashville from 2007-2015, Davis chaired the Mayor's Task Force on Environmental Sustainability and served on the Metropolitan Government's Green Ribbon Committee. She was also a member of Mayor Megan Barry's Livable Nashville Committee and Mayor John Cooper's Sustainable Nashville Committee. In 2011, she and her husband were the recipients of the Tennessee Environmental Council Sustainable Tennessee Award. Ms. Davis was previously appointed by then Governor Phil Bredesen and reappointed by then Governor Bill Haslam to the Board of the Tennessee Heritage Conservation Trust Fund. Ms. Davis previously taught for over two decades at Vanderbilt University Law School and was in private practice with the law firms of Neal & Harwell and Bass, Berry & Sims PLC. Her current term on the Board ends in 2026.

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 2024.

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.

Ms. Casey Santos, Board Member, 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*.

Mr. David Frankenberg, CPA, Vice President and Chief Financial Officer, has been with NES since 2022. His responsibilities include financial reporting, budgeting, supply chain management, fleet, customer service, information technology, and the pension administration. Mr. Frankenberg also serves as the Secretary/Treasurer of the Electric Power Board. He has more than 20 years of experience in accounting and finance, including more than 12 years in the utility industry. Mr. Frankenberg began his career working for mining and pharmaceutical companies in 2002, and then transitioned to the TVA as its Manager of Accounting Policy, Research and Internal Reporting in 2008. While at TVA, he served in several roles relative to technical accounting, enterprise risk management, Sarbanes-Oxley internal controls compliance, operational accounting and budgeting, and Securities and Exchange Commission

reporting. From 2020 to 2022, he served as the Chief Financial Officer for the Arkansas Electric Cooperative Corporation. Mr. Frankenberg earned his Master’s and Bachelor’s degrees in Accounting from the University of Tennessee and has completed the Advanced Management Program from Vanderbilt University.

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 2023 Public Power Statistical Report, a periodic publication of the APPA, NES is the eleventh 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, 2023, the Board served approximately 448,000 customers – 404,000 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, 2023 is as follows:

<u>Customer type</u>	<u>Kilowatt-hours sales</u>	<u>Revenues</u>
Residential revenue	41.4%	44.3%
Commercial, Industrial, Municipal	57.5%	51.9%
Lighting	1.1%	1.9%

Miscellaneous revenues accounted for the remainder of total operating revenue for this period.

As of September 30, 2023, the Board served approximately 449,000 customers – 405,000 residential with the remaining being commercial, industrial, and municipal customers.

Breakdown of kilowatt-hour sales and revenues by major customer classification for the three months ended September 30, 2023 is as follows:

<u>Customer type</u>	<u>Kilowatt-hours sales</u>	<u>Revenues</u>
Residential revenue	42.0%	45.0%
Commercial, Industrial, Municipal	57.1%	51.7%
Lighting	0.9%	1.7%

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 2,800 megawatts on December 23, 2022.

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. You may read and copy any of these documents 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 135 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. Due to the avoided fuel costs and other favorable rate components, the PPA could save NES approximately \$650 million over 30 years.
- 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 is actively investigating multiple potential sites [for its solar facilities] and expects to finalize site selection in the beginning of calendar year 2024. One or more such sites may fall under either Valley Partner-hosted or TVA-hosted options. Allowances in the Expanded Flexibility Agreement and the installation of 180 MW of solar are expected to reduce carbon emissions [in the NES service area] by over 100,000 metric tons annually, which is the equivalent of removing over 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 expected to take several years to develop, and it is not possible to predict their ultimate results.]

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.

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TVA/NES Historical Rate Increase/Decrease

Month	NES Retail Increase	TVA Retail Impact Increase (Decrease)	TVA Wholesale Increase (Decrease)
September 2019	0.0%	0.0%	(3.1%) ⁽¹⁾
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⁾

- (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.

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. The following are the electric rates effective October 31, 2023, including the FCA.

**SCHEDULE OF UTILITY RATES IN FORCE – WHOLESALE (Including FCA)¹
OCTOBER 2023 (UNAUDITED)**

<u>Standard Wholesale TOU</u>	<u>U.S. Dollars</u>
Summer Season	
Demand Charge (per kW)	
On Peak kW	8.63
Max kW	3.18
Energy Charge (per kWh)	
On Peak kWh	0.06145
Off Peak kWh	0.03945
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00535
Winter Season	
Demand Charge (per kW)	
On Peak kW	7.64
Max kW	3.18
Energy Charge (per kWh)	
On Peak kWh	0.05095
Off Peak kWh	0.04095
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00535
Transition Season	
Demand Charge (per kW)	
On Peak kW	7.64
Max kW	3.18
Energy Charge (per kWh)	
On Peak kWh	0.04152
Off Peak kWh	0.04152
TVA Grid Access Charge	
Optional Grid Access Charge	0.01500
Grid Access Charge*	0.00535
All seasons	
3.1% Long Term Partnership Reduction (non-fuel)	

¹ The above rates include TVA's October 2023 Fuel Cost Adjustment (FCA). This adjustment is revised monthly. For October 2023, the Standard Service wholesale FCA rate was \$0.02235. The Time Differentiated Hours Use of Demand wholesale FCA rates for General Service and Manufacturing Service were \$0.02150 and \$0.02134, 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	11.11
Maximum Demand Charge	4.26
Energy Charge - On Peak	0.10400
Energy Charge - Off Peak First 200 hours	0.07001
Energy Charge - Off Peak Next 200 hours	0.02692
Energy Charge - Off Peak Additional kWh	0.02385

Winter Season

On Peak kW	10.14
Maximum Demand Charge	4.26
Energy Charge - On Peak	0.08849
Energy Charge - Off Peak First 200 hours	0.07302
Energy Charge - Off Peak Next 200 hours	0.02692
Energy Charge - Off Peak Additional kWh	0.02385

Transition Season

On Peak kW	10.14
Maximum Demand Charge	4.26
Energy Charge - On Peak	0.07424
Energy Charge - Off Peak First 200 hours	0.07424
Energy Charge - Off Peak Next 200 hours	0.02692
Energy Charge - Off Peak Additional kWh	0.02385

TDHUD GSB (Demand = 5,001 - 15,000 kW)

Summer Season

On Peak kW	11.02
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.08757
Energy Charge - Off Peak First 200 hours	0.06229
Energy Charge - Off Peak Next 200 hours	0.02721
Energy Charge - Off Peak Additional kWh	0.02375

Winter Season

On Peak kW	10.04
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.07604
Energy Charge - Off Peak First 200 hours	0.06454
Energy Charge - Off Peak Next 200 hours	0.02721
Energy Charge - Off Peak Additional kWh	0.02375

Transition Season

On Peak kW	10.04
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.06196
Energy Charge - Off Peak First 200 hours	0.06196
Energy Charge - Off Peak Next 200 hours	0.02721
Energy Charge - Off Peak Additional kWh	0.02375

TDHUD GSC (Demand = 15,001 - 25,000 kW)

Summer Season

On Peak kW	11.02
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.08757
Energy Charge - Off Peak First 200 hours	0.06229

	<u>U.S. Dollars</u>
Energy Charge - Off Peak Next 200 hours	0.02721
Energy Charge - Off Peak Additional kWh	0.02375
Winter Season	
On Peak kW	10.04
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.07604
Energy Charge - Off Peak First 200 hours	0.06454
Energy Charge - Off Peak Next 200 hours	0.02721
Energy Charge - Off Peak Additional kWh	0.02375
Transition Season	
On Peak kW	10.04
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.06196
Energy Charge - Off Peak First 200 hours	0.06196
Energy Charge - Off Peak Next 200 hours	0.02721
Energy Charge - Off Peak Additional kWh	0.02375
TDHUD GSD (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	11.02
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.08757
Energy Charge - Off Peak First 200 hours	0.06229
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02375
Winter Season	
On Peak kW	10.04
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.07604
Energy Charge - Off Peak First 200 hours	0.06454
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02375
Transition Season	
On Peak kW	10.04
Maximum Demand Charge	4.25
Energy Charge - On Peak	0.06196
Energy Charge - Off Peak First 200 hours	0.06196
Energy Charge - Off Peak Next 200 hours	0.02605
Energy Charge - Off Peak Additional kWh	0.02375
TDHUD MSA (Manufacturing) (Demand = 1,001 - 5,000 kW)	
Summer Season	
On Peak kW	10.39
Maximum Demand Charge	2.58
Energy Charge - On Peak	0.07867
Energy Charge - Off Peak First 200 hours	0.05331
Energy Charge - Off Peak Next 200 hours	0.02548
Energy Charge - Off Peak Additional kWh	0.02290

U.S. Dollars

Winter Season	
On Peak kW	9.41
Maximum Demand Charge	2.58
Energy Charge - On Peak	0.06709
Energy Charge - Off Peak First 200 hours	0.05556
Energy Charge - Off Peak Next 200 hours	0.02548
Energy Charge - Off Peak Additional kWh	0.02290
Transition Season	
On Peak kW	9.41
Maximum Demand Charge	2.58
Energy Charge - On Peak	0.05646
Energy Charge - Off Peak First 200 hours	0.05646
Energy Charge - Off Peak Next 200 hours	0.02548
Energy Charge - Off Peak Additional kWh	0.02290
TDHUD MSB (Manufacturing) (Demand = 5,001 - 15,000 kW)	
Summer Season	
On Peak kW	10.39
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.07996
Energy Charge - Off Peak First 200 hours	0.05459
Energy Charge - Off Peak Next 200 hours	0.02447
Energy Charge - Off Peak Additional kWh	0.02189
Winter Season	
On Peak kW	9.41
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.06839
Energy Charge - Off Peak First 200 hours	0.05686
Energy Charge - Off Peak Next 200 hours	0.02447
Energy Charge - Off Peak Additional kWh	0.02189
Transition Season	
On Peak kW	9.41
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.05774
Energy Charge - Off Peak First 200 hours	0.05774
Energy Charge - Off Peak Next 200 hours	0.02447
Energy Charge - Off Peak Additional kWh	0.02189
TDHUD MSC (Demand = 15,001 - 25,000 kW)	
Summer Season	
On Peak kW	10.39
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.07882
Energy Charge - Off Peak First 200 hours	0.05344
Energy Charge - Off Peak Next 200 hours	0.02590
Energy Charge - Off Peak Additional kWh	0.02590
Winter Season	
On Peak kW	9.41
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.06724
Energy Charge - Off Peak First 200 hours	0.05570
Energy Charge - Off Peak Next 200 hours	0.02590

	<u>U.S. Dollars</u>
Energy Charge - Off Peak Additional kWh	0.02590
Transition Season	
On Peak kW	9.41
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.05659
Energy Charge - Off Peak First 200 hours	0.05659
Energy Charge - Off Peak Next 200 hours	0.02590
Energy Charge - Off Peak Additional kWh	0.02590
TDHUD MSD (Demand = > 25,000 kW)	
Summer Season	
On Peak kW	10.39
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.07651
Energy Charge - Off Peak First 200 hours	0.05115
Energy Charge - Off Peak Next 200 hours	0.02418
Energy Charge - Off Peak Additional kWh	0.02359
Winter Season	
On Peak kW	9.41
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.06493
Energy Charge - Off Peak First 200 hours	0.05339
Energy Charge - Off Peak Next 200 hours	0.02418
Energy Charge - Off Peak Additional kWh	0.02359
Transition Season	
On Peak kW	9.41
Maximum Demand Charge	1.25
Energy Charge - On Peak	0.05428
Energy Charge - Off Peak First 200 hours	0.05428
Energy Charge - Off Peak Next 200 hours	0.02418
Energy Charge - Off Peak Additional kWh	0.02359

**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, 2023 (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	4.28
12 Month Average kWh between 501 – 2,000 kWh	6.96
12 Month Average kWh between 2,001 – 4,000 kWh	6.96
12 Month Average kWh between 4,001 – 6,000 kWh	7.49
12 Month Average kWh equal to and above 6,001 kWh	7.49
Summer Season - Energy Charge (per kWh)	0.11235
Winter Season - Energy Charge (per kWh)	0.10888
Transition Season - Energy Charge (per kWh)	0.10675

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	2.14
12 Month Average kWh between 501 – 2,000 kWh	4.82
12 Month Average kWh between 2,001 – 4,000 kWh	4.82
12 Month Average kWh between 4,001 – 6,000 kWh	5.35
12 Month Average kWh equal to and above 6,001 kWh	5.35
Summer Season - Energy Charge (per kWh)	0.11479
Winter Season - Energy Charge (per kWh)	0.11132
Transition Season - Energy Charge (per kWh)	0.10918

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	2.14
One Phase Meter, 12 Month Average kWh equal to and above 501 kWh	2.14
Three Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.14
Three Phase Meter, 12 Month Average kWh equal to and above 501 kWh	5.35
Demand Charge (per delivery point per month)	
0 – 50 kW	5.34
Summer Season - Energy Charge (per kWh)	0.11017
Winter Season - Energy Charge (per kWh)	0.10673
Transition Season - Energy Charge (per kWh)	0.10458

	<u>U.S. Dollars</u>
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)	13.38
Demand Capacity Charge	1.34
Summer Season	
Demand Charge (per delivery point per month)	
0 – 50 kW	5.34
51–1,000 kW	20.13
Energy Charge (per kWh)	
1st 15,000 kWh	0.11017
All Additional kWh	0.05917
Winter Season	
Demand Charge (per delivery point per month)	
0 – 50 kW	5.34
51 – 1,000 kW	19.14
Energy Charge (per kWh)	
1st 15,000 kWh	0.10673
All Additional kWh	0.05917
Transition Season	
Demand Charge (per delivery point per month)	
0–50 kW	5.34
51 – 1,000 kW	19.14
Energy Charge (per kWh)	
1st 15,000 kWh	0.10458
All Additional kWh	0.05917
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	214.54
12 Month Average kWh equal to and above 150,001 kWh	605.10
Summer Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	20.66
1,001 - 5,000 kW	20.90
Energy Charge	
1 st 150,000 kWh	0.06874
All Additional kWh	0.06017
Winter Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	19.65
1,001 - 5,000 kW	19.90
Energy Charge	
1 st 150,000 kWh	0.06874
All Additional kWh	0.06017
Transition Season	
Demand charge (per delivery point per month)	
0 - 1,000 kW	19.65
1,001 - 5,000 kW	19.90

	<u>U.S. Dollars</u>
Energy Charge	
1 st 150,000 kWh	0.06874
All Additional kWh	0.06017
LS - Outdoor Lighting	
Customer Charge (per delivery point per month)	2.50
Summer Season	
Energy Charge - All kWh	0.08821
Winter Season	
Energy Charge - All kWh	0.08475
Transition Season	
Energy Charge - All kWh	0.08258
EVC – Electric Vehicle Charging	
Customer Charge (per delivery point per month)	100.00
All Seasons	
Energy Charge - All kWh On Peak	0.23426
Energy Charge - All kWh Off Peak	0.23426
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	2.14
Three Phase Meter, 12 Month Average kWh between 0 – 500 kWh	2.14
Three Phase Meter, 12 Month Average kWh equal to and above 501 kWh	5.35
Summer Season	
Demand Charge	
0 – 50 kW	5.34
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.11962
Off-peak kWh	0.10578
Winter Season	
Demand Charge	
0 – 50 kW	5.34
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.11176
Off-peak kWh	0.10545
Transition Season	
Demand Charge	
0 – 50 kW	5.34
Energy Charge (<= 15,000 kWh)	
On Peak kWh	0.10458
Off-peak kWh	0.10458
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	13.38
Demand Capacity Charge	1.34

U.S. Dollars

Summer Season	
Demand Charge	
1 st 50 kW	5.34
Over 50 kW	20.13
Energy Charge	
On Peak kWh	0.12202
Off-peak kWh	0.10818
Winter Season	
Demand Charge	
1 st 50 kW	5.34
Over 50 kW	19.14
Energy Charge	
On Peak kWh	0.11417
Off-peak kWh	0.10785
Transition Season	
Demand Charge	
1 st 50 kW	5.34
Over 50 kW	19.14
Energy Charge	
On Peak kWh	0.10699
Off-peak kWh	0.10699
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	214.54
12 Month Average kWh equal to and above 150,001 kWh	605.10
Summer Season	
Demand Charge	
1st 1,000 kW	20.66
Excess over 1,000	20.90
Energy Charge	
On Peak kWh	0.07712
Off-peak kWh	0.06326
Winter Season	
Demand Charge	
1st 1,000 kW	19.65
Excess over 1,000	19.90
Energy Charge	
On Peak kWh	0.07272
Off-peak kWh	0.06640
Transition Season	
Demand Charge	
1st 1,000 kW	19.65
Excess over 1,000	19.90
Energy Charge	
On Peak kWh	0.06766
Off-peak kWh	0.06766

<u>Time Differentiated Hours Use of Demand (TDHUD) (Time of Use Service)</u>	<u>U.S. Dollars</u>
TDHUD GSA (Demand = 1,001 - 5,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.44
Maximum Demand Charge	8.21
Energy Charge - On Peak	0.11109
Energy Charge - Off Peak First 200 hours	0.07608
Energy Charge - Off Peak Next 200 hours	0.03170
Energy Charge - Off Peak Additional kWh	0.02853
Winter Season	
On Peak kW	10.44
Maximum Demand Charge	8.21
Energy Charge - On Peak	0.09511
Energy Charge - Off Peak First 200 hours	0.07918
Energy Charge - Off Peak Next 200 hours	0.03170
Energy Charge - Off Peak Additional kWh	0.02853
Transition Season	
On Peak kW	10.44
Maximum Demand Charge	8.21
Energy Charge - On Peak	0.08043
Energy Charge - Off Peak First 200 hours	0.08043
Energy Charge - Off Peak Next 200 hours	0.03170
Energy Charge - Off Peak Additional kWh	0.02853
TDHUD GSB (Demand = 5,001 - 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.35
Maximum Demand Charge	6.10
Energy Charge - On Peak	0.09138
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02921
Energy Charge - Off Peak Additional kWh	0.02564
Winter Season	
On Peak kW	10.34
Maximum Demand Charge	6.10
Energy Charge - On Peak	0.07951
Energy Charge - Off Peak First 200 hours	0.06766
Energy Charge - Off Peak Next 200 hours	0.02921
Energy Charge - Off Peak Additional kWh	0.02564
Transition Season	
On Peak kW	10.34
Maximum Demand Charge	6.10
Energy Charge - On Peak	0.06500
Energy Charge - Off Peak First 200 hours	0.06500
Energy Charge - Off Peak Next 200 hours	0.02921
Energy Charge - Off Peak Additional kWh	0.02564

	<u>U.S. Dollars</u>
TDHUD GSC (Demand = 15,001 - 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.35
Maximum Demand Charge	6.10
Energy Charge - On Peak	0.09138
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02921
Energy Charge - Off Peak Additional kWh	0.02564
Winter Season	
On Peak kW	10.34
Maximum Demand Charge	6.10
Energy Charge - On Peak	0.07951
Energy Charge - Off Peak First 200 hours	0.06766
Energy Charge - Off Peak Next 200 hours	0.02921
Energy Charge - Off Peak Additional kWh	0.02564
Transition Season	
On Peak kW	10.34
Maximum Demand Charge	6.10
Energy Charge - On Peak	0.06500
Energy Charge - Off Peak First 200 hours	0.06500
Energy Charge - Off Peak Next 200 hours	0.02921
Energy Charge - Off Peak Additional kWh	0.02564
TDHUD GSD (Demand = > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	11.35
Maximum Demand Charge	6.09
Energy Charge - On Peak	0.09138
Energy Charge - Off Peak First 200 hours	0.06534
Energy Charge - Off Peak Next 200 hours	0.02802
Energy Charge - Off Peak Additional kWh	0.02564
Winter Season	
On Peak kW	10.34
Maximum Demand Charge	6.09
Energy Charge - On Peak	0.07951
Energy Charge - Off Peak First 200 hours	0.06766
Energy Charge - Off Peak Next 200 hours	0.02802
Energy Charge - Off Peak Additional kWh	0.02564
Transition Season	
On Peak kW	10.34
Maximum Demand Charge	6.09
Energy Charge - On Peak	0.06500
Energy Charge - Off Peak First 200 hours	0.06500
Energy Charge - Off Peak Next 200 hours	0.02802
Energy Charge - Off Peak Additional kWh	0.02564

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	10.70
Maximum Demand Charge	6.47
Energy Charge - On Peak	0.08323
Energy Charge - Off Peak First 200 hours	0.05711
Energy Charge - Off Peak Next 200 hours	0.02844
Energy Charge - Off Peak Additional kWh	0.02578
Winter Season	
On Peak kW	9.69
Maximum Demand Charge	6.47
Energy Charge - On Peak	0.07130
Energy Charge - Off Peak First 200 hours	0.05942
Energy Charge - Off Peak Next 200 hours	0.02844
Energy Charge - Off Peak Additional kWh	0.02578
Transition Season	
On Peak kW	9.69
Maximum Demand Charge	6.47
Energy Charge - On Peak	0.06035
Energy Charge - Off Peak First 200 hours	0.06035
Energy Charge - Off Peak Next 200 hours	0.02844
Energy Charge - Off Peak Additional kWh	0.02578
TDHUD MSB (Manufacturing) (Demand = 5,001 - 15,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	10.70
Maximum Demand Charge	3.01
Energy Charge - On Peak	0.08353
Energy Charge - Off Peak First 200 hours	0.05740
Energy Charge - Off Peak Next 200 hours	0.02638
Energy Charge - Off Peak Additional kWh	0.02372
Winter Season	
On Peak kW	9.69
Maximum Demand Charge	3.01
Energy Charge - On Peak	0.07162
Energy Charge - Off Peak First 200 hours	0.05974
Energy Charge - Off Peak Next 200 hours	0.02638
Energy Charge - Off Peak Additional kWh	0.02372
Transition Season	
On Peak kW	9.69
Maximum Demand Charge	3.01
Energy Charge - On Peak	0.06065
Energy Charge - Off Peak First 200 hours	0.06065
Energy Charge - Off Peak Next 200 hours	0.02638
Energy Charge - Off Peak Additional kWh	0.02372

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	10.70
Maximum Demand Charge	3.01
Energy Charge - On Peak	0.08236
Energy Charge - Off Peak First 200 hours	0.05622
Energy Charge - Off Peak Next 200 hours	0.02786
Energy Charge - Off Peak Additional kWh	0.02786
Winter Season	
On Peak kW	9.69
Maximum Demand Charge	3.01
Energy Charge - On Peak	0.07044
Energy Charge - Off Peak First 200 hours	0.05855
Energy Charge - Off Peak Next 200 hours	0.02786
Energy Charge - Off Peak Additional kWh	0.02786
Transition Season	
On Peak kW	9.69
Maximum Demand Charge	3.01
Energy Charge - On Peak	0.05947
Energy Charge - Off Peak First 200 hours	0.05947
Energy Charge - Off Peak Next 200 hours	0.02786
Energy Charge - Off Peak Additional kWh	0.02786
TDHUD MSD (Demand = > 25,000 kW)	
Customer Charge (per delivery point per month)	2,000.00
Summer Season	
On Peak kW	10.70
Maximum Demand Charge	3.00
Energy Charge - On Peak	0.07999
Energy Charge - Off Peak First 200 hours	0.05386
Energy Charge - Off Peak Next 200 hours	0.02608
Energy Charge - Off Peak Additional kWh	0.02547
Winter Season	
On Peak kW	9.69
Maximum Demand Charge	3.00
Energy Charge - On Peak	0.06805
Energy Charge - Off Peak First 200 hours	0.05617
Energy Charge - Off Peak Next 200 hours	0.02608
Energy Charge - Off Peak Additional kWh	0.02547
Transition Season	
On Peak kW	9.69
Maximum Demand Charge	3.00
Energy Charge - On Peak	0.05708
Energy Charge - Off Peak First 200 hours	0.05708
Energy Charge - Off Peak Next 200 hours	0.02608
Energy Charge - Off Peak Additional kWh	0.02547

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

Current monthly retail rates are determined in accordance with the provisions of the Power Contract. The rates and charges for wholesale power from TVA, effective October 2023, as adjusted by the monthly FCA, pursuant to the latest TVA Contract Amendment, are appropriate rates and charges applicable to municipal and cooperative distributors of TVA power under power contracts currently being entered into or renewed.

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 2014 to 2023, the annual compounded customer growth rate was 1.64%, with total average customers increasing from 369,000 in 2014 to 440,000 in 2023. Yearly sales increased from 11.02 billion kilowatt-hours in fiscal year 2014 to 11.74 billion kilowatt-hours in fiscal year 2023. This represents a 0.71% compound annual 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 kilowatt peak demand as well as annual megawatt-hours of energy consumption. By 2035, NES system studies have forecasted a 3.3 percent growth in kilowatt peak demand.

Year	Forecasted Peak Demand (MW)
2023	2,800.00*
2024	2,609.00
2025	2,714.00
2030	2,839.00
2035	2,891.00

*Actual. Peak was the result of Winter Storm Elliot.

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	Central Substation	East Bank	Total Capital Requirements
2024	\$154,900	\$66,500	\$45,000	\$1,800	\$268,200
2025	151,600	66,100	31,400	20,000	269,100
2026	146,000	40,000	0	0	186,000
2027	147,200	40,000	0	0	187,200
2028	154,800	40,000	0	0	194,800

Source: Nashville Electric Service

The Technology Strategy implementation began in January 2018. The table above includes forecasted capital expenditures of \$252.6 million from fiscal year 2024 to fiscal year 2028.

Construction on the Central Substation is anticipated to be completed in fiscal year 2025. Total project costs are estimated at \$111.0 million. Capital expenditures of approximately \$76.4 million are included in the current five-year table provided above.

The East Bank project is a new development consisting of 338 acres of underutilized land directly across the river from Downtown Nashville. The development will include the new stadium for the Tennessee Titans professional football team that was recently approved by the Council. Capital expenditures of \$21.8 million are planned for Fiscal Year 2024 to Fiscal Year 2025.

NES has historically funded approximately 50 percent of its capital needs through bond proceeds and plans to continue this practice for future NES system capital requirements. 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.

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 the State 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 Tennessee Valley Authority Act of 1933 (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. 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 2024 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, 2023, there were a total of 1,571 vested participants, including 939 currently receiving benefits, and 140 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 55, 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, 2019 through 2023, respectively, are as follows:

Plan Year Ended March 31	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed	Percent of Annual Covered Payroll
2019	\$29,897,500	\$29,879,500	100.0%	46.1%
2020	\$33,387,461	\$33,399,000	100.0%	51.3%
2021	\$32,896,840	\$32,900,000	100.0%	52.0%
2022	\$31,886,367	\$31,900,000	100.0%	49.9%
2023	\$31,589,376	\$31,600,000	100.0%	51.3%

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, 2019, 2020, 2021, 2022, and 2023 were \$42.4 million, \$38.3 million, \$10.1 million, \$37.1 million, and \$45.3 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 2020) 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 3.5 to 7.5 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 percent per year. 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 \$20.7 million. 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 union 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.

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Investment Rate of Return

Plan Year Ended March 31	Rate of Return
2014	13.0%
2015	7.4%
2016	-2.0%
2017	12.1%
2018	11.0%
2019	4.2%
2020	-5.9%
2021	40.5%
2022	4.0%
2023	-6.5%
Last 3-Year Average Return Per Annum	12.7%
Last 5-Year Average Return Per Annum	7.26%
Last 10-Year Average Return Per Annum	7.78%

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
2019	\$500,306	\$725,052	\$224,746	69.0%	\$65,058	345.5%
2020	\$510,590	\$729,881	\$219,291	70.0%	\$63,265	346.6%
2021	\$553,592	\$754,431	\$200,839	73.4%	\$63,854	314.5%
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%

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
2019	\$494,816	\$725,052	\$230,236	68.2%	\$65,058	353.9%
2020	\$457,134	\$729,881	\$272,747	62.6%	\$63,265	431.1%
2021	\$628,246	\$754,431	\$126,185	83.3%	\$63,854	197.6%
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%

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 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. The investments of the DC plan are held in a Trust managed by the Board. The portfolio follows the same investment strategies as the DB and OPEB plans. As of April 1, 2020, the normal cost for the DB Plan was approximately 15.7 percent of covered payroll.

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 if they retire at or after age 55 and the sum of their age at retirement and service is at least 70. 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. As of April 1, 2023, approximately 729 retirees and 206 beneficiaries met those eligibility requirements. 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 5.75 percent to 3.95 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 2020) 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
2014	13.7%
2015	7.4%
2016	-1.7%
2017	12.9%
2018	11.2%
2019	4.5%
2020	-6.6%
2021	41.6%
2022	3.8%
2023	-6.0%
Last 3-Year Average Return Per Annum	13.1%
Last 5-Year Average Return Per Annum	7.5%
Last 10-Year Average Return Per Annum	8.1%

Source: The OPEB Actuarial Valuation as of April 1, 2023.

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
2019	\$21,695,696	\$21,700,000	100.0%
2020	\$21,972,837	\$22,000,000	100.0%
2021	\$23,254,402	\$23,300,000	100.0%
2022	\$22,232,930	\$22,300,000	100.0%
2023	\$23,020,968	\$23,100,000	100.0%

Sources: The OPEB Actuarial Valuations.

The annual OPEB expense for the years ended June 30, 2019, 2020, 2021, 2022, and 2023 were \$25.2 million, \$23.7 million, \$12.5 million, \$17.0 million, and \$13.4 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
2019	\$129,184	\$325,610	\$196,426	39.7%	\$85,592	229.5%
2020	\$139,263	\$336,543	\$197,280	41.4%	\$90,498	218.0%
2021	\$168,734	\$330,886	\$162,152	51.0%	\$94,624	171.4%
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%

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
2019	\$128,003	\$325,610	\$197,607	39.3%	\$85,592	230.9%
2020	\$126,353	\$336,543	\$210,190	37.5%	\$90,498	232.3%
2021	\$188,778	\$330,886	\$142,108	57.1%	\$94,624	150.2%
2022	\$200,801	\$345,715	\$144,914	58.1%	\$97,762	148.2%
2023	\$197,021	\$342,558	\$145,537	57.5%	\$103,368	140.8%

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.

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.

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The Board has secured property insurance for coverage of all property losses, effective November 1, 2023. The property insurance program is placed with Starr Technical Risks, AEGIS Insurance Services, Inc., Munich Re, Travelers Power, and Lancashire-London. The insurance companies participate on a quota share basis with Starr Technical providing 51% of the capacity, AEGIS providing 25%, Munich Re providing 16%, Travelers Power providing 4%, and Lancashire-London providing 4%. 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	\$50,000,000

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 \$550,000.

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 \$27,763,000 for the fiscal year ended June 30, 2023.

Payments-in-Lieu-of-Taxes

The Board is one of the largest payers of taxes or in-lieu 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 (the "State") 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. For the Electric System's fiscal year ending June 30, 2023, the amounts due for payments-in-lieu-of-taxes to all of the cities and counties in the Electric System's service area was in the approximate aggregate amount of \$38,760,000, which sum was equal to approximately 2.6% of Electric System revenues for that fiscal year.

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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. Financial data for the three-month periods ended, or at period end on, September 30, 2023 and September 30, 2022 are unaudited and have been provided by the Board.

Statement of Revenues, Expenses and Changes in Net Position

(in thousands)

	<u>Three months ended September</u>		<u>Fiscal Year Ended June 30,</u>				
	30						
	<u>2023</u>	<u>2022⁽¹⁾</u>	<u>2023</u>	<u>2022⁽¹⁾</u>	<u>2021⁽²⁾</u>	<u>2020</u>	<u>2019</u>
Operating Revenues, net	\$ 409,576	\$ 467,417	\$ 1,500,081	\$ 1,383,183	\$ 1,258,563	\$ 1,278,700	\$ 1,342,217
Operating Expenses	374,215	430,986	1,426,921	1,294,895	1,160,007	1,205,896	1,245,201
Operating Income	35,361	36,431	73,160	88,288	98,556	72,804	97,016
Other income and (deductions)	7,583	2,898	56,464	5,421	1,104	8,229	12,649
Income before Interest Charge	42,944	39,329	129,624	93,709	99,660	81,033	109,665
Interest Expense	3,825	3,924	15,949	16,594	16,114	17,643	19,639
Net Increase in Net Assets/Change in Net Position	\$ 39,119	\$ 35,405	\$ 113,675	\$ 77,115	\$ 83,546	\$ 63,390	\$ 90,026

Statements of Net Position

(in thousands)

	<u>As of September 30,</u>		<u>Fiscal Year Ended June 30,</u>				
	<u>2023</u>	<u>2022 (1)</u>	<u>2023</u>	<u>2022 (1)</u>	<u>2021 (2)</u>	<u>2020</u>	<u>2019</u>
Assets and Deferred Outflows of Resources							
Utility Plant, net	\$ 1,361,394	\$ 1,276,880	\$ 1,337,953	\$ 1,265,667	\$ 1,209,164	\$ 1,155,628	\$ 1,055,165
Investment of Restricted Funds	50,937	151,071	53,241	166,992	182,776	78,390	118,371
Current Assets	746,724	685,040	710,450	611,799	572,922	580,554	628,696
Other Non-Current Assets	13,556	16,640	13,700	16,815	16,637	8,747	7,337
Total Assets	\$ 2,172,611	\$ 2,129,631	2,115,344	2,061,273	1,981,499	1,823,319	1,809,569
Deferred Outflows of Resources	\$ 96,253	\$ 145,236	\$ 68,511	\$ 99,756	\$ 37,277	\$ 65,855	\$ 79,173
Total Assets and Deferred Outflows of Resources	\$ 2,268,864	\$ 2,274,867	\$ 2,183,855	\$ 2,161,029	\$ 2,018,776	\$ 1,889,174	\$ 1,888,742
Liabilities and Deferred Inflows of Resources							
Long Term Debt, less current portion	\$ 515,115	\$ 552,655	\$ 517,086	\$ 554,885	\$ 601,846	\$ 516,373	\$ 562,779
Current Liabilities	251,011	286,572	239,035	253,531	213,357	196,112	213,104
Current Liabilities Payable From Restricted Assets	44,847	46,645	36,960	46,426	42,484	48,891	41,637
Net Pension Liability	265,615	278,564	240,453	238,338	100,881	209,700	221,544
Net OPEB Liability	148,093	185,847	139,658	172,610	134,061	191,048	195,098
Other Non-Current Liabilities	12,394	13,571	13,700	14,932	9,775	8,527	8,695
Total Liabilities	\$ 1,237,075	\$ 1,363,854	\$ 1,186,892	\$ 1,280,722	\$ 1,102,404	\$ 1,170,651	\$ 1,242,857
Deferred Inflows of Resources	\$ 43,665	\$ 40,277	\$ 47,957	\$ 44,976	\$ 158,156	\$ 43,850	\$ 34,602
Net Position	\$ 988,124	\$ 870,736	\$ 949,006	\$ 835,331	\$ 758,216	\$ 674,673	\$ 611,283
Total Liabilities, Deferred Inflows, and Net Position	\$ 2,268,864	\$ 2,274,867	\$ 2,183,855	\$ 2,161,029	\$ 2,018,776	\$ 1,889,174	\$ 1,888,742

⁽¹⁾ As restated for adoption of Governmental Accounting Standards Board Statement No. 96 *Subscription Based Information Technology Arrangements*.

⁽²⁾ As restated for adoption of Governmental Accounting Standards Board Statement No. 87 *Leases*.

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		TOTAL
			COMMERCIAL & INDUSTRIAL	MUNICIPAL	
2014	332,425	32,672	6,816	550	372,463
2015	339,381	33,428	6,818	539	380,166
2016	345,051	33,667	6,858	508	386,084
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
At period end					
Ended 9/30					
2022	392,643	36,638	6,980	215	436,476
2023	405,306	37,148	6,826	215	449,495

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Sales in kWh and Maximum System Demand in kW

FISCAL YEAR	RESIDENTIAL	SMALL COMMERCIAL	LARGE		TOTAL KWH	MAX HOURLY
			COMMERCIAL & INDUSTRIAL	LIGHTING		DEMAND IN KW
2014	4,912,802,936	808,214,925	6,202,635,803	134,211,759	12,057,865,423	2,713,367
2015	4,850,783,544	805,449,478	6,218,697,610	138,506,086	12,013,436,718	2,626,740
2016	4,539,869,451	794,321,352	6,133,371,471	138,041,618	11,605,603,892	2,422,744
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
Three months ended Ended 9/30						
2022	1,526,608,427	249,007,023	1,770,871,741	32,724,853	3,579,212,044	2,618,528
2023	1,423,307,339	242,404,604	1,692,388,355	31,678,633	3,389,778,931	2,647,422

Ten Largest Customers
Fiscal Year Ended June 30,

Group Name	2023				2022			
	Revenue	% of Total	kWH	% of Total	Revenue	% of Total	kWH	% of Total
AT&T	\$ 7,794,195	0.53%	75,263,678	0.64%	\$ 7,285,981	0.54%	80,508,744	0.67%
Bridgestone/Firestone	9,166,400	0.62%	117,711,636	1.00%	8,158,770	0.60%	118,283,838	0.99%
Fiberweb	8,363,494	0.57%	120,479,352	1.03%	7,875,533	0.58%	134,354,476	1.13%
HCA	9,113,032	0.62%	92,946,342	0.79%	8,012,517	0.59%	91,673,786	0.77%
Metropolitan Board of Education	18,971,269	1.29%	139,199,085	1.19%	17,217,353	1.27%	140,730,585	1.18%
Metropolitan Government (all other departments)	14,581,731	0.99%	120,476,479	1.03%	11,722,994	0.87%	106,475,582	0.89%
Metropolitan Government District Energy System	14,564,007	0.99%	107,153,806	0.91%	13,219,413	0.97%	107,641,852	0.91%
Metropolitan Government Water and Sewer	20,353,657	1.38%	211,694,158	1.80%	18,734,629	1.38%	216,378,827	1.81%
State of Tennessee (all departments)	17,478,487	1.18%	152,542,334	1.29%	15,801,184	1.16%	153,741,314	1.29%
Vanderbilt University	25,289,893	1.72%	280,381,402	2.39%	22,012,220	1.62%	275,360,077	2.31%
	<u>\$ 145,676,165</u>	<u>9.89%</u>	<u>1,417,848,272</u>	<u>12.07%</u>	<u>\$ 130,040,594</u>	<u>9.58%</u>	<u>1,425,149,081</u>	<u>11.95%</u>
NES total electric sales and kWh	\$ 1,472,318,000		11,742,096,789		\$ 1,356,840,000		11,936,252,710	
Portion represented by non-governmental entities	\$ 59,727,014	4.06%	686,782,410	5.85%	\$ 53,345,021	3.93%	700,180,921	5.87%

Summary of Changes in Net Position
(in Dollars)

FISCAL YEAR	OPERATING REVENUES, NET	PURCHASED POWER	OPERATING EXPENSES (a)	DEPRECIATION & AMORTIZATION	TAX EQUIVALENTS (b)	OPERATING INCOME	OTHER INCOME (c)	OTHER DEDUCTIONS (d)	CHANGES IN NET POSITION
2014	1,241,434,000	926,575,000	145,267,000	49,106,000	32,641,000	87,845,000	295,000	22,236,000	65,904,000
2015	1,246,632,000	929,726,000	149,512,000	53,317,000	33,759,000	80,318,000	995,000	25,500,000	55,813,000
2016	1,201,448,000	884,535,000	181,163,000	54,456,000	32,383,000	48,911,000	1,126,000	21,466,000	28,571,000
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 (e)	15,949,000	113,675,000
Three months ended Ended 9/30									
2022	467,417,000	340,122,000	61,037,000	20,002,000	9,825,000	36,431,000	2,898,000	3,924,000	35,405,000
2023	409,576,000	280,159,000	61,923,000	21,786,000	10,347,000	35,361,000	7,583,000	3,826,000	39,118,000

a. Includes costs relating to customer accounts, sales and administrative and general expenses.

b. Tax equivalents include payments made to the federal government for employer taxes and payments made to local governments in lieu of real property taxes from which the Board is exempt so long as the property is used for its tax-exempt purpose.

c. Primarily interest income.

d. Primarily interest expense.

e. Other Income in fiscal year 2023 includes approximately \$15 million in proceeds from a land sale and approximately \$19 million received from the Federal Emergency Management Agency (FEMA) as a result of storm damage in 2020.

NASHVILLE ELECTRIC SERVICE
Debt Service Coverage

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

FISCAL YEAR	PLUS ADJUSTMENTS					DEBT SERVICE			TOTAL	DEBT SERVICE COVERAGE
	CHANGES IN NET POSITION	DEPRECIATION & AMORTIZATION	INTEREST EXPENSE, NET	EXTRAORDINARY (GAINS)LOSSES	TAX EQUIVALENTS	INCOME AVAILABLE FOR DEBT SERVICE	INTEREST (a)	PRINCIPAL (b)		
2014*	\$65,904,000	\$49,106,000	\$22,236,000	-	\$32,641,000	\$169,887,000	\$23,175,000	\$26,702,000	\$49,877,000	3.41
2015	55,813,000	53,317,000	25,500,000	-	33,759,000	168,389,000	27,031,000	29,893,000	56,924,000	2.96
2016	28,571,000	54,456,000	21,466,000	-	32,383,000	136,876,000	25,598,000	30,490,000	56,088,000	2.44
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
Three months ended Ended 9/30										
2022	\$35,405,000	\$20,002,000	\$3,924,000	-	\$9,825,000	\$69,156,000	\$6,310,000	\$8,994,000	\$15,304,000	4.52
2023	39,118,000	21,786,000	3,826,000	-	10,347,000	75,077,000	5,848,000	7,352,000	13,200,000	5.69

- 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.

* As restated for adoption of GASB 68. NES adopted GASB 68 in 2015, effective July 1, 2013. Effect of adoption resulted in an increase in Change in Net position of \$5,000,000. See footnote disclosure in FY 2015 Audited Financial Statements for additional information.

** As restated for adoption of GASB 75. NES adopted GASB 75 in 2018, effective July 1, 2016. Effect of adoption was not material. See footnote disclosure in FY 2017 Audited Financial Statements for additional information.

BONDHOLDERS' RISKS

General

Set forth below are certain risks purchasers of the 2024 Series A and B Bonds should consider when making an investment decision. All potential risks are not included, and the discussion is not intended to be exhaustive.

Enforceability of Remedies

The remedies available to the owners of the 2024 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 2024 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 2024 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 2024 Series A and B Bonds and the Parity Debt Obligations with respect to the Pledged Funds or subordinate to the 2024 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 2024 Series A and B Bonds. See "SECURITY FOR THE BONDS - Additional Bonds."

Early Payment Prior to Maturity

The 2024 Series A and B Bonds are subject to optional redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2024 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 2024 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 2024 Series A and B Bonds or for the payment of additional interest on the 2024 Series A and B Bonds in the event that interest on the 2024 Series A and B Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the 2024 Series A and B Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the 2024 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 2024 Series A and B Bonds. See "TAX EXEMPTION."

Future Legislation Could Affect Tax-Exempt Obligations

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 2024 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 2024 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.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Metropolitan Government's location in the southern United States and proximity to several waterways increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the Metropolitan Government faces other threats due to climate change, including the possibility of drought conditions that could become increasingly severe and frequent. The Metropolitan Government has undertaken multiple local initiatives to address climate change and sustainability, including the creation of an energy savings program to support energy efficiency efforts in the Metropolitan Government's general government facilities. Neither the Metropolitan Government nor the Board can predict the timing, extent or severity of climate change and its impact on the Metropolitan Government's or Board's operations and finances.

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. 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. 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 outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and continues to affect the entire world, including the Metropolitan Government. In March 2020, in response to the COVID-19 outbreak, the Governor of the State of Tennessee issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other "social distancing" measures. 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. The Governor of the State of Tennessee lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health emergency in May 2023. 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 and 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 System, see Appendix A to the Official Statement.

[In February 2022, the Russian military invaded and attacked Ukraine. In October 2023, a conflict began in the Gaza strip between Israel and the Islamic Resistance Movement, also known as Hamas. Both conflicts are ongoing and may have adverse global economic impacts that could affect the Metropolitan Government and NES. The war between Russia and Ukraine and the after-effects of the COVID-19 pandemic have led to continued global labor shortages and supply chain disruptions. NES has experienced ongoing supply chain issues and shortages related to transformers, which shortages have delayed the timing of new construction on the NES distribution system. To mitigate such issues, NES has implemented programs to expedite the delivery of transformers and is monitoring transformer inventory levels for new construction and planned maintenance as well as supplies for climate-related

events. NES is also working with developers and contractors who request new services in order to lessen the impacts of delays on their projects. NES will continue 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 2024 Series A and B Bonds, the fixing or collecting of rates and charges for the services of the Electric System, to the pledge of the Pledged Funds, the proceedings and authority under which the 2024 Series A and B Bonds are to be issued, which affect in any way the validity of the 2024 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 2024 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 2024 Series A and B Bonds to be included in gross

income for Federal income tax purposes retroactive to the date of issue of the 2024 Series A and B Bonds. The Metropolitan Government has covenanted in the Bond Resolution to maintain the exclusion of the interest on the 2024 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 2024 Series A and B Bonds is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that the 2024 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 2024 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 2024 Series A and B Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that under existing law interest on the 2024 Series A and B Bonds is exempt from all state, county, and municipal taxation in the State of Tennessee, except franchise and excise taxes.

With respect to the 2024 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 2024 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 2024 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 2024 Series A and B Bonds. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each such 2024 Series A and B Bond, and the basis of each such 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds may realize a taxable gain upon the disposition of such 2024 Series A and B Bonds even though such 2024 Series A and B Bonds are sold or redeemed for an amount equal to such owner's original cost of acquiring such 2024 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 2024 Series A and B Bonds may affect the tax status of interest on the 2024 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 2024 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 2024 Series A and B Bonds, or the interest thereon, if any action is taken with respect to the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds, (iii) interest on the 2024 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 2024 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 2024 Series A and B Bonds. Bond Counsel has expressed no opinion regarding any such other tax consequences.

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 2024 Series A and B Bonds, as well as any consequences under the laws of any state, local or foreign taxing jurisdiction.

See "BONDHOLDERS' RISKS – Loss of Tax Exemption" and "BONDHOLDERS' RISKS – Future Legislation Could Affect Tax-Exempt Obligations" herein for a discussion of certain risk factors relating to investment in the 2024 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 2024 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 2024 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 2024 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 E will be delivered with the 2024 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 Wallace Dietz, 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 _____, 2024 (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 2024 Series A Bonds at an aggregate purchase price of \$_____ (consisting of the par amount of the 2024 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 2024 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 2024 Series B Bonds at an aggregate purchase price of \$_____ (consisting of the par amount of the 2024 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 2024 Series B Bonds is subject to certain conditions contained in the Bond Purchase Agreement.

The 2024 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 2024 Series A and B Bonds to certain dealers (including dealers depositing the 2024 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 Board for which they received or will receive customary fees and expenses.

[BofA Securities, Inc., an Underwriter of the 2024 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 2024 Series A and B Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the 2024 Series A and B Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”), and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2024 Series A and B Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2024 Series A and B Bonds that such firm sells.]

FINANCIAL 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 2024 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 2024 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, 2024, 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, 2025 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 ACCOUNTANTS

The financial statements as of June 30, 2023 and 2022 and for each of the two years in the period ended June 30, 2023, included in this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in its report appearing herein.

RATINGS

Moody’s Investors Service and Fitch Ratings have given the ratings appearing on the front cover of this Official Statement to the 2024 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 2024 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 2024 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 2024 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 2024 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

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

By: _____ /s/
Title: Metropolitan Mayor

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, 2023 and June 30, 2022 and
Independent Auditor's Report**

APPENDIX B

**Unaudited Financial Information for the Three-Month Periods
Ended September 30, 2023 and September 30, 2022**

(See Notes to Unaudited Financial Information included herein.)

STATEMENTS OF NET POSITION (\$000 OMITTED)

(Unaudited) (Unaudited)
September 30, September 30,
2023 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS:

Cash and cash equivalents	\$ 520,916	\$ 459,982
Customer and other accounts receivable, less allowance for doubtful accounts of \$2,336 and \$3,465 respectively	160,734	173,860
Materials and supplies	50,523	38,108
Other current assets	<u>14,551</u>	<u>13,090</u>
TOTAL CURRENT ASSETS	<u>746,724</u>	<u>685,040</u>

INVESTMENT OF RESTRICTED FUNDS:

Cash and cash equivalents – Bond funds	148	337
Other investments – Bond funds	50,752	150,560
Cash and cash equivalents – Other funds	<u>37</u>	<u>174</u>

TOTAL INVESTMENT OF RESTRICTED FUNDS	<u>50,937</u>	<u>151,071</u>
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UTILITY PLANT:

Electric plant, at cost	2,245,879	2,117,166
Less: Accumulated depreciation	<u>(884,485)</u>	<u>(840,286)</u>

TOTAL UTILITY PLANT, NET	1,361,394	1,276,880
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OTHER NON-CURRENT ASSETS	<u>13,556</u>	<u>16,640</u>
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TOTAL ASSETS	<u>2,172,611</u>	<u>2,129,631</u>
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DEFERRED OUTFLOWS OF RESOURCES:

Deferred amount on refunding of debt	6,181	7,398
Difference between projected and actual pension earnings, net	48,240	88,179
Difference between projected and actual pension experience	16,469	690
Difference between projected and actual pension assumptions	4,127	9,781
Difference between projected and actual OPEB earnings, net	16,395	29,330
Difference between projected and actual OPEB experience	1,718	2,176
Difference between projected and actual OPEB assumptions	<u>3,123</u>	<u>7,682</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES	96,253	145,236
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,268,864</u>	<u>\$ 2,274,867</u>
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See notes to unaudited financial information.

STATEMENTS OF NET POSITION (\$000 OMITTED)
(continued)

(Unaudited) (Unaudited)
September 30, September 30,
2023 2022

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES:

Accounts payable for purchased power	\$179,778	\$216,154
Trade accounts payable	22,029	21,293
Accrued employee obligations	10,609	9,904
Accrued expenses	14,482	15,484
Customer deposits	<u>24,113</u>	<u>23,737</u>
TOTAL CURRENT LIABILITIES	<u>251,011</u>	<u>286,572</u>

CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:

Construction accounts payable and retainage	7,195	190
Accrued interest payable	8,772	9,465
Current portion of long-term debt	<u>28,880</u>	<u>36,990</u>
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>44,847</u>	<u>46,645</u>

LONG-TERM DEBT, LESS CURRENT PORTION	515,115	552,655
NET PENSION LIABILITY	265,615	278,564
NET OPEB LIABILITY	148,093	185,847
OTHER NON-CURRENT LIABILITIES	<u>12,394</u>	<u>13,571</u>
TOTAL LIABILITIES	<u>1,237,075</u>	<u>1,363,854</u>

DEFERRED INFLOWS OF RESOURCES

Difference between projected and actual pension experience	1,014	2,993
Difference between projected and actual pension assumptions	-	743
Difference between projected and actual OPEB experience	35,619	27,508
Difference between projected and actual OPEB assumptions	2,298	2,911
From lease receivables	<u>4,734</u>	<u>6,122</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	43,665	40,277

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,280,740</u>	<u>1,404,131</u>
NET POSITION	<u>988,124</u>	<u>870,736</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 2,268,864</u>	<u>\$ 2,274,867</u>

See notes to unaudited financial information.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (\$000 OMITTED)

	(Unaudited) September 30, 2023	(Unaudited) September 30, 2022
OPERATING REVENUES:		
Residential	\$ 184,424	\$ 211,956
Commercial and industrial	211,913	241,784
Street and highway lighting	6,122	6,150
Other	<u>7,117</u>	<u>7,527</u>
Total operating revenues, net	409,576	467,417
PURCHASED POWER	280,159	340,122
OPERATING EXPENSES	61,923	61,037
TAX EQUIVALENTS	10,347	9,825
DEPRECIATION & AMORTIZATION	<u>21,786</u>	<u>20,002</u>
Operating income	<u>35,361</u>	<u>36,431</u>
NON-OPERATING REVENUE (EXPENSE):		
Interest income	7,269	2,499
Interest expense, net	(3,826)	(3,924)
Other non-operating income	<u>314</u>	<u>399</u>
Total non-operating expense	<u>3,757</u>	<u>(1,026)</u>
INCREASE IN NET POSITION	<u>39,118</u>	<u>35,405</u>
NET POSITION, beginning of year	949,006	835,331
NET POSITION, end of year	<u>\$ 988,124</u>	<u>\$ 870,736</u>

See notes to unaudited financial information.

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

NOTES TO UNAUDITED FINANCIAL INFORMATION BASIS OF PRESENTATION

The accompanying unaudited financial information includes the accounts of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the “Board”). This financial information does not include certain information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2023 and 2022 are not necessarily indicative of the results that may be expected for the fiscal years ending June 30, 2024 and 2023.

APPENDIX C

**The Metropolitan Nashville and Davidson County Area –
Economic and Demographic Information**

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, 2024 Series A and Electric System Revenue Refunding Bonds, 2024 Series B (the "2024 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 2024 Series A and B Bonds are not general obligations of the Metropolitan Government, and no holder of the 2024 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 2024 Series A and B Bonds.*

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**

<u>Geographical Areas</u>	<u>April 1, 2020 Estimates Base</u>	<u>2022 Population Estimates</u>	<u>2020 – 2022 Percentage Changes</u>
Nashville/Davidson	715,875	708,144	-1.1%
MSA	1,989,525	2,046,828	2.9%
State of Tennessee	6,910,786	7,051,339	2.0%
United States	331,449,520	333,287,557	0.6%

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.

**PER CAPITA PERSONAL INCOME
(For the Calendar Years 2012- 2021)**

<u>Geographical Area</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Nashville/Davidson	\$50,332	\$49,727	\$53,586	\$56,061	\$59,072	\$63,101	\$68,958	\$71,252	\$74,867	\$82,087
MSA	46,437	46,603	49,204	51,865	53,648	55,729	58,779	60,680	64,368	70,026
State of Tennessee	39,296	39,421	40,799	42,626	43,626	45,233	47,210	48,684	52,351	56,560
United States	44,605	44,860	47,071	49,019	50,015	52,118	54,606	56,490	59,765	64,143

Source: United States Bureau of Economic Analysis (www.bea.gov).

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Employment

The following table shows the labor force segments of the eight-county Nashville MSA for calendar years 2018 through 2022.

NASHVILLE MSA EMPLOYMENT BY INDUSTRY

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Employed – All Industries ¹	1016	1046	1003	1053	1123
<i>In Percentages:</i>					
Education & Health Services	15.10%	14.84%	15.25%	14.99%	14.62%
Financial Activities	6.73%	6.76%	6.95%	6.88%	6.78%
Government	11.67%	11.50%	12.00%	11.34%	10.79%
Information	2.30%	2.37%	2.34%	2.49%	2.80%
Leisure & Hospitality	11.47%	11.62%	9.73%	10.22%	10.92%
Manufacturing	8.30%	8.11%	7.87%	7.80%	7.67%
Professional & Business Services	16.63%	16.72%	16.93%	17.22%	17.49%
Trade, Transportation, Utilities	19.10%	19.32%	19.92%	19.97%	19.73%
Other	8.68%	8.77%	9.00%	9.10%	9.22%

⁽¹⁾ Total Nonfarm Employment in thousands
Source: Bureau of Labor Statistics (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 2013-2022.

<u>Geographical Areas</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Nashville/Davidson	5.9%	5.0%	4.3%	3.6%	2.8%	2.6%	2.5%	8.3%	4.4%	2.8%
MSA	6.2	5.2	4.5	3.8	2.9	2.7	2.6	7.0	3.8	2.7
State of Tennessee	7.8	6.6	5.6	4.7	3.7	3.5	3.3	7.5	4.5	2.4
United States	7.4	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6

Source: United States Bureau of Labor Statistics (www.bls.gov)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS

JUNE 30, 2022

<u>PRINCIPAL EMPLOYERS</u>	<u>NUMBER OF EMPLOYEES</u>	<u>PERCENTAGES OF TOTAL EMPLOYMENT</u>
Vanderbilt University/VUMC	37,122	3.57%
State of Tennessee	26,733	2.57
Metro Nashville-Davidson County Government and Public Schools	18,981	1.82
United States Government	13,707	1.32
HCA Healthcare Inc.	10,600	1.02
Nissan North America	10,500	1.01
Ascension Saint Thomas	8,335	0.80
The Kroger Company	7,813	0.75
Amazon.com	5,000	0.48
Asurion	4,260	0.41
TOTAL	143,051	13.75%

Source: Principal Employers and Number of Employees - Nashville Area Chamber of Commerce, *Nashville Business Journal*
Total Employment - Tennessee Department of Labor & Workforce Development

Private-Sector Investment and Job Creation

Since July 1, 2022, the Nashville Area Chamber of Commerce announced three (3) business relocations or expansions into the Metropolitan Government, collectively bringing 739 new jobs into Nashville. 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.

Oracle Corp.

On May 4, 2021, the Metropolitan Council voted unanimously to approve the development plan of Oracle Corp. (“Oracle”) for the construction of its new campus within the Metropolitan Government’s industrial riverfront located in East Nashville (i.e. the East Bank). Oracle is a computer technology corporation best known for its software products, cloud-engineering services and systems and database management systems. The development of Oracle’s 65-acre campus contemplates a private investment of approximately \$1.2 billion and is anticipated to create around 8,500 new permanent jobs (of which 500 have currently been filled) by the end of 2031 that pay an average annual wage of \$110,000. This development is also anticipated to create around 11,500 ancillary jobs and around 10,000 temporary jobs during the construction period.

As part of the development plan this deal, the Metropolitan Government agreed to divert fifty percent (50%) of Oracle’s property taxes for up to 25-years, to the extent necessary to reimburse Oracle for its up-front \$175 million investment into Nashville’s public infrastructure located in and around the Oracle campus.

Amazon

In 2018, the American multinational e-commerce and technology company (“Amazon”) announced its plans to invest \$230 million in Nashville to build its newest operations center to be located at Nashville Yards in downtown Nashville. 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 is expected to create approximately 5,000 new permanent jobs at the Amazon operations center. As of 2022, Amazon currently employs 2,500 people at its operations site, wherein the employees earn an average annual wage of \$150,000. 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. Amazon has currently imposed a company-wide hiring freeze and is not clear whether the freeze will impact the total number of jobs located in Nashville.

Other Nashville Business Investment

Over the past two 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. For example, 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.

Additionally, the RMR Group Inc. has acquired 16 acres located within the East Bank immediately to the north of the location of the new stadium, and has submitted a development plan to the Metropolitan Government that contemplates three million square feet of mixed-use space.

Additionally, Smart, the London-based retirement fintech company has chosen Nashville for its United States headquarters. The Smart relocation project will create nearly 130 new jobs and yield a \$2.2 million investment into Nashville.

TechnologyAdvice, a business-to-business technology marketing platform, will create 350 new jobs in Nashville over the next five years by expanding its headquarters and back-office operations.

Kroger Co., America’s largest grocery retailer, will establish its first spoke delivery hub in the region in Nashville. The approximately 40,000-square-foot facility will serve as a last-mile cross-dock location that efficiently extends the fulfillment network reach to customers up to 200 miles away from a state-of-the-art, robotically automated Atlanta fulfillment center. The facility will employ more than 180 individuals.

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.

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.

Firestone Building Products ("Firestone") has also announced the expansion of its Nashville operations. Headquartered in Nashville with operations worldwide, Firestone was recently acquired by Holcim Participations (US) Inc., a global leader in sustainable building solutions. This Firestone project will create 28 new permanent jobs and yield an estimated \$13 million investment into Nashville.

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.

Iron Galaxy Studios will invest \$950,000 to establish a new video game development studio located in Nashville. As part of Iron Galaxy Studios' expansion to Nashville, this expansion is estimated to create 108 new permanent tech jobs over the next five years.

Chick-fil-A Supply® officials announced that the company will expand its operations, selecting Antioch, Tennessee as the location for its fourth United States distribution center. Chick-fil-A will invest an estimated \$16.3 million into this expansion, which subsequently will create 45 new jobs.

Manufacturing

As of December 2022, an average of 86,100 persons were employed in the manufacturing industries in the 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.

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, give 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 the 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 the Metropolitan Transit Authority was established. MTA provides a comprehensive public transportation system covering the entire metropolitan area. In addition to regularly scheduled bus routes, 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. The Metropolitan Government and the State of Tennessee contributed during the Fiscal Year ended June 30, 2022, approximately \$51.836 million and \$5.264 million, respectively, to pay approximately 63.1% 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 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. The John C. Tune airport celebrated the restoration of the hangars destroyed by the March 3, 2020, tornado in June 2022. The Authority celebrated 85 years at BNA as the gateway to Music City in June 2022. BNA continues to experience record breaking growth post with 18.4 million total travelers at the end of Fiscal Year 2022. BNA averages 261 daily departures, offers 97 nonstop markets to 37 states, District of Columbia, Puerto Rico, and four countries. “The Airport” 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. Standard & Poor’s upgraded BNA Standard & Poor’s Global Ratings (S&P) raised its long-term rating and underlying rating to “AA-” from “A+” on the Metropolitan Nashville Airport Authority’s (MNAA’s) senior-lien airport revenue bonds, with a stable financial outlook February 7, 2023. In April 2023 the airport 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.

In May 2018, Metropolitan Government voters rejected a \$9 billion transit funding program aimed at relieving congestion in Nashville and the surrounding region. The Metropolitan Government

expects to continue to pursue some type of transit program in the future. The Metropolitan Mayor has proposed a \$1.6 billion transit plan that would be implemented over the course of approximately ten years. The proposed transit plan's focus areas include modernizing the Metropolitan Government's traffic management system, upgrading the MTA bus system, and investing in neighborhood infrastructure including sidewalks, bikeways, and greenways. The Metropolitan Mayor's proposed plan was approved by the Metropolitan Council on December 15, 2020, but funding sources have not yet been finalized.

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**

Calendar Year	<u>RESIDENTIAL CONSTRUCTION</u>		<u>NON-RESIDENTIAL CONSTRUCTION</u>		<u>REPAIRS, ALTERATIONS, AND INSTALLATIONS</u>		<u>OTHER ⁽¹⁾</u>		<u>Total</u>	
	<u>Number of Permits</u>	<u>Permit Value</u>	<u>Number of Permits</u>	<u>Permit Value</u>	<u>Number of Permits</u>	<u>Permit Value</u>	<u>Number of Permits</u>	<u>Permit Value</u>	<u>Number of Permits</u>	<u>Total Permit Value</u>
2013	3,406	\$737,396,336	762	\$493,330,146	3,405	\$455,745,450	2,135	\$23,344,644	9,708	\$1,709,816,576
2014	4,579	1,163,334,572	696	692,801,880	3,244	397,757,642	2,522	23,934,719	11,041	2,277,828,813
2015	5,774	1,428,091,853	762	937,747,113	2,988	441,598,956	2,862	38,771,613	12,386	2,846,209,535
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

⁽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 Code 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 15 colleges and universities, including Vanderbilt University, Belmont University, Tennessee State University, David Lipscomb University, Meharry Medical College, Nashville State Technical Institute and Fisk University. Total higher education enrollment exceeds 65,000 students annually. Seven 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 the MLS Stadium. See "CONTINGENT DEBT AND PAYMENT LIABILITIES" above.

Cultural Facilities

Library System

The Nashville Public Library system includes a 300,000 square foot 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 Jackson Theater (256 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 an 1,844-seat concert hall located in downtown Nashville, which hosts the Nashville Symphony.

Museums and Visual Arts

The Frist Art Museum occupies the former 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 Center 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 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 celebrates its 85th anniversary this year. The museum opened in the Bill Haslam Center in October 2018 with 137,000 square feet of administration and gallery space.

Music City opened the National Museum of African American Music 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.

Music Concert Venues

The Metropolitan Government hosts large concert events at either the Bridgestone Arena or the Titans 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 the 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 \$9.2 billion in 2022.

The Nashville MSA has more than 497 hotels offering 57,675 rooms.

NASHVILLE MSA HOTEL AND MOTEL ROOMS / OCCUPANCY RATE

Calendar Year	Rooms Available	Occupancy Rate
2013	37,124	69.80%
2014	37,824	72.50%
2015	38,721	73.70%
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%

⁽¹⁾ Hotels experienced declines in their occupancy rates due to the impact of the COVID-19 pandemic.

Source: The Metropolitan Nashville and Davidson County Conventions 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 Center’s location created a high demand for hotel rooms, particularly full-service properties. An 800-room full-service Omni headquarters hotel opened in September 2013 next to the Music City Center. In the Fall of 2016, a 454-room full-service Westin Hotel opened adjacent to the Music City Center. A 533-room J W Marriott opened in 2018. 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 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.

Downtown Entertainment District

The downtown entertainment district encompasses approximately 20 square blocks centered around historic Lower Broadway (or Lower Broad). Lower Broad consists primarily of historic brick restaurants and bars that feature live music with no cover charge. Many of the restaurants and bars are owned and/or sponsored by current and past music artists. Lower Broad is a short walk to the Music City Center and its adjacent hotels, Titans Stadium, the Ford Ice Center, the Ryman, the Country Music Hall of Fame and Museum and most other downtown Nashville attractions. The Convention Center, Omni, Westin and J W Marriott hotels are located downtown in the Metropolitan Government's Central Business District, and are within walking distance of many notable attractions, including, the Bridgestone Arena, the Ryman Auditorium, Frist Center for the Visual Arts, Schermerhorn Symphony Center, Musicians Hall of Fame and Museum and the Johnny Cash Museum.

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

As more fully described above, the Metropolitan Nashville public schools make up the second largest school system in Tennessee. The following table illustrates the enrollment and attendance trends for the Metropolitan Nashville Public Schools:

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PUBLIC SCHOOL ENROLLMENT AND ATTENDANCE

<u>School Year</u>	<u>Total Enrollment</u>	<u>Average Attendance</u>
2012-2013	81,077	76,946
2013-2014	82,863	75,190
2014-2015	84,500	76,252
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	77,030

Source: The Metropolitan Government of Nashville and Davidson County.

Metropolitan Nashville Public Schools, as Tennessee’s second largest school district (the “District”), announced on January 12, 2021, that it will receive an additional \$123 million of the more than \$1.1 billion COVID-19 relief funding to be received by the Tennessee Department of Education (“TDOE”) as a part of the U.S. Congress latest COVID-19 relief package. The District and TDOE are currently engaged in ongoing discussions related to the District’s requests for reimbursement of grant funds. TDOE has stated that additional grant funding may be delayed. The District has vowed to timely comply with the requirements of the TDOE and is now putting together a plan, including how it will expend the one-time supplemental relief funding. The funds can be used to address the needs of special student populations, purchasing technology, summer programs, supplemental after-school programs, mental health services and staffing needs. The District anticipates prioritizing the use of the funds to directly address COVID-19 needs through hiring nurses and partnering with healthcare facilities, including Meharry Medical College, to make rapid testing available to students and staff. These COVID-19 relief funds could also be applied toward facility improvements. The District must fully expend the COVID-19 relief funds by the end of Summer 2024.

APPENDIX D

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. The aforesaid agreements with The Industrial Bank of Japan are Credit Facilities for 1985 Series B Bonds.

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.

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.

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, subject and subordinate with respect to the revenues and funds pledged under the Bond Ordinance to the lien and pledge created in favor of the Senior Bonds in the Bond Ordinance and the rights of the holders of the Senior Bonds thereunder. 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. Notwithstanding anything to the contrary contained in the Bond Resolution, the Metropolitan Government may incur Credit/Liquidity Facility Obligations which are payable on a parity with the Bonds from the Net Revenues and which are secured by a parity lien and pledge of the Net Revenues, without preference, priority or distinction over the rights of the Bondholders.

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 (i) the lien and pledge created by the Bond Resolution as security for the Bonds, and (ii) the lien and pledge created by the Bond Ordinance as security for the Senior 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, (iv) Credit/Liquidity Facility Obligations, or (v) 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 (i) issue any additional bonds under the Bond Ordinance, or (ii) extend the maturity of the Senior Bonds.

Immediately following the date on which the Senior Bonds are paid, the Metropolitan Government shall transfer all of the revenues, moneys, securities and funds then remaining in all funds established under the Bond Ordinance to the Revenue Fund.

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 and any Credit/Liquidity Facility Obligations 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 by the Fiscal Agent or 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 E

Form of Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the 2024 Series A and B Bonds, Bradley Arant Boult Cummings LLP, Nashville, Tennessee, Bond Counsel, proposes to render its opinion with respect to the 2024 Series A and B Bonds in substantially the following form:

[Date]

Metropolitan County Council
The Metropolitan Government
of Nashville and Davidson County
205 Metropolitan Courthouse
Nashville, TN 37201

Ladies and Gentlemen:

We have examined the record of proceedings relating to the issuance of \$[PAR AMOUNT]¹ aggregate principal amount of Electric System Revenue Bonds, 2024 Series A (the "2024 Series A Bonds") and \$[PAR AMOUNT]¹ aggregate principal amount of Electric System Revenue Refunding Bonds, 2024 Series B (the "2024 Series B Bonds" and, together with the 2024 Series A Bonds, the "2024 Series A and B Bonds") by The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government").

The 2024 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 2024 Series A Bonds will mature on the dates and in the principal amounts, and bear interest at the respective rates per annum, shown below:

<u>May 15</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The 2024 Series B Bonds will mature on the dates and in the principal amounts, and bear interest at the respective rates per annum, shown below:

<u>May 15</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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¹ Preliminary, subject to change.

The 2024 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 2024 Series A and B Bonds is payable on May 15 and November 15 in each year, commencing on May 15, 2024. The 2024 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 2024 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 2024 Series A and B Bonds are each numbered, prefixed by the letter R, from one upward.

The 2024 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 2024 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 2024 Series A Bonds. The 2024 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, 2013 Series A, maturing May 15, 20__ through May 15, 20__, and Electric System Revenue Bonds, 2014 Series A, 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 2024 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, 2013 Series A, if any, not refunded by the 2024 Series B Bonds, the Electric System Revenue Bonds, 2014 Series A, if any, not refunded by the 2024 Series B Bonds, the Electric System Revenue Refunding Bonds, 2015 Series A, the Electric System Revenue Bonds, 2017 Series A, the Electric System Revenue Refunding Bonds, 2017 Series B and the Electric System Revenue Bonds, 2021 Series A (together with the 2024 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 2024 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 2024 Series A and B Bonds, and the 2024 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 subsequent to the issuance and delivery of the 2024 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 2024 Series A and B Bonds to be included in gross income retroactive to the date of issue of the 2024 Series A and B Bonds. The Metropolitan Government has covenanted in the Resolution to maintain the exclusion of the interest on the 2024 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 2024 Series A and B Bonds is excluded from gross income for federal income tax purposes. The 2024 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 2024 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 2024 Series A and B Bonds is not excluded from the determination of adjusted financial statement income.

With respect to the 2024 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 2024 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 2024 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 2024 Series A and B Bonds. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each such 2024 Series A and B Bond, and the basis of each such 2024 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 2024 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 2024 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 2024 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 2024 Series A and B Bonds may realize a taxable gain upon the disposition of such 2024 Series A and B Bonds even though such 2024 Series A and B Bonds are sold or redeemed for an amount equal to such owner's original cost of acquiring such 2024 Series A and B Bonds.

5. Under existing law, interest on the 2024 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 2024 Series A and B Bonds during the period such 2024 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 2024 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 2024 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 2024 Series A and B Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the 2024 Series A and B Bonds, or the interest thereon, if any action is taken with respect to the 2024 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 _____, 2024 or the Official Statement dated _____, 2024 or any other offering material relating to the 2024 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 2024 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 2024 Series A and B Bonds.

In rendering this opinion, we have, with your consent, relied upon the opinion of even date herewith of Wallace Dietz, 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 2024 Series A Bond for each maturity and the first numbered 2024 Series B Bond for each maturity, and, in our opinion, the form of such 2024 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 2024 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 2024 Series A and B Bonds.

Very truly yours,

APPENDIX F

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") is made and entered into as of the __ day of _____, 2024, 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 \$[PAR AMOUNT]* Electric System Revenue Bonds, 2024 Series A and \$[PAR AMOUNT]* Electric System Revenue Refunding Bonds, 2024 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-First Supplemental Electric System Revenue Bond Resolution adopted by the Metropolitan Government on _____, 2023 (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 _____, 2024 and a final Official Statement dated _____, 2024 (collectively, the "Official Statement"), and the Metropolitan Government and the Board have entered into a Bond Purchase Agreement dated _____, 2024 (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 _____, 2024, 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, 2024. 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, 2024. 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 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: _____

EXHIBIT D

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is dated _____, 2024, 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, 2013 Series A (the "2013 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, 2014 Series A (the "2014 Series A 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, 2024 Series B (the "2024 Series B Bonds") for the purpose of providing funds as follows: (a) to redeem on May 15, 2024, at a Redemption Price of 100%, [all] [\$_____ principal amount] of the 2013 Series A Bonds scheduled to mature on _____ (such 2013 Series A Bonds being redeemed on May 15, 2024 being referred to hereafter collectively as the "Refunded 2013 Series A Bonds"), to pay the Redemption Price of such Refunded 2013 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2013 Series A Bonds on and prior to such date of redemption; and (b) to pay at maturity [all] [\$_____ principal amount] of the 2014 Series A Bonds scheduled to mature on May 15, 2024, to redeem on May 15, 2024, at a Redemption Price of 100%, [all] [\$_____ principal amount] of the Series 2014 Series A Bonds scheduled to mature on _____ (such 2014 Series A Bonds being paid at maturity and such 2014 Series A Bonds being redeemed on May 15, 2024 being referred to hereafter collectively as the "Refunded 2014 Series A Bonds"), to pay the Redemption Price of such Refunded 2014 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2014 Series A Bonds on and prior to such maturity date or such date of redemption, as applicable (the Refunded 2013 Series A Bonds and the Refunded 2014 Series A 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 2024 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 2013 Series A Bonds (the "2013A Subaccount") and a subaccount therein for the Refunded 2014 Series A Bonds (the "2014A Subaccount") (each herein a "Subaccount").

SECTION II. The Escrow Account created hereby shall be irrevocable. The holders of the Refunded 2013 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 2013A Subaccount until used and applied in accordance with this Agreement, and the holders of the Refunded 2014 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 2014A 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 2024 Series B Bonds), for deposit in the 2013A 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 2024 Series B Bonds), for deposit in the 2014A Subaccount, of which \$ _____ will be held uninvested and \$ _____ will be applied to the purchase of the Government Obligations listed in Schedule A-II 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 and Schedule A-II 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, 2024 of [all] [\$ _____ principal amount] of the 2013 Series A Bonds scheduled to mature on _____, and (ii) all of the interest which is to become due on such Refunded 2013 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 principal at maturity of [all] [\$ _____ principal amount] of the 2014 Series A Bonds scheduled to mature on May 15, 2024, (ii) the Redemption Price of 100% on May 15, 2024 of [all] [\$ _____ principal amount] of the 2014 Series A Bonds scheduled to mature on _____, and (iii) all of the interest which is to become due on such Refunded 2014 Series A Bonds on and prior to such respective dates of maturity or 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 2013A Subaccount and \$ _____ in the 2014A Subaccount) and to immediately invest (a) \$ _____ described in clause A of Section III hereof in the Government Obligations listed in Schedule A-I hereto; and (b) \$ _____ described in clause B of Section III hereof in the Government Obligations listed in Schedule A-II hereto; and

2. to deposit the Government Obligations described in Schedule A-I and Schedule A-II 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 and Schedule A-II hereof 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 and Schedule A-II hereof.

B. **Unclaimed Moneys.** Any moneys in the 2013A Subaccount which remain unclaimed for six (6) years after May 15, 2024, and any moneys in the 2014A Subaccount which remain unclaimed for six (6) years after May 15, 2024, 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 2013 Series A Bonds shall have a first lien on the moneys and Government Obligations in the 2013A Subaccount until such moneys and Government Obligations are used and applied as provided in this Agreement, and the owners of the Refunded 2014 Series A Bonds shall have a first lien on the moneys and Government Obligations in the 2014A 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 and Schedule A-II 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 2024 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 2024 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 2024 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 2024 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 2024 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)

THE 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" referenced 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 2013 Series A Bonds as follows:

[INSERT]

SCHEDULE A-II

The "Government Obligations" referenced 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 2014 Series A Bonds as follows:

[INSERT]

SCHEDULE B

IRREVOCABLE INSTRUCTIONS AND REQUEST TO FISCAL AGENT

_____, 2024

Regions Bank,
as Fiscal Agent
One Nashville Place
150 4th Avenue North
Suite 1500
Nashville, TN 37219

The Metropolitan Government of Nashville and Davidson County Electric System
Revenue Refunding Bonds, 2013 Series A and Electric System Revenue Bonds,
2014 Series A

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, 2024 Series B, the proceeds of which will be used as follows: (a) to redeem on May 15, 2024, at a Redemption Price of 100%, [all] [\$_____ principal amount] of the 2013 Series A Bonds scheduled to mature on _____ (such 2013 Series A Bonds being redeemed on May 15, 2024 being referred to hereafter collectively as the "Refunded 2013 Series A Bonds"), to pay the Redemption Price of such Refunded 2013 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2013 Series A Bonds on and prior to such date of redemption; and (b) to pay at maturity [all] [\$_____ principal amount] of the 2014 Series A Bonds scheduled to mature on May 15, 2024, to redeem on May 15, 2024, at a Redemption Price of 100%, [all] [\$_____ principal amount] of the Series 2014 Series A Bonds scheduled to mature on _____ (such 2014 Series A Bonds being paid at maturity and such 2014 Series A Bonds being redeemed on May 15, 2024 being referred to hereafter collectively as the "Refunded 2014 Series A Bonds"), to pay the Redemption Price of such Refunded 2014 Series A Bonds on such redemption date and to pay when due all of the interest which is to become due on the Refunded 2014 Series A Bonds on and prior to such maturity date or such date of redemption, as applicable (the Refunded 2013 Series A Bonds and the Refunded 2014 Series A 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 principal or Redemption Price (as defined in the Resolution) of and the interest on said Refunded Bonds as such become subject to redemption or maturity, as applicable.

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,
2013 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, 2013 Series A (the "2013 Series A Bonds") maturing on _____, described as follows:

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Redeemed</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
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that [the indicated principal amount of] such 2013 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, 2024. 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 2013 Series A Bonds maturing on _____ shall become due and payable on May 15, 2024, and from and after May 15, 2024, interest on [the indicated principal portion of] the 2013 Series A Bonds maturing on _____ shall cease to accrue and be payable.

Holders of [the indicated principal portion of] the 2013 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 _____, 2024.

**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,
2014 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, 2014 Series A (the "2014 Series A Bonds") maturing on _____, described as follows:

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Redeemed</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
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that [the indicated principal amount of] such 2014 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, 2024. 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 2014 Series A Bonds maturing on _____ shall become due and payable on May 15, 2024, and from and after May 15, 2024, interest on [the indicated principal portion of] such 2014 Series A Bonds maturing on _____ shall cease to accrue and be payable.

Holders of [the indicated principal portion of] such 2014 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 _____, 2024.

**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,
2013 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, 2013 Series A maturing _____ (collectively, the "2013 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 principal or Redemption Price of [all] [the indicated principal portion] of the 2013 Series A Bonds (such portion being referred to herein as the "Refunded Bonds"), as follows:

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded</u>	<u>Maturity Date or Redemption Date</u>	<u>Principal or Redemption Price</u>	<u>CUSIP</u>
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and (B) to pay the interest on all Refunded Bonds when due on and prior to the respective dates of redemption or maturity as set forth above; and

(ii) that the Escrow Agent has been irrevocably instructed to redeem such Refunded Bonds or to pay such Refunded Bonds at maturity, as applicable, on such dates, as set forth above; and

(iii) that the Refunded Bonds are deemed to be paid in accordance with the Bond Resolution.

Dated this ____ day of _____, 2024.

**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,
2014 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, 2014 Series A maturing _____ (collectively, the "2014 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 principal or Redemption Price of [all] [the indicated principal portion] of the 2014 Series A Bonds (such portion being referred to herein as the "Refunded Bonds"), as follows:

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded</u>	<u>Maturity Date or Redemption Date</u>	<u>Principal or Redemption Price</u>	<u>CUSIP</u>
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and (B) to pay the interest on all Refunded Bonds when due on and prior to the respective dates of redemption or maturity as set forth above; and

(ii) that the Escrow Agent has been irrevocably instructed to redeem such Refunded Bonds or to pay such Refunded Bonds at maturity, as applicable, on such dates, as set forth above; and

(iii) that the Refunded Bonds are deemed to be paid in accordance with the Bond Resolution.

Dated this ____ day of _____, 2024.

**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
(TENNESSEE)**

By: Regions Bank, as Escrow Agent

SCHEDULE C

Reimbursement of out-of-pocket expenses.