OFFERING MEMORANDUM (Book-Entry-Only)

RATINGS: Moody's "___" (_____)
S&P Global Ratings "___" (_____)

In the opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, interest on the Commercial Paper Notes (as hereinafter defined) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. For an explanation of certain tax consequences under federal law which may result from the ownership of the Commercial Paper Notes, see the discussion under the heading "TAX MATTERS" herein.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$200,000,000
WATER AND SEWER REVENUE
COMMERCIAL PAPER NOTES, SERIES 2022A

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") Water and Sewer Revenue Commercial Paper Notes, Series 2022A (the "Commercial Paper Notes") are being issued pursuant to: (i) the Local Government Public Obligations Act of 1986, Tennessee Code Annotated §§ 9-21-101 *et seq*., as amended (the "Act"); (ii) the Charter of The Metropolitan Government of Nashville and Davidson County authorized in referendum on June 28, 1962, as amended (the "Charter"); (iii) the valid legal approval of the State of Tennessee Director of the Division of Local Government Finance; (iv) the terms and conditions contained in Substitute Resolution No. RS2010-1442 duly adopted on November 16, 2010 by the County Council of the Metropolitan Government (the "Metropolitan Council") as subsequently amended and supplemented (the "Water and Sewer Bond Resolution"); (v) the terms and conditions contained in the following Initial Resolutions each being duly adopted by the Metropolitan Council: (a) Initial Resolution No. RS2009-994 duly adopted on October 20, 2009; (b) Initial Resolution No. RS2013-620 duly adopted on March 19, 2013; (c) Initial Resolution No. RS2020-214 duly adopted on March 17, 2020; (d) Initial Resolution No. RS2021-1147 duly adopted on September 21, 2021; and (e) Initial Resolution No. RS2022-1694 duly adopted on September 6, 2022 (collectively, the "Initial Resolutions"); (vi) the terms and conditions contained in Resolution No. RS2015-1417 duly adopted by the Metropolitan Council on April 7, 2015 (the "Extendable Note Resolution"); and (vii) Resolution No. [RS2022-_____] duly adopted by the Metropolitan Council on November 15, 2022 (the "Series 2022A Notes Resolution" and collectively with the Water and Sewer Bond Resolution, the Initial Resolutions and the Extendable Note Resolution, the "Resolution").

The Commercial Paper Notes are being issued to provide funds, on a short-term, interim basis, to: (i) finance capital improvements to the Metropolitan Government's water and sewer system (the "System") in anticipation of the issuance of long-term water and sewer revenue bonds; (ii) retire all or a portion of the Metropolitan Government's outstanding Water and Sewer Commercial Paper Bond Anticipation Notes (the "Outstanding Commercial Paper Notes"), which provided interim financing for various capital improvements to the System; (iii) provide for the payment of the principal of and interest on Bank Note; and (iv) pay certain costs of issuance related to the Commercial Paper Notes.

The Commercial Paper Notes will be dated as of the date of their respective issuance, and interest will be payable at maturity. The Commercial Paper Notes: (i) will bear interest payable at maturity at a rate not-to-exceed twelve percent (12%) per annum calculated on the basis of a year consisting of 365/366 days and the actual number of days elapsed; (ii) will mature on a Business Day not later than 270 days after their respective dates of issuance or one Business Day prior to the Termination Date of the Letter of Credit (as hereinafter defined), whichever is earlier; and (iii) when issued, will be sold at a price not less than 100% of the principal amount thereof. The Commercial Paper Notes are not subject to redemption prior to maturity. See "DESCRIPTION OF THE COMMERCIAL PAPER NOTES" herein.

The Commercial Paper Notes will be issued from time to time as fully registered notes in denominations of $100,000 and integral multiples of $1,000 in excess thereof without coupons and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as the initial securities depository for the Commercial Paper Notes. Purchases of the beneficial ownership interests in the Commercial Paper Notes will be made in book-entry-only form, without certificates. See "DESCRIPTION OF THE COMMERCIAL PAPER NOTES" herein.

The Commercial Paper Notes are payable solely from and secured solely by a pledge of and lien upon the Revenues of the System, as more fully described herein, subject to the senior pledge of System Revenues in favor of the Metropolitan Government's long-term water and sewer revenue bonds. The pledge of Revenues in favor of the Commercial Paper Notes is on parity with a pledge of revenues in favor of the Metropolitan Government's Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program. The Commercial Paper Notes do not constitute a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES" herein.

TD Bank, N.A. (the "Initial Bank") will issue its Irrevocable Transferable Direct-Pay Letter of Credit (the "Letter of Credit") in the amount of $217,753,425, of which $200,000,000 will be available to pay principal of the Commercial Paper Notes upon maturity thereof, and of which $17,753,425 (270 days of interest on the principal amount of Commercial Paper Notes calculated at the rate of twelve percent (12%) and computed on the basis of a year of 365 days) will be available to pay accrued interest on the Commercial Paper Notes at maturity, pursuant to the terms of a Reimbursement Agreement entered into by and between the Metropolitan Government and the Initial Bank dated as of December 1, 2022 (the "Reimbursement Agreement"). The Letter of Credit is stated to expire on [_____, 2027], unless terminated in accordance with the terms of the Letter of Credit or as extended from time to time pursuant to the terms of the Letter of Credit and the Reimbursement Agreement . See "SUMMARY OF THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" and "DESCRIPTION OF THE INITIAL BANK" herein.

TD BANK

(Initial Bank)

J.P. Morgan Securities LLC will serve as the Dealer for the Commercial Paper Notes. U.S. Bank Trust Company, National Association, Nashville, Tennessee, will serve as Issuing and Paying Agent for the Commercial Paper Notes.

The Commercial Paper Notes and the Bank Note are limited obligations of the Metropolitan Government payable solely from and secured solely by a pledge of the Revenues of the System and certain funds maintained in connection therewith, subject only to the payment of System Operation and Maintenance Expenses. The pledge of Revenues in favor of the Commercial Paper Notes is subject and subordinate to the senior pledge of the Revenues in favor of the Senior Lien Bonds any other long-term water and sewer revenue bonds hereafter issued by the Metropolitan Government on parity with the Senior Lien Bonds. The pledge of Revenues in favor of the Commercial Paper Notes is on parity with the pledge of Revenues in favor of the Metropolitan Government's Extendable Notes. The Commercial Paper Notes do not constitute a debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government.

The Commercial Paper Notes will be offered and sold, from time-to-time, on behalf of the Metropolitan Government by J.P. Morgan Securities LLC subject to the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee as Bond Counsel. Certain legal matters will be passed upon for the Metropolitan Government by Carpenter Law, PLLC, Nashville, Tennessee as Disclosure Counsel for the Metropolitan Government. Certain legal matters will also be passed upon for the Metropolitan Government by Wallace W. Dietz, Esquire, Director of Law of the Metropolitan Government. Hilltop Securities Inc., Dallas, Texas, is serving as the Municipal Advisor to the Metropolitan Government. Certain legal matters will be passed upon for the Initial Bank by its counsel, Chapman and Cutler LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Dealer by its counsel, Adams and Reese LLP, Nashville, Tennessee.

J.P. Morgan

(Dealer)

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Offering Memorandum, in connection with the issuance of the Commercial Paper Notes, and, if given or made, such information or representation must not be relied upon as having been authorized by the Metropolitan Government or the Municipal Advisor. This Offering Memorandum does not constitute an offer or solicitation in any jurisdiction which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

This Offering Memorandum contains certain information for quick reference only and is not a summary of the terms of the Commercial Paper Notes. The information set forth in this Offering Memorandum, including the appendices attached hereto, has been prepared by the Metropolitan Government and from sources which are believed to be reliable. It is not guaranteed as to the accuracy or completeness by the Dealer for the Commercial Paper Notes. The order and placement of information contained in this Offering Memorandum, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance and this Offering Memorandum, including the appendices attached hereto, must be read in its entirety. The captions and headings in this Offering Memorandum are for convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Offering Memorandum.

THIS OFFERING MEMORANDUM IS INTENDED TO REFLECT MATERIAL FACTS AND CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS OFFERING MEMORANDUM OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFERING MEMORANDUM AT TIMES SUBSEQUENT TO THE ISSUANCE, FROM TIME TO TIME, OF THE COMMERCIAL PAPER NOTES SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE DEALER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFERING MEMORANDUM. THE DEALER HAS REVIEWED THE INFORMATION IN THE OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THE TRANSACTION, BUT THE DEALER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

For additional information regarding the Metropolitan Government, the Commercial Paper Notes, or this Offering Memorandum and the appendices attached hereto, please contact the following individuals:

Ms. Kelly Flannery
Director of Finance

P.O. Box 196300
Nashville, Tennessee 37219
Metropolitan Courthouse
1 Public Square, Suite 106
Nashville, Tennessee 37201
(615) 862-6151

Ms. Michell Bosch
Metropolitan Treasurer

P.O. Box 196300
Nashville, Tennessee 37219
700 President Ronald Reagan Way, Suite 205
Nashville, Tennessee 37210
(615) 862-6154

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Metropolitan Mayor
John Cooper

METROPOLITAN COUNTY COUNCIL

Metropolitan Vice-Mayor
Jim Shulman

Council Member At Large	Council Member At Large
Sharon Hurt	Burkley Allen
Council Member At Large	**Council Member At Large**
Bob Mendes	Zulfat Suara

Council Member District 1	Council Member District 2	Council Member District 3	Council Member District 4	Council Member District 5
Jonathan Hall	Kyonzté Toombs	Jennifer Gamble	Robert Swope	Sean Parker
Council Member District 6	**Council Member District 7**	**Council Member District 8**	**Council Member District 9**	**Council Member District 10**
Brett Withers	Emily Benedict	Nancy VanReece	Tonya Hancock	Zach Young
Council Member District 11	**Council Member District 12**	**Council Member District 13**	**Council Member District 14**	**Council Member District 15**
Larry Hagar	Erin Evans	Russ Bradford	Kevin Rhoten	Jeff Syracuse
Council Member District 16	**Council Member District 17**	**Council Member District 18**	**Council Member District 19**	**Council Member District 20**
Ginny Welsch	Colby Sledge	Tom Cash	Freddie O'Connell	Mary Carolyn Roberts
Council Member District 21	**Council Member District 22**	**Council Member District 23**	**Council Member District 24**	**Council Member District 25**
Brandon Taylor	Gloria Hausser	Thom Druffel	Kathleen Murphy	Russ Pulley
Council Member District 26	**Council Member District 27**	**Council Member District 28**	**Council Member District 29**	**Council Member District 30**
Courtney Johnston	Robert Nash	Tanaka Vercher	Delishia Porterfield	Sandra Sepulveda
Council Member District 31	**Council Member District 32**	**Council Member District 33**	**Council Member District 34**	**Council Member District 35**
John Rutherford	Joy Styles	Antoinette Lee	Angie Henderson	Dave Rosenberg

METROPOLITAN GOVERNMENT EXECUTIVE STAFF AND DEPARTMENT OF WATER AND SEWERAGE SERVICES OFFICIALS

Director of Finance
Kelly Flannery

Metropolitan Treasurer
Michell Bosch, CTP, CFA

Director of Law
Wallace W. Dietz, Esquire

Director of Dept. of Water and Sewerage
Scott Potter

Asst. Director of Dept. Water and Sewerage
Amanda K. Deaton-Moyer

Metropolitan Clerk
Austin Kyle

METROPOLITAN GOVERNMENT STAFF AND PROFESSIONAL CONSULTANTS

General Legal Counsel
Metropolitan Department of Law
Nashville, Tennessee

Bond Counsel
Bass, Berry & Sims PLC
Nashville, Tennessee

Disclosure Counsel
Carpenter Law, PLLC
Nashville, Tennessee

Municipal Advisor
Hilltop Securities Inc.
Dallas, Texas

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OFFERING MEMORANDUM

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$200,000,000 WATER AND SEWER REVENUE COMMERCIAL PAPER NOTES, SERIES 2022A

INTRODUCTION

This introduction is not a summary of this Offering Memorandum is intended only for quick reference. This offering of the Commercial Paper Notes (as hereinafter defined) to prospective investors is made only by means of this entire Offering Memorandum, including the appendices attached hereto. No person is authorized to detach this Introduction from this Offering Memorandum or to otherwise use it without this entire Offering Memorandum, including the appendices attached hereto.

General

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is issuing its $200,000,000 aggregate principal amount of Water and Sewer Revenue Commercial Paper Notes, Series 2022A (the "Commercial Paper Notes"). This Offering Memorandum, including the appendices attached hereto, is being provided to furnish certain information in connection with the issuance, from time-to-time, of the Commercial Paper Notes.

Certain capitalized terms used within this Offering Memorandum not otherwise defined herein shall have the same meanings ascribed to them in the Resolution (as hereinafter defined) and in **APPENDIX A** attached hereto. See "**APPENDIX A – CERTAIN DEFINITIONS CONTAINED IN THE SERIES 2022A NOTES RESOLUTION**" attached hereto.

Initial Bank

TD Bank, N.A. (the "Initial Bank") will issue its Irrevocable Transferable Direct-Pay Letter of Credit (the "Letter of Credit") in the amount of $217,753,425, of which $200,000,000 will be available to pay principal of the Commercial Paper Notes upon maturity thereof, and of which $17,753,425 (270 days of interest on the principal amount of Commercial Paper Notes calculated at the rate of twelve percent (12%) and computed on the basis of a year of 365 days) will be available to pay accrued interest on the Commercial Paper Notes at maturity, pursuant to the terms of a Reimbursement Agreement entered into the by and between the Metropolitan Government and the Initial Bank, dated as of December 1, 2022 (the "Reimbursement Agreement"). The Letter of Credit is stated to expire [_____, 2027], unless terminated in accordance with the terms of the Letter of Credit or as extended from time to time pursuant to the terms of the Letter of Credit and the Reimbursement Agreement. See "SUMMARY OF THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" and "DESCRIPTION OF THE INITIAL BANK" herein.

Dealer

J.P. Morgan Securities LLC, will serve as the Dealer for the Commercial Paper Notes. Pursuant to the Commercial Paper Dealer Agreement executed by and between J.P. Morgan Securities LLC and the Metropolitan Government, J.P. Morgan Securities LLC has agreed to accept and perform certain duties and

responsibilities, including, among other things, the offering and sale, from time to time, of the Commercial Paper Notes on behalf of the Metropolitan Government. See "DEALER" herein.

Issuing and Paying Agent

U.S. Bank Trust Company, National Association, Nashville, Tennessee, will serve as Issuing and Paying Agent (the "Issuing and Paying Agent") for the Commercial Paper Notes. The Commercial Paper Notes shall be issued by the Issuing and Paying Agent in accordance with instructions given and/or confirmed from an Authorized Officer of the Metropolitan Government, as provided in the Issuing and Paying Agency Agreement. See "WATER AND SEWER COMMERCIAL PAPER PROGRAM – Commercial Paper Notes Agreements" herein.

Authority for Issuance of Commercial Paper Notes

The Metropolitan Government is authorized to issue the Commercial Paper Notes, from time to time, pursuant to: (i) the Local Government Public Obligations Act of 1986, Tennessee Code Annotated §§ 9-21-101 *et seq*., as amended (the "Act"); (ii) the Charter of The Metropolitan Government of Nashville and Davidson County authorized in referendum on June 28, 1962, as amended (the "Charter"); (iii) the valid legal approval of the State of Tennessee Director of the Division of Local Government Finance; (iv) the terms and conditions contained in Substitute Resolution No. RS2010-1442 duly adopted on November 16, 2010 by the County Council of the Metropolitan Government (the "Metropolitan Council") as subsequently amended and supplemented (the "Water and Sewer Bond Resolution"); (v) the terms and conditions contained in the following Initial Resolutions each being duly adopted by the Metropolitan Council: (a) Initial Resolution No. RS2009-994 duly adopted on October 20, 2009; (b) Initial Resolution No. RS2013-620 duly adopted on March 19, 2013; (c) Initial Resolution No. RS2020-214 duly adopted on March 17, 2020; (d) Initial Resolution No. RS2021-1147 duly adopted on September 21, 2021; and (e) Initial Resolution No. RS2022-1694 duly adopted on September 6, 2022 (collectively, the "Initial Resolutions"); (vi) the terms and conditions contained in Resolution No. RS2015-1417 duly adopted by the Metropolitan Council on April 7, 2015 (the "Extendable Note Resolution"); and (vii) Resolution No. [RS2022-_____] duly adopted by the Metropolitan Council on November 15, 2022 (the "Series 2022A Notes Resolution" and collectively with the Water and Sewer Bond Resolution, the Initial Resolutions and the Extendable Note Resolution, the "Resolution").

Pursuant to the Act and the Resolution, the Metropolitan Government no Original Commercial Paper Notes, nor any Rollover Commercial Paper Notes associated therewith, shall mature later than two years from the initial date of issuance of the Original Commercial Paper Notes; provided however, that the Original Commercial Paper Notes may be extended or renewed for not more than two additional periods not exceeding two years each with the approval of the State of Tennessee Director of the Division of Local Government Finance, in each such instance in accordance with §§ 9-21-505 of the Act.

Purpose and Use of Proceeds for Commercial Paper Notes

The Commercial Paper Notes are being issued to provide funds, on a short-term, interim basis, to: (i) finance capital improvements to the Metropolitan Government's water and sewer system (the "System") in anticipation of the issuance of long-term water and sewer revenue bonds; (ii) retire all or a portion of the Metropolitan Government's outstanding Water and Sewer Commercial Paper Bond Anticipation Notes (the "Outstanding Commercial Paper Notes"), which provided interim financing for various capital improvements to the System; (iii) provide for the payment of the principal of and interest on Bank Note; and (iv) pay certain costs of issuance related to the Commercial Paper Notes.

The proceeds of the sale of the Commercial Paper Notes shall be applied in the manner set forth in the Resolution. Notwithstanding the terms and conditions contained in the Resolution, the proceeds of this first issuance of the Commercial Paper Notes may be used to retire commercial paper notes issued pursuant to the Prior Commercial Paper Note Resolution. See "WATER AND SEWER COMMERCIAL PAPER PROGRAM " herein.

Description of the Commercial Paper Notes

The Commercial Paper Notes will be dated as of the date of their respective dates of issuance and will bear interest from the dated date thereof. The Commercial Paper Notes: (i) will bear interest payable at maturity at a rate not to exceed twelve percent (12%) per annum calculated on the basis of a year consisting of 365/366 days and the actual number of days elapsed; (ii) will mature on a Business Day not later than 270 days after their respective dates of issuance or one Business Day prior to the Termination Date (as hereinafter defined) of the Letter of Credit, whichever is earlier; and (iii) when issued, will be sold at a price not less than 100% of the principal amount thereof. See "DESCRIPTION OF THE COMMERCIAL PAPER NOTES" herein.

Security and Sources of Payment for the Commercial Paper Notes

The Commercial Paper Notes and Bank Note are limited obligations of the Metropolitan Government payable solely from and secured solely by a pledge of and lien upon the Revenues of the System and certain funds maintained in connection therewith, subject only to the payment of System Operation and Maintenance Expenses. The pledge of Revenues in favor of the Commercial Paper Notes is subject and subordinate to the pledge of the Revenues in favor of the Senior Lien Bonds any other long-term water and sewer revenue bonds hereafter issued by the Metropolitan Government on parity with the Senior Lien Bonds. The pledge of Revenues in favor of the Commercial Paper Notes is on parity with the pledge of Revenues in favor of the Metropolitan Government's Extendable Notes (as hereinafter defined). The Commercial Paper Notes do not constitute a debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES" herein.

Maturities of the Commercial Paper Notes

The Commercial Paper Notes shall mature not later than 270 days from the date of issuance, or one Business Day prior to the Termination Date of the Letter of Credit, whichever is earlier.

Redemption of the Commercial Paper Notes

The Commercial Paper Notes are not subject to redemption prior to maturity. See "DESCRIPTION OF THE COMMERCIAL PAPER NOTES" herein.

Additional Information

Certain definitions from the Resolution used in this Offering Memorandum are set forth and more particularly described in **APPENDIX A** attached hereto. The form of opinion of Bond Counsel for the Commercial Paper Notes is attached hereto as **APPENDIX B**. General information regarding the System of the Metropolitan Government including, but not limited to, its operations, management and personnel, and the capital improvement plan is set forth and more fully described in **APPENDIX C** attached hereto.

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SUMMARY OF THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Letter of Credit and of the Reimbursement Agreement. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Letter of Credit and of the Reimbursement Agreement, to which reference is hereby made. Capitalized terms used in this summary but not otherwise defined herein have the respective meanings given to such terms in the Letter of Credit or the Reimbursement Agreement.

General

The Letter of Credit and the Reimbursement Agreement contain various provisions, covenants, and conditions, certain of which are summarized below. The Letter of Credit supporting the Commercial Paper Notes is available solely to pay the maturing principal of and accrued interest due on the maturity date of the Commercial Paper Notes. Terms not otherwise defined in this "SUMMARY OF THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" and this Offering Memorandum will have the meanings ascribed thereto in the Letter of Credit or the Reimbursement Agreement.

The Letter of Credit permits, and the Issuing and Paying Agency Agreement requires, the Issuing and Paying Agent, on behalf of the Metropolitan Government, to request the Initial Bank to honor properly presented and conforming Drawings (as defined in the Letter of Credit) under the Letter of Credit to provide the funds to pay principal of and accrued interest on the Commercial Paper Notes upon the maturity thereof. All Reimbursement Obligations (as defined in the Reimbursement Agreement) under the Reimbursement Agreement will be evidenced by a single Bank Note (the "Bank Note") issued by the Metropolitan Government to the Initial Bank. The Letter of Credit shall expire at 5:00 p.m., New York City time, on the date (the "Termination Date") which is the earliest of: (i) [_____ __, 2027], as such date may be extended in accordance with the terms of the Letter of Credit (the "Stated Expiration Date"), (ii) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored under the Letter of Credit which were not subject to reinstatement as provided in the Letter of Credit, in the aggregate equals the principal component of the Stated Amount (as defined below) on the date of issuance of the Letter of Credit as adjusted pursuant to the terms and conditions of the Letter of Credit; (iii) the date on which the Initial Bank receives a termination certificate from the Issuing and Paying Agent indicating that it has accepted an Alternate Credit Facility (as defined in the Reimbursement Agreement), in compliance with the Issuing and Paying Agency Agreement, the Resolution and the Reimbursement Agreement (after the Initial Bank honors any properly presented and conforming Drawing, if any, on such date); (iv) the date on which the Initial Bank receives a termination certificate from the Issuing and Paying Agent indicating all the Commercial Paper Notes are wholly defeased or no Commercial Paper Notes remain outstanding under the Issuing and Paying Agency Agreement or the Resolution and the Metropolitan Government has notified the Initial Bank that it does not intend to issue any additional Commercial Paper Notes and desires to terminate the Letter of Credit in accordance with terms of the Reimbursement Agreement; or (v) the earlier of (a) the 10th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives from the Initial Bank a Final Drawing Notice (as defined in the Reimbursement Agreement), and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored under the Letter of Credit. All Drawings under the Letter of Credit shall be paid from immediately available funds of the Initial Bank.

"Stated Amount" means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date. As of the date of issuance, the Letter of Credit shall be in the original stated amount of $217,753,425 (calculated as the sum of the maximum principal amount of the Commercial Paper Notes supported by the Letter of Credit (i.e.,

$200,000,000) plus interest thereon at a maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 365 days).

Conditions Precedent to Each Issuance

No Commercial Paper Notes shall be issued unless on the date of such issuance, each of the following conditions precedent shall have been fulfilled in a manner satisfactory to the Initial Bank (or waived by the Initial Bank in writing): (a) that all representations and warranties of the Metropolitan Government in the Reimbursement Agreement and each other Related Document (as defined in the Reimbursement Agreement) and, each certificate or other writing delivered to the Initial Bank pursuant to the Reimbursement Agreement or the Related Documents on or prior to the date of such issuance shall be correct on and as of such date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date), and no Event of Default or Default shall have occurred and be continuing on such date or would result from such issuance, (b) all conditions precedent for the issuance of the Commercial Paper Notes under the Reimbursement Agreement, the Series 2022A Notes Resolution and the Issuing and Paying Agency Agreement shall have been satisfied, (c) the Series 2022A Notes Resolution shall be in full force and effect, (d) no registration, notice, qualification or other filing is required to be made with any Governmental Authority (as defined in the Reimbursement Agreement) in connection with the issuance of the Commercial Paper Notes or, if required to be made, has been or will be made prior to the date of such issuance, (e) the Initial Bank shall not have given a Stop Order (as defined in the Reimbursement Agreement) or Final Drawing Notice, (f) after the issuance of the Commercial Paper Notes, the aggregate principal amount of all Reimbursement Obligations and all Commercial Paper Notes that will be outstanding immediately after such issuance (and after giving effect to the application of proceeds of such issuance and the Reimbursement Obligations) will not exceed the amount of the Stated Amount, and (g) the maturity date of any such Commercial Paper Notes will not occur later than the Business Day immediately preceding the Stated Expiration Date. Unless the Metropolitan Government shall have previously advised the Initial Bank in writing that one or more conditions set forth in clauses (a), (b), (c), (d), (f) and (g) above have not been satisfied, the Metropolitan Government shall be deemed to have represented and warranted that on the date of such issuance or authentication of any Commercial Paper Note the above conditions have been satisfied.

Events of Default and Remedies under the Reimbursement Agreement

The occurrence of any of the following events (including the expiration of any specified time) shall constitute an "Event of Default" under the Reimbursement Agreement unless waived by the Initial Bank in writing:

(a) the Metropolitan Government shall fail to pay (i) any principal of or interest on any Reimbursement Obligations or the Bank Note when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) (other than payments on the Bank Note due solely as a result of acceleration caused by the Initial Bank pursuant to the Reimbursement Agreement), (ii) any Facility Fee (as defined in the Reimbursement Agreement) or any other amount payable under the Reimbursement Agreement or under the Fee Letter (as defined in the Reimbursement Agreement) and, in the case of such Facility Fee or other amount, such failure shall continue for a period of three (3) Business Days from the date such obligation was due; (iii) interest on any Commercial Paper Notes when due; or (iv) the principal of any Commercial Paper Indebtedness (other than the Commercial Paper Notes) when due;

(b) any representation, warranty, certification, or statement made by the Metropolitan Government in the Reimbursement Agreement, any other Related Document or in any certificate, financial

statement, or other document delivered pursuant to the Reimbursement Agreement or any Related Documents shall have been incorrect or untrue in any material respect when made or deemed to have been made;

(c) the Metropolitan Government shall fail to perform or observe certain specified covenants set forth in the Reimbursement Agreement;

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

(e) one or more final unappealable judgments or orders, issued or rendered by a Government Authority (as defined in the Reimbursement Agreement) of competent jurisdiction, for the payment of money in excess of $10,000,000, individually or in the aggregate, shall be issued or rendered against the Metropolitan Government or the System and payable from all or any portion of the Revenues (as defined in the Reimbursement Agreement), and such judgment or order shall continue unsatisfied, unbonded, undismissed and unstayed for a period of sixty (60) days;

(f) the Metropolitan Government shall fail to pay when due and payable (i) any principal of or interest on any Special Revenue Debt (as defined in the Reimbursement Agreement) (including, in each case, without limitation, any principal or sinking fund installments), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning the Special Revenue Debt; or any failure to pay the principal of or interest on any Special Revenue Debt under any indenture, contract or instrument providing for the creation of or concerning such Special Revenue Debt shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to pay the principal of or interest on any Special Revenue Debt is to accelerate, or to permit the acceleration of, the maturity of such Special Revenue Debt or (ii) any principal of or interest on any other Debt (as defined in the Reimbursement Agreement) (other than as referred to in clause (i) of this paragraph (f)) of the Metropolitan Government having a principal amount in excess of $1,000,000 and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation thereof or any other default under any indenture, contract or instrument providing for the creation of or concerning such other Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such other Debt;

(g) (i) the Metropolitan Government shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Metropolitan Government shall make a general assignment for the benefit of its creditors; or (ii) there

shall be commenced against the Metropolitan Government any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Metropolitan Government, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Metropolitan Government shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) of this paragraph (g); or (v) the Metropolitan Government shall admit in writing its inability to pay its debts generally as they become due, or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code;

(h) (i) any material provision of the Reimbursement Agreement or any of the other Related Documents shall at any time for any reason cease to be valid and binding or enforceable against the Metropolitan Government or shall be declared to be null and void as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment, or (ii) the validity or enforceability of any material provision of the Reimbursement Agreement or any of the other Related Documents shall be contested or repudiated in writing by the Metropolitan Government or the Metropolitan Government shall deny that it has any or further liability or obligation under the Reimbursement Agreement, the Series 2022A Notes Resolution, the Issuing and Paying Agency Agreement, the Commercial Paper Notes or the Bank Note or (iii) any Governmental Authority having appropriate jurisdiction over the Metropolitan Government shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which contests the validity or enforceability of any provision of the Reimbursement Agreement or any of the other Related Documents;

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

(j) the long term unenhanced rating by Moody's, Fitch or S&P (each as defined in the Reimbursement Agreement) (in each case to the extent such Rating Agency is then providing a rating) on any Debt of the Metropolitan Government secured by or payable from all or any portion of the Revenues that ranks senior to or on a parity with the Commercial Paper Notes and the Bank Note is reduced below "Baa2" (or its equivalent), "BBB" (or its equivalent) or "BBB" (or its equivalent), respectively or withdrawn or suspended or otherwise unavailable, respectively;

(k) an "*event of default*" as defined in any Related Document (other than the Reimbursement Agreement, the Bank Note or the Fee Letter) shall occur and be continuing or the Metropolitan Government shall default in the due performance or observance of any material term, covenant or agreement contained in the Series 2022A Notes Resolution, the Issuing and Paying Agency Agreement or any other Related

Document (other than the Reimbursement Agreement, the Bank Note or the Fee Letter) and the same shall not have been cured within any applicable cure period;

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

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

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

(i) Declare the Bank Note, all accrued interest thereon, and all other amounts payable under the Reimbursement Agreement to be forthwith due and payable, whereupon the Bank Note and such interest and all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Metropolitan Government under the Reimbursement Agreement. If any Event of Default specified in paragraph (g) under the caption "**Events of Default and Remedies under the Reimbursement Agreement**" above shall occur, without any notice to the Metropolitan Government or any other act by the Initial Bank, the Bank Note, together with accrued interest thereon, and all other amounts payable under the Reimbursement Agreement, shall become forthwith due and payable, without presentment, demand, protest, or other notice of any kind, all of which are waived by the Metropolitan Government under the Reimbursement Agreement; or

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

(iii) Issue the Final Drawing Notice (as defined in the Reimbursement Agreement) (the effect of which shall be to cause the Termination Date (as defined in the Reimbursement Agreement) of the Letter of Credit to occur on the tenth (10^{th}) calendar day following the date of receipt thereof by the Issuing and Paying Agent); or

(iv) Pursue any rights and remedies it may have under the Related Documents; or

(v) Pursue any other action available at law or in equity.

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

If any Event of Default shall occur, then and in every such case the Initial Bank shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in the Reimbursement Agreement, in aid of the exercise of any power granted in the Reimbursement Agreement, or to enforce any other legal or equitable right vested in the Initial Bank by the Reimbursement Agreement, the Bank Note or by law. The provisions of the Reimbursement Agreement shall be a contract with each and every Holder (as defined in the Reimbursement Agreement) and the duties of the Metropolitan Government shall be enforceable by any Holder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

DESCRIPTION OF THE INITIAL BANK

The following information concerning the Initial Bank has been provided by representatives of the Initial Bank and has not been independently confirmed or verified by J.P. Morgan Securities LLC or the Metropolitan Government. The inclusion of this section in the Offering Memorandum shall not create any implication that there has been no change in the affairs of the Initial Bank since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

TD Bank, N.A. (the "Initial Bank") is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Initial Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Initial Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont, and Virginia. As of June 30, 2022, the Initial Bank had consolidated assets of $405.2 billion, consolidated deposits of $356.4 billion and stockholder's equity of $43.5 billion, based on regulatory accounting principles.

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

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

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

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

TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey 08034
Attention: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Initial Bank is contained in the quarterly Call Reports of the Initial Bank delivered to the Comptroller of the Currency and available online at *https://cdr.ffiec.gov/public*. General information regarding the Initial Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

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

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

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

SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

General

All capitalized terms used within the section and this Offering Memorandum not otherwise defined herein shall have the same meanings ascribed to them in the Resolution and in **APPENDIX A** attached hereto. See "**APPENDIX A – CERTAIN DEFINITIONS CONTAINED IN THE SERIES 2022A NOTES RESOLUTION**" attached hereto.

The Commercial Paper Notes and each Bank Note are payable primarily from the proceeds of the water and sewer revenue bonds in anticipation of which the Commercial Paper Notes are being issued. For purposes of the Resolution "Bank Note" shall mean a promissory note issued by the Metropolitan Government to the order of a Bank, evidencing and securing all loans or advances made and/or drawings honored by such Bank under its Facility to pay the principal amount of maturing Commercial Paper Notes and, if applicable, interest thereon, under and in accordance with such Facility.

The principal of and interest on the Commercial Paper Notes and each Bank Note shall constitute and be limited obligations of the Metropolitan Government, payable solely from and secured solely by a pledge of Revenues of the System and certain funds maintained in connection therewith, subject to the application thereof pursuant to the terms of the Water and Sewer Bond Resolution (including without limitation to the payment of System Operation and Maintenance Expenses) and subject to the (i) prior

pledge of the Revenues in favor of the Senior Lien Bonds and (ii) pledge of Revenues in favor of the Commercial Paper Notes on parity with the pledge of Revenues in favor of the Metropolitan Government's Water and Sewer Extendable Commercial Paper Notes, 2015 Program (the "Extendable Notes").

The Water and Sewer Bond Resolution that authorized the issuance and sale of the Senior Lien Bonds, also require the Metropolitan Government to maintain rates at all times sufficient to provide for the payment of all System Operation and Maintenance Expenses, debt service on the Senior Lien Bonds and the payment of interest on the Commercial Paper Notes and the Extendable Notes, as applicable. Unless the payment of the principal of the Commercial Paper Notes otherwise shall be provided for or on behalf of the Metropolitan Government from proceeds of other Commercial Paper Notes or other available moneys, on or before the respective maturity dates thereof, the Metropolitan Government shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of water and sewer revenue bonds or other obligations of the Metropolitan Government (or otherwise obtain governmental financing) in an amount sufficient to provide for the payment of the outstanding principal of the Commercial Paper Notes at maturity.

All amounts payable to the Bank under a Facility (other than with respect to the principal of and interest on the Bank Note) shall be payable from the Revenues of the System, subject to the provisions of the Water and Sewer Bond Resolution and, if and to the extent permitted by the Act, secured by a pledge of Revenues of the System on parity with the Commercial Paper Notes and the Bank Note.

The Commercial Paper Notes do not constitute a debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government.

Limited Obligations

The Commercial Paper Notes and Bank Notes are limited obligations of the Metropolitan Government payable solely from and secured solely by a pledge of the Revenues of the System and certain funds maintained in connection therewith, subject only to the payment of System Operation and Maintenance Expenses.

Indebtedness Senior to the Commercial Paper Notes

The pledge of Revenues in favor of the Commercial Paper Notes and each Bank Note is subject and subordinate to the senior pledge of the Revenues in favor of the Senior Lien Bonds and any other long-term water and sewer revenue bonds hereafter issued by the Metropolitan Government on parity with the Senior Lien Bonds.

Indebtedness on Parity to the Commercial Paper Notes

The pledge of Revenues to the payment of each Series of the Commercial Paper Notes and the related Bank Note is on parity with: (a) the pledge thereof in favor of each other Series of Commercial Paper Notes and related Bank Note; and (b) the pledge thereof in favor of any Extendable Notes.

Remedies and Rights of Holders

The Commercial Paper Notes when duly issued will constitute a contract between the Metropolitan Government and each registered owner of the Commercial Paper Notes. Any registered owner or owner(s) of the Commercial Paper Notes, including a trustee or trustees for the registered owners, shall have the right, in addition to all other rights: (a) by mandamus or other suit, action or proceeding in any court of

competent jurisdiction to enforce his or her rights against the Metropolitan Government and the Metropolitan Council and any officer, agent or employee of the Metropolitan Government, including, but not limited to, the right to require the Metropolitan Government and the Metropolitan Council and any proper officer, agent or employee of the Metropolitan Government to carry out the covenants and agreements as set forth in the Resolution and to perform its and their duties under the applicable provisions as set forth under the Act; and (b) by action or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of such registered owners of the Commercial Paper Notes.

DESCRIPTION OF THE COMMERCIAL PAPER NOTES

General

The Commercial Paper Notes will be dated as of their respective dates of issuance and will bear interest from the dated date thereof. The Commercial Paper Notes: (i) will bear interest payable at maturity at a rate not to exceed twelve percent (12%) per annum calculated on the basis of a year consisting of 365/366 days and the actual number of days elapsed; (ii) will mature on a Business Day not later than 270 days after their respective dates of issuance or one Business Day prior to the Termination Date of the Reimbursement Agreement, whichever is earlier; and (iii) when issued, will be sold at a price not less than 100% of the principal amount thereof.

The Commercial Paper Notes will be issued in the form of one or more fully registered master note or notes (each, a "Master Note"), in denominations of $100,000 or any integral multiple of $1,000 in excess thereof, and when issued be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York, ("DTC" or the "Depository"), may be transferred or exchanged only as provided in the Resolution and, to the extent not inconsistent the Resolution, in accordance with the book-entry-only procedures of the DTC in effect.

The Commercial Paper Notes shall be numbered in such manner as the Issuing and Paying Agent shall determine, when issued, shall be sold at a price not less than 100% of the principal amount thereof, and shall be issued on such dates and otherwise have such terms and conditions, all as shall be specified by an Authorized Officer of the Metropolitan Government through communicating such intent to the Issuing and Paying Agent, as provided in the applicable Issuing and Paying Agent Agreement.

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

Each Master Note shall be executed on behalf of the Metropolitan Government with the manual or facsimile signatures of the Metropolitan Mayor and of the Metropolitan Clerk, shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Metropolitan Government, and shall be approved as to form and legality by the Director of Law of the Metropolitan Government by his or her manual or facsimile signature. In case any Authorized Officer of the Metropolitan Government whose signature or whose facsimile signature shall appear on the Master Note shall cease to be such Authorized Officer before the delivery of such Master Note, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. The Master Notes and the endorsement for authentication to appear thereon shall be substantially in the form attached to and more particularly described in the Resolution.

Book-Entry Commercial Paper Notes (Master Notes)

All Commercial Paper Notes initially shall be issued in book-entry-only form through DTC. DTC will act as securities depository for the Commercial Paper Notes. The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and the Metropolitan Government is not making any representation or warranty or taking any responsibility for the accuracy or completeness of such information.

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

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). 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*.

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

If the Master Notes are not in book-entry-only form, the ownership and transfer of Master Notes shall be registered on books of the Issuing and Paying Agent, which shall be retained for that purpose at the Office of the Issuing and Paying Agent. The Master Notes shall be transferable by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Paying Agent duly executed by the registered owner or his or her duly authorized attorney. Upon the registration or transfer of a Master Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Master Note, evidencing the Metropolitan Government's obligations with respect to the same Book-Entry Commercial Paper Notes as the instrument surrendered.

In order to qualify the Commercial Paper Notes for the Depository's book-entry system, any Authorized Officer is authorized from time to time to execute and deliver on behalf of the Metropolitan Government to such Depository a letter or letters from the Metropolitan Government representing such matters as shall be necessary or advisable to so qualify the Commercial Paper Notes (each, a

"Representation Letter"). The execution and delivery of a Representation Letter shall not in any way impose upon the Metropolitan Government any obligation whatsoever with respect to persons having interests in the Commercial Paper Notes other than the Holders thereof and the Depository. In addition to the execution and delivery of a Representation Letter, the Authorized Officers and the other officers and employees of the Metropolitan Government are authorized to take any other actions, not inconsistent with the Resolution, to qualify the Commercial Paper Notes for the Depository's book-entry system.

The Depository and its nominee shall be deemed to be and be treated by the Metropolitan Government and the Issuing and Paying Agent as the sole and exclusive Holder of the Master Notes and of all Book-Entry Commercial Paper Notes evidenced thereby, and the beneficial owners of Book-Entry Commercial Paper Notes shall not be deemed to be or treated as the Holders thereof, for the purposes of payment of the principal of or interest on such Book-Entry Commercial Paper Notes, payments under the Master Notes, giving any notice permitted or required to be given to Holders under the Resolution, registering the transfer of the Master Notes, obtaining any consent or other action to be taken by Holders, and for any and all other purposes whatsoever, and neither the Metropolitan Government nor the Issuing and Paying Agent shall be affected by any notice to the contrary. The Issuing and Paying Agent shall pay all principal of and interest on Book-Entry Commercial Paper Notes only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Metropolitan Government's obligations with respect to the principal of and interest on such Book-Entry Commercial Paper Notes to the extent of the sum or sums so paid.

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

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

instrument shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions set forth in the Resolution and as set forth in the applicable Issuing and Paying Agency Agreement.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE METROPOLITAN GOVERNMENT, THE ISSUING AND PAYING AGENT, AND THE DEALER BELIEVE TO BE RELIABLE, BUT THE METROPOLITAN GOVERNMENT, THE ISSUING AND PAYING AGENT AND THE DEALER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

WATER AND SEWER COMMERCIAL PAPER PROGRAM

Program Description

On November 15, 2022, the Metropolitan Council duly adopted the Series 2022A Notes Resolution pursuant to the Charter, the laws of State of Tennessee, particularly the Act, the valid legal approval of the State of Tennessee Director of the Division of Local Government Finance, the Extendable Note Resolution and the terms and conditions contained in the Water and Sewer Bond Resolution and the Initial Resolutions of the Metropolitan Council, wherein such adoption authorized and provided for: (i) the issuance and sale of water and sewer revenue bond anticipation notes in a principal amount not to exceed $200,000,000 at any one time in the form of commercial paper of the Metropolitan Government; provided, however, that the principal amount of a Bank Note issued under the Series 2022A Notes Resolution shall be in an amount not to exceed $217,753,425, in order to evidence all loans or advances made and/or drawings honored by a Bank under a Facility to pay the principal amount of maturing Commercial Paper Notes and interest thereon, under and in accordance with the Facility; (ii) one or more dealer agreements, issuing and paying agency agreements, and credit and/or liquid facility agreements; and (iii) certain other matters related thereto.

The Commercial Paper Notes will be sold at par and will have varying maturities of not more than 270 days from the respective dates of issuance; provided that each maturity date will be a Business Day and such maturity date will not exceed the Business Day preceding the commitment expiration date of the Credit Agreement. The Commercial Paper Notes will be issued as interest-bearing obligations in minimum denominations of $100,000 and in integral multiples of $1,000 in excess of such amount thereof. Commercial Paper Notes will bear interest from their date at a rate not in excess of the lesser of twelve percent (12%) or the maximum rate permitted by applicable law (and with respect to any Bank Note, the maximum rate permitted by applicable law), payable at maturity with principal, computed on the basis of actual days elapsed, including the respective issue date and excluding the maturity date, and a 365/366-day year.

Purpose of Commercial Paper Program

The Commercial Paper Notes shall be issued, from to time to time, on a short-term interim basis for the purpose to: (i) finance capital improvements to the improvements to the System of the Metropolitan Government in anticipation of the issuance of long-term water and sewer revenue bonds; (ii) retire all or a portion of the Metropolitan Government's Outstanding Commercial Paper Notes, which provided interim financing for various capital improvements to the System; (iii) provide for the payment of principal and interest on Bank Notes; and (iv) pay certain costs of issuance related the Commercial Paper Notes. In accordance with the terms set forth in the Resolution, the proceeds of this first issuance of the Commercial Paper Notes may be used to retire commercial paper notes issued pursuant to the Prior Commercial Paper Note Resolution.

Commercial Paper Notes Agreements

The Metropolitan Government has entered into the following agreements in connection with its Water and Sewer Commercial Paper Program and the issuance, from time to time, of its Commercial Paper Notes.

Issuing and Paying Agency Agreement – is executed by and between the Metropolitan Government and the Issuing and Paying Agent, as may be supplemented and amended together with any successor agreement. In accordance with the Resolution, the Metropolitan Mayor and the Metropolitan Clerk are authorized to execute and deliver one or more Issuing and Paying Agency Agreements, each of which shall be substantially in the form of which is attached to the Resolution, with such changes and additions to and omissions from such draft of such agreement as the Authorized Officer executing such agreement shall approve as necessary or appropriate, such execution and delivery to be conclusive evidence of such approval. The Metropolitan Government, pursuant to the Resolution and the Issuing and Paying Agency Agreement, dated as of December 1, 2022 (the "Issuing and Paying Agency Agreement"), executed by and between the Metropolitan Government and U.S. Bank Trust Company, National Association, has appointed U.S. Bank Trust Company, National Association to serve as the Issuing and Paying Agent in connection with the Commercial Paper Notes. Under the Issuing and Paying Agency Agreement , the Issuing and Paying Agent has agreed to accept and perform certain duties and responsibilities, including, among other things, the issuance and delivery of the Commercial Paper Notes on behalf of the Metropolitan Government.

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

Commercial Paper Dealer Agreement – is executed by and between the Metropolitan Government and the Dealer, as may be supplemented and amended together with any successor agreement. The Metropolitan Government, pursuant to the Resolution and the Commercial Paper Dealer Agreement, dated as of December 1, 2022 (the "Dealer Agreement"), executed by and between the Metropolitan Government and J.P. Morgan Securities LLC, has appointed J.P. Morgan Securities LLC to serve as the Dealer in connection with the Commercial Paper Notes. Under the Dealer Agreement, the Dealer has agreed to accept and perform certain duties and responsibilities, including, among other things, the offering for sale, from time-to-time, of the Commercial Paper Notes on behalf of the Metropolitan Government. See "DEALER" herein.

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

Reimbursement Agreement – is executed by and between the Metropolitan Government and the Initial Bank, as it may be supplemented and amended, and together with any successor agreement, pursuant to which the Initial Bank has issued its Irrevocable Transferable Direct-Pay Letter of Credit (as it may be supplemented and amended, and together with any successor agreement, the "Letter of Credit") to provide

credit for the payment of the principal of and interest on maturing Commercial Paper Notes. See "SUMMARY OF THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" hereinabove.

Conditions for and Limitations on Issuance of Commercial Paper Notes

Commercial Paper Notes shall not be issued by the Metropolitan Government unless and until an Authorized Officer of the Metropolitan Government shall determine that:

(a) the aggregate of (i) the principal amount of Outstanding Commercial Paper Notes and Bank Notes, plus (ii) the principal amount of the Commercial Paper Notes then being issued, plus (iii) the principal amount of all Bonds, notes and other debt obligations theretofore issued pursuant to the Initial Resolutions, does not exceed the maximum principal amount of Bonds authorized to be issued by the Initial Resolutions;

(b) the aggregate of (i) the principal amount of Outstanding Commercial Paper Notes and Bank Notes plus (ii) the principal amount of the Commercial Paper Notes then being issued, shall not exceed $200,000,000, except as set forth and more fully described in the Resolution;

(c) the aggregate of the principal of (i) any Series of Outstanding Commercial Paper Notes and the related Bank Note, and (ii) the Series of Commercial Paper Notes then being issued, does not exceed the available commitment under the Facility securing the principal due at maturity and (if applicable) interest thereon in connection with such Series of Commercial Paper Notes; and

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

Commercial Paper Fund

The Resolution establishes with the Issuing and Paying Agent a separate and special purpose trust fund for the benefit of the Holders of each Series of Commercial Paper Notes. Each such fund shall be designated as the "Metropolitan Government Water and Sewer Commercial Paper Fund" together with a Series-specific designation (each, a "Commercial Paper Fund"). Subject to certain provisions contained in the Resolution, the Issuing and Paying Agent shall have the sole right of withdrawal over the moneys in the Commercial Paper Fund.

Flow of Funds

In accordance with the terms set forth in the Resolution, the Issuing and Paying Agent, as agent for the Holders from time to time of Commercial Paper Notes, shall deposit into the applicable Commercial Paper Fund the proceeds of sale of all Commercial Paper Notes of a Series issued on any day, and

(a) **First**, apply such Commercial Paper Notes proceeds (together with any amounts then on deposit pursuant to Resolution) to the payment of the principal of and if applicable, interest on the applicable Bank Note due and payable on such day;

(b) **Second**, apply such Commercial Paper proceeds (together with any amounts then on deposit pursuant to the Resolution to the payments of the principal of the Outstanding Commercial Paper Notes of such Series becoming due and payable on such day;

(c) **Third**, transfer any remaining Commercial Paper Notes proceeds to or on behalf of the Metropolitan Government as directed in writing by an Authorized Officer, for the purpose of financing capital improvements to the projects of the System;

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

(e) **Fifth**, deposit into the applicable Commercial Paper Fund any payments made to the Issuing and Paying Agent by the Metropolitan Government from the proceeds of Bonds, notes or otherwise for the purpose of paying the principal of Outstanding Commercial Paper Notes and/or the Bank Note of a Series pursuant to the Resolution, and apply such proceeds to the payment of the principal of Outstanding Commercial Paper Notes and the Bank Note of such Series, as directed in writing by an Authorized Officer; provided that the Bank Note shall be paid prior to the payment of the Outstanding Commercial Paper Notes.

LITIGATION

At the time of the original delivery of the Commercial Paper Notes, there will be furnished a No-Litigation Certificate executed by Wallace W. Dietz, Esquire, Director of Law of the Metropolitan Government, affirming that to best of the Metropolitan Government's knowledge that there is no litigation then pending, or to their knowledge threatened, affecting the corporate existence or boundaries of the Metropolitan Government, or the titles of its officials to their respective offices, or the validity of the Commercial Paper Notes or the power of the Metropolitan Government to set rates and collect revenues from the System to pay the Commercial Paper Notes.

TAX MATTERS

Federal Taxes

Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Commercial Paper Notes. Their opinion under existing law, relying on certain statements by the Metropolitan Government and assuming compliance by the Metropolitan Government with certain covenants, is that interest on the Commercial Paper Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Commercial Paper Notes is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Commercial Paper Notes that the Metropolitan Government must continue to meet after the Commercial Paper Notes are issued. These requirements generally involve the way that Commercial Paper Note proceeds must be invested and ultimately used. If the Metropolitan Government does not meet these requirements, it is possible that a Commercial Paper Note holder may have to include interest on the Commercial Paper Notes in its federal gross income on a retroactive basis to the date of issue. The Metropolitan Government has covenanted to do everything necessary to meet these requirements of the Code.

A Commercial Paper Notes holder who is a particular kind of taxpayer may also have additional tax consequences from owning the Commercial Paper Notes. This is possible if a Commercial Paper Notes holder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Commercial Paper Notes.

If a Commercial Paper Notes holder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Commercial Paper Notes or affect the market price of the Commercial Paper Notes. See also "Changes in Federal and State Tax Law" below under this section.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Commercial Paper Notes, or under State, local or foreign tax law.

State Taxes

Under existing law, the Commercial Paper Notes and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Commercial Paper Notes during the period the Commercial Paper Notes are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Commercial Paper Notes in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Commercial Paper Notes or otherwise prevent holders of the Commercial Paper Notes from realizing the full benefit of the tax exemption of interest on the Commercial Paper Notes. Further, such proposals may impact the marketability or market value of the Commercial Paper Notes simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Commercial Paper Notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Commercial Paper Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Commercial Paper Notes would be

impacted thereby. Purchasers of the Commercial Paper Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Commercial Paper Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and validity of the Commercial Paper Notes is subject to the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose approving opinion, in substantially the form attached hereto as "**APPENDIX B – FORM OF OPINION OF BOND COUNSEL**" will be delivered concurrently with the issuance of the Commercial Paper Notes.

Certain legal matters will be passed upon for the Metropolitan Government incident to the authorization, issuance, and validity of the Commercial Paper Notes by its Disclosure Counsel, Carpenter Law, PLLC, Nashville, Tennessee. Additionally, certain legal matters will be passed upon for the Metropolitan Government by its Director of Law, Wallace W. Dietz, Esquire. Certain legal matters will be passed upon for the Dealer by its counsel, Adams and Reese LLP, Nashville, Tennessee. Certain legal matters will be passed upon for the Initial Bank by its counsel, Chapman and Cutler LLP, Chicago, Illinois.

No representation is made to the holders of the Commercial Paper Notes that Bond Counsel has verified the accuracy, completeness or fairness of the statements contained in this Offering Memorandum and Bond Counsel assumes no responsibility to the holders of the Commercial Paper Notes except for the matters that will be set forth in its unqualified approving opinion.

The legal opinions to be delivered concurrently with the issuance of the Commercial Paper Notes express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering legal opinions, the attorneys providing such opinions do not become insurers or guarantors of the result indicated by that expression of professional judgment with respect to the transaction on which the opinions are rendered or of the future performance of parties to the transaction. Furthermore, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL INFORMATION

Audited financial statements of the Metropolitan Government and the System and certain supplementary information for each fiscal year are also available through the website of the Metropolitan Government's Department of Finance at *https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents*. Such audited financial statements and supplementary information are additionally available from the Metropolitan Government upon request sent to the Treasurer of the Metropolitan Government through the website of hubNashville at *https://hub.nashville.gov/s?language=en_US*.

To the extent there are any differences between the audited financial statements posted on the Metropolitan Government's Department of Finance's website or sent by the Treasurer of the Metropolitan Government as compared to the audited financial statements filed by the Metropolitan Government with the Municipal Securities Rulemaking Board on the Electronic Municipal Market Access system ("EMMA"), then the audited financial statements filed on EMMA shall control.

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

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings (together the "Rating Agencies"), have each assigned ratings of "_____" (_____) and "_____" (_____), respectively, based upon the Metropolitan Government and the Letter of Credit issued by the Initial Bank in connection with the issuance of the Commercial Paper Notes. The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and the Metropolitan Government makes no representation as to the appropriateness of these ratings. The Metropolitan Government is not required to maintain a specified rating with respect to the Commercial Paper Notes.

Any explanation of the significance of such ratings may be obtained from the Rating Agencies at the following addresses: Moody's Investors Services, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041. The Metropolitan Government furnished certain information and materials to the Rating Agencies, some of which may not have been included in this Offering Memorandum, relating to the Metropolitan Government and its Commercial Paper Program. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own.

There is no assurance that such ratings will remain unchanged for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the Rating Agencies furnishing the same, if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions taken by the Rating Agencies, or any other rating agency, may have an adverse impact on the secondary market price of the Commercial Paper Notes. The Metropolitan Government has not undertaken any responsibility to oppose any such revision, suspension, or withdrawal.

DEALER

The Metropolitan Government has appointed J.P. Morgan Securities LLC (the "Dealer") to serve as dealer for the Commercial Paper Notes. Under the Dealer Agreement, dated as of December 1, 2022, executed by and between the Metropolitan Government and the Dealer, the Dealer has no commitment to purchase any Commercial Paper Notes. Inquiries to the Dealer may be directed as set forth below.

J.P. Morgan Securities LLC
383 Madison Avenue, 3rd Floor
New York, New York 10179
Attention: Peter McCarthy
Telephone: (212) 834-7224
Facsimile: (917) 456-3541
Email: Peter.McCarthy@jpmorgan.com

The Dealer and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

In the ordinary course of their various business activities, the Dealer and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Dealer and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Dallas, Texas (the "Municipal Advisor"), is employed as Municipal Advisor to the Metropolitan Government in connection with the issuance of the Commercial Paper Notes. Hilltop Securities Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Commercial Paper Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Municipal Advisor may from time to time sell investment securities to the Metropolitan Government for the investment of bond proceeds or other funds of the Metropolitan Government upon the request of the Metropolitan Government.

The Municipal Advisor has provided the following sentence for inclusion in this Offering Memorandum: The Municipal Advisor has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to the Metropolitan Government and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to in this Offering Memorandum, including the appendices attached hereto, do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Commercial Paper Notes, the security for the payment of the Commercial Paper Notes and the rights and obligations of the holders thereof.

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

Use of the words "shall" or "will" in this Offering Memorandum or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled. Any statements made in this Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Offering Memorandum nor any statement, which may have been made verbally or in writing, is to be construed as a contract with the holders of the Commercial Paper Notes.

[*Signatures on Following Page*]

AUTHORIZATION OF AND CERTIFICATION CONCERNING THE OFFERING MEMORANDUM

The execution and distribution of this Offering Memorandum have been duly authorized and approved by the Metropolitan Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____

John Cooper
Metropolitan Mayor

By: _____

Kelly Flannery
Director of Finance

APPENDIX A

CERTAIN DEFINITIONS CONTAINED IN THE SERIES 2022A NOTES RESOLUTION

APPENDIX A

SERIES 2022A NOTES RESOLUTION DEFINITIONS

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

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

"**Authorized Officer**" means the Director of Finance and any other persons authorized in writing by the Director of Finance to act as an Authorized Officer under the Series 2022A Notes Resolution.

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

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

"**Bond Counsel**" means Bass, Berry & Sims PLC or any other firm of attorneys specializing in the field of municipal finance law, selected by the Metropolitan Government.

"**Bonds**" means water and sewer revenue bonds of the Metropolitan Government authorized on a preliminary basis by the Initial Resolutions.

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

"**Business Day**" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a State legal holiday, (iv) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the office of the Issuing and Paying Agent is located, or the city in which the principal office of the Dealer is located or the city in which the office of any Bank at which requests for funds under a Facility are required to be presented, are authorized or obligated by law or executive order to be closed, (v) a day on which the New York Stock Exchange is not open for trading, or (vi) with respect to the Book-Entry Commercial Paper Notes, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

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

"**Commercial Paper Fund**" means each special purpose trust fund established pursuant to the Series 2022A Notes Resolution and to be held by the Issuing and Paying Agent.

"**Commercial Paper Notes**" means water and sewer revenue bond anticipation notes of the Metropolitan Government issued in the form of commercial paper in anticipation of the issuance of Bonds in accordance with the Commercial Paper Note Resolution.

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

"**Costs**" shall mean any of the costs of Projects permitted to be financed by the Act.

"**Dealer**" means J.P. Morgan Securities LLC, and any other dealer for the Commercial Paper Program or any successor to any of them appointed pursuant to the Resolution.

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

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

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

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

"**Disclosure Counsel**" means Carpenter Law, PLLC or any other firm of attorneys specializing in the field of municipal finance law, selected by the Metropolitan Government.

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

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

"**Extendable Notes**" means notes issued by the Metropolitan Government pursuant to Resolution No. RS2015-1417 adopted by the Metropolitan County Council on April 7, 2015 (including all supplements and amendments, the "Extendable Note Resolution"), authorizing the issuance of water and sewer revenue extendable commercial paper notes for the purpose of financing capital improvements to the System.

"**Facility**" means a letter of credit (and, to the extent the context may require, the accompanying reimbursement agreement), revolving credit agreement, line of credit or other credit or liquidity support or mechanism delivered, made, entered into or otherwise obtained for the purpose of securing the payment of principal of and (if applicable) interest on the Commercial Paper Notes or any substitute Facility and includes the Initial Facility and the agreement(s) providing for a Facility authorized pursuant to the Resolution, including any similar agreement which provides for a substitute Facility pursuant to the Resolution.

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

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

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

"**Initial Resolutions**" means, collectively, (i) the Current Initial Resolutions, including: (a) Initial Resolution No. RS2009-994 duly adopted on October 20, 2009, (b) Initial Resolution No. RS2013-620 duly adopted on March 19, 2013, (c) Initial Resolution No. RS2020-214 duly adopted on March 17, 2020, (d) Initial Resolution No. RS2021-1147 duly adopted on September 21, 2021, and (e) Initial Resolution No. RS2022-1694 duly adopted on September 6, 2022; and (ii) future initial resolutions duly adopted by the Metropolitan County Council for the purpose of financing capital improvements to the System; provided that any future initial resolution must first be published as prescribed by the Act.

"**Issuing and Paying Agency Agreement**" means the Issuing and Paying Agency Agreement authorized by the Commercial Paper Note Resolution, as the same may be amended or supplemented, and any other issuing and paying agency agreements which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the Commercial Paper Program.

"**Issuing and Paying Agent**" means U.S. Bank Trust Company, National Association, appointed by the Metropolitan Government pursuant to the Resolution to serve as Issuing and Paying Agent in accordance with the Issuing and Paying Agency Agreement, and any successor thereto appointed pursuant to the Commercial Paper Note Resolution.

"**Loan Date**" means a Business Day on which a Bank is required to loan or advance funds to the Metropolitan Government or honor a drawing pursuant to a Facility to pay the principal amount of maturing Commercial Paper Notes and (if applicable) interest thereon.

"**Master Note**" means a master note issued pursuant to the Resolution.

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

"**Metropolitan Government**" means The Metropolitan Government of Nashville and Davidson County.

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

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

"**Operation and Maintenance Expenses**" shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles. Notwithstanding the foregoing, Operation and Maintenance

Expenses shall not include payments in lieu of taxes or any reserve for renewals or replacements or any allowance for depreciation or amortization, and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of the Metropolitan Government which are properly allocable to the System.

"**Original Commercial Paper Notes**" means notes issued by the Metropolitan Government for a purpose described in the Resolution.

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

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

"**Prior Commercial Paper Note Resolution**" means Resolution No. RS2021-1280 duly adopted by the Metropolitan County Council on December 21, 2021 authorizing the issuance of traditional water and sewer revenue commercial paper notes for the purpose of financing capital improvements to the System.

"**Projects**" means capital improvements to the System.

"**Program Documents**" shall mean, collectively, the Resolution, the Dealer Agreements, the Issuing and Paying Agency Agreements and the Facility.

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

"**Representation Letter**" means in order to qualify the Commercial Paper Notes for the Depository's book-entry system, any Authorized Officer is hereby authorized from time to time to execute and deliver on behalf of the Metropolitan Government to such Depository a letter or letters from the Metropolitan Government representing such matters as shall be necessary or advisable to so qualify the Commercial Paper Notes.

"**Request**" means prior to the issuance by the Issuing and Paying Agent of any Commercial Paper Notes, an Authorized Officer shall instruct the Issuing and Paying Agent to, in the case of Book-Entry Commercial Paper Notes, to deliver appropriate issuance instructions to DTC, or shall acknowledge or confirm the same (whether an instruction, acknowledgment or confirmation). Each Request shall contain information with respect to, and approve on behalf of the Metropolitan Government, including (i) the aggregate principal amount of Commercial Paper Notes of a Series then to be issued; (ii) the rate or rates of interest, if any, on such Commercial Paper Notes; (iii) the issue date or dates and maturity date or dates of such Commercial Paper Notes, and in the case of Book-Entry Commercial Paper Notes, each Depository direct participant to which such Book-Entry Commercial Paper Notes is to be credited on the books of the Depository, and the principal amount (which shall be in an authorized denomination) of Commercial Paper Notes to be credited to each such participant, as provided in the Issuing and Paying Agency Agreements.

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

"**Resolution**" means the Series 2022A Notes Resolution duly adopted by the Metropolitan County Council on November 15, 2022, as the same may be amended or supplemented.

"**Revenues**" shall mean (a) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding any customer deposits or other deposits subject to refund, unless such deposits have become property of the Metropolitan Government, (b) the proceeds of any insurance covering business interruption loss relating to the System and (c) interest received or to be received on any moneys or securities held in any of the funds or accounts established by the Water and Sewer Bond Resolution, with the exception of (i) moneys held in any Construction Fund established under the Water and Sewer Bond Resolution, or any account thereof and (ii) moneys held in any Debt Service Reserve Fund established under the Water and Sewer Bond Resolution during any period in which the investment earnings thereon are directed by resolution supplemental thereto to any Construction Fund established under the Water and Sewer Bond Resolution, or any account thereof. The computation of Revenues with respect to any period of time hereunder shall be increased by the amount of transfers during such period from the Rate Stabilization Fund (as defined in the Water and Sewer Bond Resolution) to the Revenue Fund described in the Water and Sewer Bond Resolution pursuant to Section 509(a) of the Water and Sewer Bond Resolution, and decreased by the amount of any transfers during such period from the Revenue Fund to the Rate Stabilization Fund pursuant to Section 506(e) of the Water and Sewer Bond Resolution. "Revenues" shall not include any Tax Credit Payments (as defined in the Water and Sewer Bond Resolution), grant proceeds or, except as set forth in (b) above, insurance proceeds.

"**Rollover Commercial Paper Notes**" means Commercial Paper Notes refunded with new notes (rollover notes) until Metropolitan Government issues long-term water and sewer revenue bonds to provide permanent financing for the Projects financed under the commercial paper program.

"**Senior Lien Bonds**" means, collectively, the Metropolitan Government's Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment); Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds); Water and Sewer Revenue Bonds, Series 2013; Water and Sewer Revenue Bonds, Series 2017A (Green Bonds); Water and Sewer Revenue Bonds, Series 2017B; Water and Sewer Revenue Bonds, Series 2020A; Water and Sewer Revenue Bonds, Series 2020B; State Revolving Fund Loans Nos. 2020-223, 2020-224 and 2020-446; Water and Sewer Revenue Bonds, Series 2021A (Green Bonds) and Federally Taxable Water and Sewer Revenue Refunding Bonds, Series 2021B (Green Bonds) and all bonds, notes or other debt obligations issued pursuant to the Water and Sewer Bond Resolution, and any other bonds, notes or debt obligations issued on parity therewith.

"**Series**" means one or more series of Commercial Paper Notes issued under the authority of the Resolution.

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

"**State**" means the State of Tennessee.

"**System**" shall mean each and every part of the water system and sewer system of the Metropolitan Government that shall be owned and operated by the Metropolitan Government for water supply,

transmission, treatment and distribution and for sewage collection, transmission, treatment and disposal or distribution now existing and hereafter acquired by lease, contract, purchase or otherwise or constructed, including any interest or participation of the Metropolitan Government in any facilities in connection with said system, together with all additions, betterments, extensions and improvements to said system or any part thereof hereafter constructed or acquired and together with all lands, easements, licenses and rights of way and all other works, property or structures and contract rights and other tangible and intangible assets now or hereafter owned or used in connection with or related to said system. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interests in properties of the Metropolitan Government (a) which the Metropolitan Government determines shall not constitute a part of the System for the purpose of the Water and Sewer Bond Resolution at the time of the acquisition thereof by the Metropolitan Government or (b) as to which there shall be filed with the records of the Metropolitan Government a certificate of a Consultant (as defined in the Water and Sewer Bond Resolution) stating, in its opinion, that the exclusion of such properties or interests in properties from the System will not materially impair the ability of the Metropolitan Government to comply during the current or any future Fiscal Year with the provisions of Sections 711 of the Water and Sewer Bond Resolution.

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

"**Water and Sewer Bond Resolution**" means Substitution Resolution No. RS2010-1442 duly adopted by the Metropolitan County Council on November 16, 2010 authorizing the issuance from time to time of water and sewer revenue bonds upon the adoption by the Metropolitan County Council of a supplemental resolution, providing for the terms of such water and sewer revenue bonds, wherein Substitution Resolution No. RS2010-1442 and RS2010-1443 was further supplemented and amended by and pursuant to the terms and conditions contained in Resolution Nos. RS2011-114 and RS2011-115 duly adopted by the Metropolitan Council on December 20, 2011, Resolution No. RS2013-621 of the Metropolitan Council duly adopted on March 19, 2013, Resolution No. RS2017-902 of the Metropolitan Council adopted on October 3, 2017, Resolution No. RS2020-215 of the Metropolitan Council duly adopted on March 17, 2020, Resolution Nos. 2020-262, 2020-263 and 2020-264 of the Metropolitan Council duly adopted on April 7, 2020, Resolution No. RS2021-1148 of the Metropolitan Council duly adopted on September 21, 2021, and Resolution No. RS2022-1695 of the Metropolitan Council duly adopted on September 6, 2022.

[*End of Appendix A*]

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

The Metropolitan Government of Nashville
and Davidson County
Nashville, Tennessee

U.S. Bank National Association
New York, New York

J.P. Morgan Securities LLC
_____, _____

TD Bank, N.A.
_____, _____

The Metropolitan Government of Nashville and Davidson County
Water and Sewer Revenue Commercial Paper Notes, Series 2022A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") of up to $200,000,000 in aggregate principal amount of its Water and Sewer Revenue Commercial Paper Notes, Series 2022A (the "Notes"). In such capacity, we have examined the law and such certified proceedings and other documents as we deemed necessary to render this opinion, including, but not limited to, Resolution No. RS2022-___ (the "Resolution") authorizing the issuance and sale of the Notes. As used herein, the term "Notes" shall also mean any Rollover Commercial Paper Notes (as defined in the Resolution) issued for the purpose of paying the principal of the Notes. The terms used herein, but not defined herein, shall have the respective meanings given such terms in the Resolution.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify such facts by independent investigation.

Based on the foregoing, we are of the opinion, as of the date hereof, as follows:

1. The Notes have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and are valid and binding obligations of the Metropolitan Government.

2. The Resolution authorizing the Notes has been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Metropolitan Government enforceable in accordance with its terms.

3. The Notes constitute limited obligations of the Metropolitan Government, payable from and secured solely by a pledge of the revenues of the Metropolitan Government's water and sewer system, subject to costs of operating the system and subject to prior pledges of such revenues in favor of (a) the Metropolitan Government's Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment); Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds); Water and Sewer Revenue Bonds, Series 2013; Water and Sewer Revenue Bonds, Series 2017A (Green Bonds); Water and Sewer Revenue Bonds, Series 2017B; Water and Sewer Revenue Bonds, Series 2020A; Water and Sewer Revenue Bonds, Series 2020B; State Revolving Fund Loans Nos. 2020-223, 2020-224 and 2020-446; Water and Sewer Revenue Bonds, Series 2021A (Green Bonds); Federally Taxable Water and Sewer Revenue Refunding Bonds, Series 2021B (Green Bonds) and Water and Sewer

Revenue Bond, Series 2022 (WIFIA ID – N20115TN) (collectively, the "Prior Lien Bonds") and (b) any other long-term bonds hereafter issued by the Metropolitan Government on parity with the Prior Lien Bonds. The pledge of revenues to the payment of the Notes is on parity with the pledge in favor of the Metropolitan Government's Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program.

4. Interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Notes is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Metropolitan Government comply with all requirements of the Code that must be satisfied subsequent to the date hereof in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Metropolitan Government has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Notes to be so included in gross income retroactive to the date of issuance of the Notes. Except as set forth in this paragraph, we express no opinion regarding other federal tax consequences arising with respect to the Notes.

5. Under existing law, the Notes and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the Notes during the period such Notes are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Notes in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Offering Memorandum relating to the Notes.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BASS, BERRY & SIMS PLC

APPENDIX C

GENERAL INFORMATION REGARDING THE WATER AND SEWER SYSTEM OF THE METROPOLITAN GOVERNMENT

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THE WATER AND SEWER SYSTEM

General

The formation of the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), effective on April 1, 1963, resulted in the combination and consolidation of (i) the water and sewage system formerly maintained by the City of Nashville, and (ii) the sewage system formerly maintained by the Davidson County Improvement District No. 1 into the Department of Water and Sewerage Services (the "Department"). The Department, established under Section 8.501 of the Charter of the Metropolitan Government (the "Charter"), is charged with the responsibility for construction, operation and maintenance of all water and sanitary sewer facilities for the Metropolitan Government as well as the collection of all charges for the services of such utilities.

In addition to the combined and consolidated facilities, the Water System (defined herein) and the Sewer System (as defined herein) have been gradually expanded to include: (i) improvements financed by revenues; (ii) improvements resulting from capital contributions in aid of construction by private developers; (iii) all improvements, additions and extensions financed with the proceeds of outstanding bonds and governmental grants; and (iv) facilities acquired from (a) the Nashville Suburban Utility District, (b) the First Suburban Water Utility District of Davidson County, Tennessee, (c) the sewerage service of the Parkwood Service Company, (d) the Joelton Water Utility District, (e) the City of Lakewood water and sewerage system, (f) Rayon City Water Company, (g) the Cumberland Utility District, (h) the sewerage service of the Nolensville/College Grove Utility District in Williamson County, and (i) the Old Hickory Utility District of Davidson County.

Under the Charter and Tennessee Code Annotated §§ 7-3-302, the Metropolitan Government can assume and take over any water and/or sewer utility district located within its boundaries through ordinances adopted by the Metropolitan County Council of the Metropolitan Government (the "Metropolitan Council"). Several such systems currently operate inside Davidson County and if a decision is made to consolidate these operations into the Department, the Metropolitan Government will take subject to or retire all debts and liabilities of the systems. The economic impact of such an assumption or takeover would be evaluated prior to the submission of any legislation to the Metropolitan Council. By contract, dated February 1996, the Metropolitan Government has agreed not to take over the Harpeth Valley Utility District before February 2026.

Historically, the Department managed and partially funded the Stormwater operations of the Metropolitan Government. In 2009, the Metropolitan Government established a Stormwater Division of the Department as a stand-alone enterprise fund with its own set of service fees, which are now an itemized part of the water bill. Further funding of Stormwater operations will not be required of the Department. In July of 2021, the Department began managing Waste Services which provides Waste and Recycling Services to Nashville and Davidson County. This is established as a stand-alone special revenue fund that is funded in part by proceeds from property taxes and revenues received from waste operations.

The Water System

The water provided by the Department's water system (the "Water System") currently meets all physical, chemical, and bacteriological water quality standards established by the United States Environmental Protection Agency (the "EPA") under the Safe Drinking Water Act, as amended, by the Tennessee Department of Environment and Conservation ("TDEC") and under the Tennessee Safe Drinking Water Act of 1983, as amended. The Water System draws water from the Cumberland River and processes it through modern filtration plants for delivery into the distribution system. Raw water is treated

by chemical coagulation, flocculation, clarification, filtration, and disinfection. The existing water treatment plants and pumping facilities have a total delivery capacity of 180 million gallons per day.

The Omohundro Water Treatment Plant, originally placed in service in 1889, has been extensively expanded and modernized over the years. This campus includes (i) the George Reyer Pumping Station, (ii) the Robert L. Lawrence Jr. Filtration Plant, and (iii) the Boiler House and a recently built electrical substation. The substation includes four 2.5 mega-watt backup electrical generators that can run the entire Omohundro Campus at its rated maximum capacity of 90 million gallons per day. The central control room located at this plant provides constant monitoring of the status of all water pumping stations and reservoirs.

The K. R. Harrington Water Treatment Plant was completed and placed into operation in 1977. This facility provided an additional capacity of 60 million gallons per day to the Metropolitan Government's water treatment capabilities. Expansion of this plant to 90 million gallons per day was completed in 1992 and will ensure an adequate supply of potable water through the coming years. In 1999, as a precaution against prolonged power outages caused by ice storms, tornadoes, or other disasters, the Harrington Plant was equipped with four emergency generators with a capacity of 1,750 kW each. These generators allow the Department to operate the plant at a capacity of 72 million gallons per day.

The water from the existing treatment plants is delivered into the water distribution system through six major transmission mains. The water distribution system contains approximately 3,067 miles of mains ranging in diameter from 2 inches to 60 inches. Storage is provided by the Eighth Avenue Reservoir, which is 51 million gallons in capacity, various other reservoirs with a combined additional capacity of 37.3 million gallons and by tanks and standpipes, many of which are utilized to provide water service in areas of higher elevation than the central urbanized area. Currently only half of the Eighth Avenue Reservoir is in service, thus reducing its capacity to 25.5 million gallons. The Water System has 57 booster-pumping stations to deliver water to these higher regions.

The Sewer System

The existing sewerage system (the "Sewer System") comprises of 3,017 miles of gravity sewers, 120 pumping stations, 167 miles of force main and four treatment plants, the three most important of which are the Central Wastewater Treatment Plant, the Dry Creek Wastewater Treatment Plant, and the Whites Creek Wastewater Treatment Plant. The Central Wastewater Treatment Plant has a capacity of 250 million gallons per day plus an additional 80 million gallons per day used for stormwater treatment for a total capacity of 330 million gallons per day. The Dry Creek Wastewater Treatment Plant has a design capacity of 24 million gallons per day of secondary treatment while the Whites Creek Wastewater Treatment Plant has a capacity of 37.5 million gallons per day of secondary treatment.

The Department properly treats and disposes of sludge produced at its treatment plants consistent with State and Federal law and has constructed a $132 million biosolids facility to stabilize and further treat sludge, including sludge thickening, anaerobic digestion and heat drying. The methane gas produced from the digesters is used to heat dry the sludge into pellets, which are considered a Class A material by the USEPA and are a marketable agricultural product. The facility has significantly reduced the need to landfill the residuals.

Management and Personnel

SCOTT A. POTTER, P.E., Director, graduated from Vanderbilt University with a Bachelor of Engineering Degree in Electrical Engineering in 1986 and was commissioned as an Ensign in the United States Navy. While serving in the Navy Mr. Potter received a master's degree in Mechanical Engineering from the Naval Postgraduate School in Monterey, California, in 1991. Mr. Potter served on two destroyers:

USS COCHRANE (DDG 21) and USS CALLAGHAN (DDG 994). While stationed at the United States Naval Academy, he earned the academic rank of Master Instructor, teaching courses in Statics, Materials Science, Applied Fluid Mechanics, Thermodynamics, and Applied Thermodynamics. The Louisville Water Company, in Louisville, Kentucky, employed Mr. Potter as Manager of Distribution Operations from 1998 to 2001. He was also an adjunct member of the faculty of the Mechanical Engineering Department in the Speed Scientific School at the University of Louisville and is presently an adjunct instructor at Belmont University in the Mathematics Department.

DAVID M. TUCKER, Deputy Director (Operations), graduated from Tennessee State University with a Bachelor of Science Degree in Biological Sciences. He has thirty-two years of experience in water and wastewater treatment plant operations and maintenance. Mr. Tucker holds a State of Tennessee Grade IV Operator's Certification in both water and wastewater treatment. The Operations division is responsible for the operation and maintenance of all water and wastewater treatment facilities, all associated pumping stations and reservoirs, Laboratory Services and Security. He joined the Department in 1987 as an Assistant Plant Manager and has progressed to his present position. He is a member of the Water Environmental Federation and the American Water Works Association.

AMANDA K. DEATON-MOYER, Assistant Director (Business & Finance), holds a Bachelor of Arts Degree in Political Science and a Master of Public Administration degree from the University of Georgia. She is a Certified Municipal Financial Officer for the State of Tennessee and is a member of the Association of Government Accounts, the Government Financial Officers Association. Prior to joining the Department in 2017, she served as the City Manager for the City of Forest Hills, Tennessee and the Assistant Chief Administrative Officer for Budget and Strategic Planning for the City of Macon, Georgia. She has over 10 years of professional experience in financial planning and management in the government sector.

CYRUS Q. TOOSI, P.E., Assistant Director (Engineering), graduated from the University of Texas at Austin, in 1988, with a Bachelor of Science Degree in Civil Engineering. Mr. Toosi held a position with the City of Houston for two years prior to coming to Nashville. In 1990 he joined the Department as a hydraulic modeler, and as a flow monitoring, and planning specialist. He has since advanced to his present position. He has twenty years of experience in the engineering of water and wastewater systems. He has created MWS' Master Water Growth Plan, Asset Management Program, and Water Infrastructure Rehabilitation Program. He also currently serves as the Chief Engineer for the Department and also oversees the Overflow Abatement- Clean Water Nashville Program. He holds a Professional Engineering License in the State of Tennessee and is a member of the American Water Works Association and Water Environment Federation.

LEANNE B. SCOTT, P.E., Assistant Director (Repair and Maintenance of Distribution and Collection Systems) holds a Bachelor of Science degree in Chemical Engineering from Tennessee Technological University and a Master of Science degree in Engineering Management from the University of Tennessee. She has over thirty years of experience in water and wastewater systems, working across the department in treatment, distribution/collection systems, engineering planning. Leanne is a registered professional engineer in the State of Tennessee and holds Grade 4 Water Treatment Operator, Grade 2 Water Distribution Operator and Grade 2 Wastewater Collection Operator licenses. She is a member of the Water Environment Federation, served as President of the KY-TN Section in 2011-12 and 2013-14 and currently serves as the Tennessee Delegate. She is also a member of the American Waterworks Association and serves on the section's Nonrevenue Water Committee.

BRENT R. FREEMAN, P.E., Assistant Director (Operations - Wastewater), holds a Bachelor of Science Degree in Civil Engineering from Tennessee Technological University. He is a licensed Professional Engineer, holds state operator certifications in Wastewater Operations, Collection, and Distribution, and is a Certified Energy Manager. He is a member of the Water Environment Federation,

Association of Energy Engineers, and the American Water Works Association. Prior to joining the Department in 2002, Mr. Freeman worked as a consulting engineer; and he has over 25 years of professional experience in municipal operations and engineering.

GLEN K. DOSS, Assistant Director (Water Operations), holds an associate degree in Electrical Engineering Technology and a bachelor's degree in Business Administration. He has 27 years of experience in water and wastewater treatment plant operations and maintenance. Mr. Doss holds a State of Tennessee Grade IV Operator's Certification in both water and wastewater treatment. He joined the Department in 1992 as a helper in the electric shop at the Central Wastewater Treatment and has progressed to his present position. He is the licensed operator in direct charge of the water treatment system as per TDEC rules and regulations.

HAL BALTHROP, P.E., Assistant Director (Development Services), holds a Bachelor of Science Degree in Civil Engineering from Tennessee Technological University. He is a licensed Professional Engineer and the Department's State Licensed Collection System Manager and Water Distribution Manager. Mr. Balthrop also serves on the Tennessee Board of Architectural and Engineering Examiners, serves as State Chair of the Tennessee Water and Wastewater Agency Response Network, serves as Chair of the KY/TN AWWA Water Utility Committee on Legislative Issues and is a member of WEF, AWWA, TWWA, and TAUD.

SHANNON FRYE, Assistant Director (Customer Service & Information Services), graduated from Trevecca University with a Bachelor of Arts in Management and Human Relations. She joined the department in 1988 beginning her career in Human Resources and then transitioned to Customer Service where she has been working for over 30 years. Ms. Frye has served several years on the AWWA Customer Service Committee. She is the Chair of the KY/TN AWWA Knowledge, Creation, and Exchange Council and is a member of the Water for People Committee.

Billing and Collection Procedures

With certain limited exceptions, the Department is required to charge for all water and sewerage services provided by it and consumed by, or, in the case of sewerage services, made available to each customer. Charges for water and sewerage services are generally based on metered measurement of water consumption. The Department reads meters and renders bills to customers monthly. The charges for water and sewerage services are included in a single, combined bill in terms of a "net billing," which is the charge calculated at established rates, and a "gross billing," which is the current net billing increased by 5% or by $2.50, whichever is greater. This addition to the net billing is a form of penalty for the customer's failure to promptly pay the monthly bill for services. The gross billing amount becomes applicable 20 days after the billing is mailed to the customer. If a customer fails to pay a bill, a delinquency notice is included in the subsequent month's bill. If the customer fails to pay the bill for a second time, the customer is notified of potential disconnect by letter and/or phone call advising that service will be discontinued if payment is not received in five days. If the customer does not pay the delinquent account within five days following the notice, the account is subject to immediate discontinuation of water and sewer service. To have service restored the customer must then pay the total delinquent amount plus a reconnection fee. If the Department is unable to collect the amount owed, the account is then turned over to a commercial collection agency. These billing and collection procedures have resulted in the collection of approximately 99.63% of all amounts billed during the past five Fiscal Years.

The Department has approximately 215,000 meters across Davidson County, Tennessee. Of those, more than 98,000 are AMI ("Advanced Meter Infrastructure"), meaning readings and other vital data can be sent and received remotely through the cellular network. Beginning in 2018, the Department replaced about 12,000 meters with this technology and will continue annually until the entire system is upgraded.

Currently, the AMI system uses nine antennae to receive data; this system will be expanded as the network needs grow. Customer service has experienced a less than 1% failure rate with data reception from AMI meters.

Wholesale Customers

The Department provides sewage treatment services for the Cities of Brentwood, Goodlettsville, Millersville, Belle Meade, Lavergne, Ridgetop, Mount Juliet, Hendersonville Utility District, and White House Utility District (the "Wholesale Sewer Customers"), pursuant to contracts between the Department and each of the Wholesale Sewer Customers. Wholesale contracts have been updated to include annual escalation based on the consumer price index. Under the wholesale contracts, the Department is obligated to treat sewage (subject to volume limitations) from the Wholesale Sewer Customers, and the Wholesale Sewer Customers are required to pay a volumetric rate for sewage delivered to the Department. Capital costs incurred by the Department to maintain capacity for the Wholesale Sewer Customers are recoverable under the contracts. None of the Wholesale Sewer Customers has ready access to other sewage treatment facilities.

Operations and Maintenance

The Department has implemented operation and maintenance procedures with respect to the System and has undertaken several programs to upgrade performance, including a water quality testing program. Water quality within the water treatment facilities is tested on site on an hourly basis. Additional testing is conducted at a central laboratory maintained by the Department and certified by the State of Tennessee. Water discharged from the plants into the distribution system is monitored in accordance with the Federal Safe Drinking Water Act. Water discharged from the three wastewater treatment plants is tested to ensure compliance with the National Pollutant Discharge Elimination System as administered by the United States Environmental Protection Agency and Tennessee to the Tennessee Department of Environment and Conservation.

The Department takes every precaution to ensure that the water delivered to each customer is of the highest quality possible and meets all Federal and State drinking water standards. Drinking water does not contain lead when it leaves the treatment plants but tap water can accumulate trace amounts of lead through the corrosion of plumbing materials containing lead. The Department has had an intense corrosion control program since 1992 to prevent the possibility of lead leaching into the water. Following EPA and State guidelines, the Department regularly monitors drinking water in the distribution system for lead to determine the effectiveness of our corrosion control program. The Department replaces its portion of lead service lines prior to public works paving projects, during water main replacement projects, and when a lead service line is leaking, and repair would be required.

The Department performs regular maintenance and repair of equipment with outside contractors performing major repairs. To facilitate maintenance and repairs, the Department has established several inspection programs for the different areas of operation. Inspection programs include pumping station inspection, cross-connection protection testing, smoke testing for collection system integrity, water leak detection, fire hydrant testing and valve testing programs. Vans are equipped with closed circuit television cameras that can be maneuvered through the sewer mains to inspect the Sewer system.

Comprehensive training programs have been developed for employees, from unskilled to supervisory and management positions, covering many aspects of the operation and maintenance of the System. Although participation in the programs is not mandatory, employees who wish to be promoted to a higher job classification must demonstrate that they have the knowledge and skills that such programs provide.

ENVIRONMENTAL REGULATION

The Federal Water Pollution Control Act of 1972 ("FWPCA"), as amended by the Clean Water Act of 1977, and the Water Quality Act of 1987 (collectively, the "CWA"), provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's waters. To achieve that end, the FWPCA established the National Pollution Discharge Elimination System ("NPDES"), a permit system administered by the United States Environmental Protection Agency ("EPA") in conjunction with the states. The EPA has delegated the NPDES program for Tennessee to the Tennessee Department of Environment and Conservation ("TDEC"). The Tennessee General Assembly enacted the Tennessee Water Quality Control Act of 1977 to obtain the primary objectives of the CWA and to qualify for full participation in the NPDES program established under Section 402 of the FWPCA. Pursuant to the authority granted to it, the Tennessee Water Quality Control Board has enacted regulations consistent with the CWA.

In 1990, TDEC issued Order 88-3364 (the "1990 Order") as a result of violations by the Metropolitan Government of the Tennessee CWA from January 1987 through June 1989. The 1990 Order was, among other things, a result of the discharge of improperly treated wastewater into the waterways by the Metropolitan Government's collection system and various wastewater treatment plants, leading to pollution in violation of the CWA. The 1990 Order also stated that the Metropolitan Government's failure to comply with certain agreed upon orders entered by the Tennessee Water Quality Control Board in 1985 and 1987 was also a basis for the 1990 Order.

The 1990 Order identified specific problems regarding the Metropolitan Government's collection system and wastewater treatment and required the Metropolitan Government to correct them. In response, the Department developed a detailed program, referred to as the "Overflow Abatement Program" ("OAP"), for making system improvements to correct the problems identified in the 1990 Order. This program was approved by the TDEC. Although the Department substantially complied with the 1990 Order, it was not in full compliance with the CWA as of 1999.

On September 17, 1999, the TDEC issued Order 99-0390 (the "1999 Order") replacing the 1990 Order and citing the Metropolitan Government in violation of state law. Effective July 1, 2001, the Metropolitan Government was to immediately not permit or allow any overflows of bypasses from its combined Sewer system (wastewater and storm water) during dry weather to any waters of the State of Tennessee, nor was it to allow any discharge from the sanitary sewerage system to any tributary of the Cumberland River. The current flow limits that the tie-in points from all contributing satellite sewage systems were to be maintained.

The Metropolitan Government has substantially addressed the issues raised in the 1999 Order and continues to make capital improvements to its Sewer System in response thereto. TDEC has not assessed monetary penalties against the Metropolitan Government for failing to meet a schedule compliance date, and the Metropolitan Government is currently in compliance with the requirements of the 1999 Order.

Environmental Protection Agency Consent Decree

In December 2005, the Department received an inquiry from the United States Environmental Protection Agency's Region IV ("USEPA") headquarters. This inquiry requested certain documents and records pertaining to the Department's operations, capital plan, and stormwater management. The Department's response was submitted in January 2006. The Department, TDEC, and USEPA agreed on a recommended consent decree to address and correct deficiencies within the Department's Sewer system that have caused violations of the CWA (the "Consent Decree"). The Consent Decree originally required that the Metropolitan Government fully develop, by March 12, 2011, a Corrective Action Plan/Engineering Report (CAP/ER) for its sanitary sewer system and a Long-Term Control Plan ("LTCP") for its combined

Sewer system to achieve the goals of the CWA. Upon submittal and approval of the plans, the Metropolitan Government was originally obligated to complete the work as developed by the plans in nine years.

On May 14, 2010, the Metropolitan Government petitioned the USEPA and TDEC for a 6-month time extension for the delivery of both plans and the two years for the final compliance with the Consent Decree due to the flood of May 2010. The USEPA and TDEC granted the requested time extension to the Department. Both the CAP/ER and LTCP were submitted on time based on the time extension to EPA and TDEC in September of 2011. On August 10, 2017, the EPA approved the CAP/ER and the timeline (11 years) to complete the work, which has now officially commenced. After extensive negotiation, EPA issued a partial conditional approval of the LTCP in December 2020, which requires the Department to submit a revised LTCP within four years and allows 11 years from the date of the letter to complete the work.

Among other requirements, the Consent Decree will require capital expenditures to the System in a total amount of approximately $1.65 billion. See "THE WATER AND SEWER SYSTEM CAPITAL IMPROVEMENT PLAN" herein. Failure to comply with the Consent Decree and meet future established deadlines could result in penalties up to $3,000 per incident, and up to $5,000 per day for failure to implement work in a timely manner. The Department has thus far been successful in meeting all the deadlines established by the Consent Decree and is currently in compliance with the Decree in all respects.

THE WATER AND SEWER SYSTEM CAPITAL IMPROVEMENT PLAN

The Water System

The Metropolitan Government's Water System dates back to the late 1800's. Over sixty five percent (65%) of the Water System is at least forty (40) years old. More than 150 miles of water main are over eighty (80) years old. The Water Infrastructure Rehabilitation ("WIR") program provides for the rehabilitation and/or replacement of old water distribution infrastructure. The 12th Ave South project is a multi-phased construction project that will replace 52,720 linear feet of water mains at a cost of $21 million. The Castleman Drive water main replacement project, currently underway, will replace 8,400 feet of unlined, cast-iron pipe with new 8 and 12 inch main at a cost of $ 2.7 million. Other WIR projects, similar in scope and size, including phased projects in the Sylvan Park, East Nashville, Jefferson South, Albion / DB Todd, Centennial and Charles E. Davis amongst other areas, will account for $180 million over the next six years.

Water System Capital Improvement Plan

In addition to projects identified in the WIR program, the Department maintains the Master Water Improvement Plan, which sets out projected water needs based on population forecasting and hydraulic modeling (the "Water Plan"). Future identified projects intended to add redundancy to the System include installation of a redundant 24-inch water main for the Airport Pressure zone; installation of redundant 60-inch water main from the Omohundro Water Treatment Plant, a redundant 60-inch water main from the KRH Water Treatment Plant to the approximate midpoint of the Cumberland/City Low water main project. Currently underway and partially funded through SRF Loans, is the 8th Ave Reservoir Tank in Tank project which will update the historic structure (Est 1890's) structure with a new 14M gallon steel tank. Future identified projects intended to add capacity to the System include installation of 6,000 feet of new 24-inch water main in Brick Church Lane to Belle Arbor; installation of 3,000 feet of new 16-inch main in Ashland City Highway; installation of 11,000 linear feet of a 24-inch water main along Central Pike; installation of 4,000 feet of a 12-inch water main in Clarksville Pike; installation of 4,000 feet of a 12-inch water main in Brick Church Lane to Knight Road; and the optimization of two reservoirs to meet current hydraulic patterns.

Finally, improvements at the water plants are also critical to meeting the needs of the service area. A new raw water pump station and additional clearwell capacity, increasing rated capacity from 90 million gallons per day to 120–150 million gallons per day, and finished water pump station improvements at the Omohundro Water Treatment Plant have been identified as needed improvements. The Department recently completed an 18-month pilot study to identify the best technologies for both current and potential future regulations based on the Cumberland River source water. As a result, post filter granular activated carbon is the selected process that will position the Department to best meet current and future regulations for the growing service area. Combined into one large multifaceted, multi-phased project, "Water Treatment Plant Process Advancements," work at both the Omohundro and KR Harrington Water Plants is anticipated to cost just under $642 million over the next six years.

WIFIA Loan

Effective as of September 14, 2022, the Metropolitan Government entered into that certain WIFIA Loan Agreement (the "Loan Agreement") by and between the Metropolitan Government and the United States Equal Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"). The Loan Agreement provides for a draw down loan in the maximum principal amount not-to-exceed Three Hundred Fifteen Million Dollars ($315,000,000) (the "WIFIA Loan") to finance Process Advancements and various improvements to upgrade and replace equipment at the existing Omohundro and K.R. Harrington Water Treatment Plants, including a new raw water pump station, new post-filtration facilities at each site, clearwell storage improvements and replacement, filter underdrain improvements and flood risk mitigation upgrades. Pursuant to the terms of the Loan Agreement the WIFIA Loan shall be secured by a senior lien on the Revenues of the water and sewer system, including a senior lien on the Trust Estate (as defined in the Loan Agreement) on a parity basis with the water and sewer revenue bonds and senior to all Subordinated Indebtedness; provided, however, that the WIFIA Debt Service Reserve Account secures only the WIFIA Loan. loan as of the date hereof, no amounts have been drawn under the Loan Agreement. The Metropolitan Government's current indebtedness for its outstanding water and sewer revenue bonds are provided hereinbelow this **APPENDIX C**.

Sewer System Capital Improvement Plan

In September of 2011, the CAP/ER and the LTCP studies were submitted to EPA and TDEC. A schedule was developed to pursue those projects to meet the compliance date of the Consent Decree, which is eleven years following the approval of the plan. While waiting for approval of these plans, Water Services implemented numerous projects related to the CAP/ER taking advantage of the additional time for completion. EPA approved the CAP/ER in August 2017, setting a deadline for compliance of August 2028. The LTCP received a partial conditional approval in December 2020, with a compliance deadline of December 2031.

Sewer System rehabilitation continues for the elimination of inflow and infiltration from the separated sanitary sewer system. Rehabilitation projects identified in the CAP/ER recently completed include Smith Springs Area 2, $4.7 million; Cowan Area 4/5, $6.0 million; Shelby Area 5, $5.0 million; Loves Branch, $4.5 million; Hidden Acres, $1.3 million and Vandiver, $3.9 million. Design for sewer rehabilitation has been completed on Smith Springs Area 3 Rehab, Shelby Park Area 6 – Trunk Line Rehab, Seven Mile Creek Area 1, Shepherd Hills, and Dry Creek. These projects are awaiting bidding. Design for sewer rehabilitation is underway for 28th Avenue Area 2, Cleeces Ferry Area 1 and Lakewood Area 2.

Equalization Projects ("EQ Projects") are included in the CAP/ER to temporarily store excess flow during heavy rainfall events, before returning the stored flow to the collection system for

treatment. Construction has been completed on the West Park EQ Project at $15 million, and on the Ewing Creek EQ Project at $9.4 million. Construction is underway for the Davidson Branch Pump Station and EQ Project at $29.8 million, and for the Gibson Creek EQ Project at $19 million. Design has initiated for the Mill Creek Trunk and EQ Project, estimated to cost $200 million, making it the second largest project under the Consent Decree Program. A construction manager at risk ("CMAR") has also been selected for the Mill Creek project. The largest project under the Consent Decree Program is the Central Wastewater Treatment Capacity Improvements and CSO Reduction project which will both reduce CSOs and make necessary process improvements.

Current Indebtedness for Outstanding Water and Sewer Revenue Bonds

The chart hereinbelow illustrates a summary of the Metropolitan Government's outstanding Water and Sewer Revenue Bonds, per series, as of September 13, 2022:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER SERVICES
WATER AND SEWER REVENUE BONDS OUTSTANDING

WATER AND SEWER REVENUE BONDS	OUTSTANDING AMOUNTS [2]	ORIGINAL ISSUE/ DATED DATES	FINAL MATURITY DATES
Series 2010B Bonds	$ 135,000,000	December 16, 2010	July 1, 2037
Series 2010C Bonds	75,000,000	December 16, 2010	July 1, 2041
Series 2013 Bonds	6,540,000	April 25, 2013	July 1, 2023
Series 2017A Bonds	85,765,000	November 2, 2017	July 1, 2046
Series 2017B Bonds	149,095,000	November 2, 2017	July 1, 2046
Series 2020A Bonds	162,295,000	April 8, 2020	July 1, 2045
Series 2020B Bonds	35,790,000	April 8, 2020	July 1, 2027
2020 SRF Loans [1]	10,719,180		
Series 2021A Bonds	371,370,000	October 14, 2021	July 1, 2051
Series 2021B Bonds	229,370,000	October 14, 2021	July 1, 2043
TOTAL	**$1,260,944,180**		

[1] Does not reflect the maximum principal amount that may be drawn by the Metropolitan Government under the 2020 SRF Loans.

[2] The total Outstanding Amounts does not include the Water and Sewer 2018 Commercial Paper that was issued in the original par amount of $400,000,000 on November 1, 2021, having a final maturity date of October 5, 2022, with $100,000,000 currently outstanding.

Source: The Metropolitan Government of Nashville and Davidson County.