REIMBURSEMENT AGREEMENT

dated as of _____ 1, 2022

between

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY,

and

TD BANK, N.A.,

relating to

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
WATER AND SEWER REVENUE COMMERCIAL PAPER NOTES, SERIES 2022A

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REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT is dated as of _____ 1, 2022, between THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, a Tennessee local governmental entity (the *"Metropolitan Government"*) and TD BANK, N.A. (together with is successors and assigns, the *"Bank"*).

RECITALS:

WHEREAS, the Metropolitan Government proposes to issue its Water and Sewer Revenue Commercial Paper Notes, Series 2022A in an aggregate principal amount not to exceed $200,000,000 (the *"Commercial Paper Notes"*) pursuant to the Enabling Act (as herein defined) and Resolution No. RS2022-[___] approved by the Metropolitan Government, on _____ ___, 2022, and to use the proceeds of the sale of the Commercial Paper Notes to pay for the planning, design, construction, improvement and equipping of certain capital projects, including expenses with respect to the issuance of the Commercial Paper Notes;

WHEREAS, to enhance the marketability of the Commercial Paper Notes, the Metropolitan Government has requested that the Bank issue its Irrevocable Transferable Direct-Pay Letter of Credit to secure certain payments to be made with respect to the Commercial Paper Notes 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 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;

WHEREAS, the parties hereto agree that this Agreement, the hereinafter defined Fee Letter and the Letter of Credit constitute(s) a Facility as defined in the Resolution;

WHEREAS, in reliance upon the provisions hereof, the Bank and the Metropolitan Government are willing to enter into this Agreement.

NOW, THEREFORE, for valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to other terms defined herein, unless the context shall indicate a contrary meaning or intent, the following terms shall have the respective meanings indicated below, such meanings to be applicable equally to both the singular and plural forms of such terms:

"2022 Official Statement" has the meaning set forth in Section 5.01(h) hereof.

"*Advance*" has the meaning set forth in Section 2.03(a)(i) hereof, and shall include, without limitation, any Advance converted into a Term Loan pursuant to Section 2.03(a)(iv) hereof.

"*Affiliate*" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"*Agreement*" means this Reimbursement Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"*Anti-Corruption Laws*" means all laws, rules, and regulations of any jurisdiction applicable to the Metropolitan Government from time to time concerning or relating to bribery or corruption.

"*Anti-Terrorism Laws*" means any statute, treaty, law (including common law), ordinance, regulation, rule, order, opinion, release, injunction, writ, decree or award of any Governmental Authority relating to terrorism or money laundering, including Executive Order No. 13224 and the Patriot Act.

"*Bank*" has the meaning set forth in the introductory paragraph hereof.

"*Bank Agreement*" has the meaning set forth in Section 6.02(h) hereof.

"*Bank Facility*" means any Bank Agreement supporting Commercial Paper Indebtedness (other than the Commercial Paper Notes), including any bank notes to be issued and delivered under such agreement, or any other document or agreement by any Person providing credit support, additional security or liquidity for the payment of Commercial Paper Indebtedness (other than the Commercial Paper Notes), and as from time to time the agreement may be amended, restated or supplemented.

"*Bank Note*" means the promissory note issued by the Metropolitan Government to the order of the Bank, evidencing and securing the Reimbursement Obligations, substantially in the form of Exhibit B attached hereto, with appropriate completions, and any and all renewals, extensions or modifications thereof, which shall constitute a "bond anticipation note" for purposes of the Enabling Act.

"*Bank's Office*" means the Bank's address and, as appropriate, account as set forth on Schedule I attached hereto, or such other address or account as the Bank may from time to time notify the Metropolitan Government.

"*Bank Rate*" means the rate of interest per annum with respect to an Advance equal to: (a) for the period from and including the date such Advance is made to and including the one hundred eightieth (180th) day next succeeding the date such Advance is made, the Base Rate from time to time in effect; and (b) for the period from and including the one hundred eighty-first (181st) day immediately next succeeding the date such Advance is made and thereafter, the sum of the

Base Rate from time to time in effect plus one percent (1.00%); *provided* that, immediately upon the occurrence and during the continuation of an Event of Default, the Bank Rate shall be equal to the Default Rate; *provided, further* that, subject to Section 2.04(c) hereof, at no time shall the Bank Rate exceed the Maximum Interest Rate; *provided, further,* that at no time shall the Bank Rate be less than the highest rate of interest borne by any Commercial Paper Note.

"*Base Rate*" means, for any day, a fluctuating rate of interest per annum equal to the greatest of (a) the Prime Rate in effect at such time plus one and one-half percent (1.50%), (b) the greater of zero (0%) percent and the then-current weighted average of the rate of overnight Federal funds transactions with members of the Federal Reserve System as published by the Federal Reserve Bank of New York ("*Federal Funds Rate*") plus two percent (2.00%), and (c) seven percent (7.00%). Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or Federal Funds Rate, as the case may be. Each determination of the Base Rate by the Bank shall be conclusive and binding absent manifest error.

"*Bond Counsel*" means Bass, Berry & Sims PLC, or any other firm or firms selected by the Metropolitan Government whose opinion concerning bond matters is nationally recognized.

"*Book-Entry Commercial Paper*" has the meaning set forth in the Resolution.

"*Business Day*" means any days other than (a) a Saturday, (b) a Sunday, (c) a State legal holiday, (d) 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 the Bank at which Drawings are required to be presented under the Letter of Credit, are authorized or obligated by law or executive order to be closed, (e) a day on which the New York Stock Exchange is not open for trading, or (f) with respect to Book-Entry Commercial Paper Notes, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

"*Change in Law*" means the occurrence, after the Effective Date, of any of the following: (a) the adoption, issuance, implementation, promulgation, taking effect of, or any change in, any law, rule, treaty or regulation, or any request, policy, guideline or directive of, or any change in the interpretation, administration or application thereof by any court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over the Bank (in each case whether or not having the force of law) including, without limitation, any Risk Based Capital Guidelines and provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or any successor Basel accord, shall in each case be deemed to be a "*Change in Law*," regardless of the date enacted, adopted or issued, (b) compliance by the Bank or any parent or holding company of the Bank with any law, rule, treaty or regulation, request, policy, guideline or directive of any such court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other

authority having jurisdiction over the Bank (in each case whether or not having the force of law) or (c) any change in the application, interpretation or enforcement of any of the foregoing.

"*Code*" means the Internal Revenue Code of 1986, as amended, and when reference is made to a particular section thereof, the applicable Treasury Regulations from time to time promulgated or proposed thereunder.

"*Commercial Paper Indebtedness*" means the Commercial Paper Notes and all other commercial paper notes, debentures, obligations or similar instruments issued by the Metropolitan Government and payable from or secured by the Revenues (or any portion thereof), including, without limitation, the Extendable Commercial Paper Notes, and payable on a parity with the Commercial Paper Notes.

"*Commercial Paper Notes*" has the meaning set forth in the recitals hereof.

"*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. Without limitation, any director, executive officer or beneficial owner of 5% or more of the equity of a Person shall, for the purposes of this Agreement, be deemed to control the other Person. "*Controlling*" and "*Controlled*" have meanings correlative thereto.

"*Conversion Date*" means the earlier to occur of (i) the date that is one hundred eighty (180) days from the date the related Advance was made and (ii) the Stated Expiration Date.

"*Dealers*" means each dealer or remarketing agent selected from time to time by the Metropolitan Government to market or remarket the Commercial Paper Notes in accordance with the Resolution. As of the Effective Date, the Dealer is J.P. Morgan Securities LLC.

"*Dealer Agreement*" means each dealer agreement entered into between the Metropolitan Government and a Dealer with respect to the Commercial Paper Notes, and shall initially mean the Commercial Paper Dealer Agreement as of _____, 2022, by and between the Metropolitan Government and the Dealer named therein as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof, and any other agreement delivered in substitution or exchange for each agreement.

"*Debt*" of any Person means, at any date and without duplication, (a) all obligations of such Person for borrowed money, including without limitation, obligations secured by any of the revenues or assets of such Person and all obligations of such Person evidenced by bonds (including revenue bonds), debentures, notes or other similar instruments, (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (c) all obligations of such Person as lessee under capital leases, (d) all indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (e) all indebtedness of others guaranteed by, or secured by any of the revenues or assets of, such Person, (f) all payment obligations of such Person under any Swap Contract and (g) all obligations of such Person to

reimburse or repay any bank or other Person in respect of amounts paid or advanced under a Bank Agreement.

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"*Default*" means any condition or event that, with the giving of notice or lapse of time or both, would constitute an Event of Default.

"*Default Rate*" means, subject to Section 2.04(c) hereof, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus two percent (2.00%); *provided* that, subject to Section 2.04(c) hereof, at no time shall the Default Rate exceed the Maximum Interest Rate; *provided, further,* that at no time shall the Default Rate be less than the highest rate of interest borne by any Commercial Paper Note.

"*Depository*" has the meaning set forth in the Resolution.

"*Dodd-Frank Act*" means the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, guidelines and directions in connection therewith.

"*Drawing*" has the meaning set forth in the Letter of Credit.

"*Effective Date*" means _____, 2022, so long as the conditions precedent set forth in Section 4.01 hereof have been satisfied or waived by the Bank.

"*EMMA*" means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

"*Enabling Act*" means Title 9, Chapter 21 of Tennessee Code Annotated, as amended.

"*Environmental Laws*" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case relating to Hazardous Materials or to environmental, health, safety and land use matters applicable to any property.

"*Environmental Liability*" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the System directly or indirectly resulting from or based upon (a) violation of any Environmental Laws, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other

consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and, unless the context otherwise requires, the rules and regulations promulgated thereunder from time to time.

"*Event of Default*" has the meaning set forth in Section 7.01 hereof.

"*Excess Amount*" has the meaning set forth in Section 2.07(a) hereof.

"*Excluded Taxes*" means, with respect to the Bank or the parent or holding company of the Bank, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank or such parent or holding company of the Bank is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Bank or such parent or holding company of the Bank is located.

"*Extendable Commercial Paper Notes*" means Metropolitan Government's Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program.

"*Extendable Commercial Paper Resolution*" means Resolution No. RS2015-1417 approved by the Metropolitan Government, on April 7, 2015, as amended and supplemented by Substitute Resolution No. RS2021-906 approved by the Metropolitan Government on May 4, 2021, and by Resolution No. RS2021-1281 approved by the Metropolitan Government on December 21, 2021, and as may be further amended and supplemented.

"*Facility Fee*" has the meaning set forth in the Fee Letter.

"*Fee Letter*" means the Fee Letter dated as of the Effective Date between the Metropolitan Government and the Bank, and all amendments, modifications, restatements and extensions of such agreement, entered into from time to time and any other agreement delivered in substitution or exchange for such agreement

"*Final Drawing Notice*" has the meaning set forth in the Letter of Credit.

"*Final Maturity Date*" means, with respect to any Advance, the earliest to occur of: (a) the third (3rd) anniversary of the date on which the related Drawing was made, (b) the third (3rd) anniversary of the Stated Expiration Date, (c) the Substitution Date, (d) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than solely as a result of the Letter of Credit terminating on the Stated Expiration Date), including as a result of the occurrence of an Event of Default and (e) the Business Day on which Commercial Paper Notes or bonds are sold to fund such repayment.

"*Fiscal Year*" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter designated as the official fiscal year period of the Metropolitan Government, which designation shall be provided to the Bank in a certificate of the Metropolitan Government.

"*Fitch*" means Fitch Ratings, Inc.

"*Governmental Authority*" means the United States or any state or political subdivision thereof or any foreign nation or political subdivision thereof, any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the United States (or any state, municipality or political subdivision thereof) or any foreign nation or political subdivision thereof, including, without limitation, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority or other governmental or quasi-governmental authority exercising control over Bank or other financial institutions, and any corporation or other entity or authority owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"*Hazardous Materials*" means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, material or substances (as defined in Environmental Laws), and shall include any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing material, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, materials, substance, pollutant or contaminant the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

"*Holder*" means the Bank and any other holder of any interest in the Bank Note or any Person to which the Bank or any such other holder sells a participation in the Bank Note (whether or not the Metropolitan Government was given notice of such sale and whether or not the Holder has an interest in the Bank Note at the time amounts are payable to such Holder thereunder and under this Agreement).

"*Indemnified Taxes*" means Taxes other than Excluded Taxes.

"*Initial Resolutions*" has the meaning set forth in the Resolution.

"*Investment Grade*" means a rating of "*Baa3*" (or its equivalent) or better by Moody's and "*BBB-*" (or its equivalent) or better by S&P or Fitch.

"*ISP*" means, with respect to the Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc.

"*Issuing and Paying Agent*" means the firm serving from time to time as issuing and paying agent for the Commercial Paper Notes pursuant to Section 5.03 of the Resolution and any successor thereto. As of the Effective Date, the Issuing and Paying Agent is U.S. Bank Trust Company, National Association.

"*Issuing and Paying Agency Agreement"* means the Issuing and Paying Agency Agreement, dated as of _____ 1, 2022, by and between the Metropolitan Government and the Issuing and Paying Agent, approved and authorized by Section 5.02 of the Resolution, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof and any other agreement delivered in substitution or exchange for such agreement.

"*L/C Charges*" means and includes the facility fees, draw fees, amendment fees, consent fees, termination fees and waiver fees as set forth in the Fee Letter and other fees and expenses payable by the Metropolitan Government to the Bank hereunder.

"*Laws"* means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"*Letter of Credit"* means the Letter of Credit issued by the Bank for the account of the Metropolitan Government in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, substantially in the form of Exhibit A hereto, with appropriate insertions, as amended, supplemented, modified or restated from time to time.

"*Lien"* means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"*Maximum Interest Rate"* means the maximum net effective interest rate permitted by applicable law to be paid on obligations issued or incurred by the Metropolitan Government in the exercise of its borrowing powers.

"*Metropolitan Government"* has the meaning set forth in the introductory paragraph hereof.

"*Moody's"* means Moody's Investors Service, Inc.

"*Obligations"* means all advances to, and debts, liabilities, obligations, covenants and duties of, the Metropolitan Government arising under any Related Document or otherwise with respect to the Advances, Reimbursement Obligations, the Fee Letter and the Bank Note whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and all other payment obligations of the Metropolitan Government to the Bank arising under or in relation to this Agreement, the Fee

Letter, the Bank Note and any Advance, including in each instance, all interest accrued thereon and including interest and fees that accrue after the commencement by or against the Metropolitan Government of any proceeding under any Debtor Relief Laws naming the Metropolitan Government as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"*Offering Memorandum*" means the Offering Memorandum dated _____ ___, 2022, relating to the Commercial Paper Notes, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Operation and Maintenance Expenses*" has the meaning set forth in the Resolution.

"*Other Taxes*" has the meaning set forth in Section 3.01(a) hereof.

"*Outstanding*" (i) with respect to the Commercial Paper Notes, has the meaning set forth in the Resolution and (ii) with respect to Advances and Term Loans, means all Advances and Term Loans made by the Bank pursuant to the terms hereof and not repaid in full to the Bank by the Metropolitan Government.

"*Participant*" means any Person which in accordance with Section 8.06(b) hereof shall participate in the benefits and obligations of the Bank hereunder and the Bank Note pursuant to a participation agreement between the Bank and such Person.

"*Patriot Act*" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"*Payment Office*" means the office or offices, account or accounts of the Bank set forth in Section 2.06 hereof.

"*Person*" means an individual, a corporation, a partnership, an association, a limited liability company, a partnership, a trust, or any other entity or organization, including a Governmental Authority.

"*Prime Rate*" means the variable interest rate as published by the Wall Street Journal in New York City (or a comparable substitute publication if the Wall Street Journal is not publishing such a rate) from time to time as the prime rate of interest. This rate of interest is used from time to time by the Bank as a means of pricing some loans to some of its customers and is not necessarily tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customer.

"*Quarterly Payment Date*" means the first Business Day to occur in each January, April, July and October of each calendar year.

"*Rating Agencies*" means S&P, Fitch and/or Moody's, as applicable.

"*Reimbursement Obligations*" means any and all obligations of the Metropolitan Government to reimburse the Bank for any Drawings under the Letter of Credit and all obligations to repay the Bank for any Advance (including any Term Loan), including in each instance all interest accrued thereon.

"*Related Documents*" means this Agreement, the Letter of Credit, the Fee Letter, the Water and Sewer Bond Resolution, the Initial Resolutions, the Resolution, the Offering Memorandum, the Issuing and Paying Agency Agreement, the Dealer Agreement, the Commercial Paper Notes, the Bank Note or any exhibit or schedule to any of the foregoing.

"*Related Parties*" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"*Resolution*" means Resolution No. 2022-[_____] adopted by the Metropolitan Council of the Metropolitan Government on _____ ___, 2022, including such amendments, modifications or supplements permitted pursuant to its terms and the terms hereof.

"*Revenues*" has the meaning set forth in the Resolution.

"*Risk-Based Capital Guidelines*" means (a) the risk-based capital guidelines in effect in the United States, including transition rules, and (b) capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations.

"*Rollover Commercial Paper Notes*" has the meaning set forth in the Resolution.

"*S&P*" means S&P Global Ratings.

"*Sanctions*" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

"*Senior Lien Water and Sewer Bonds*" means bonds, notes and other debt obligations secured by a senior lien on Revenues issued pursuant to the Water and Sewer Bond Resolution.

"*Special Revenue Debt*" means Debt of the Metropolitan Government payable from all or any portion of the Revenues or secured by all or any portion of the Revenues and which is senior to or on parity with the Commercial Paper Notes and the Bank Note, including, without limitation, all obligations represented by bonds, notes, indentures, certificates, debentures and similar obligations which are payable from all or any portion of the Revenues or secured by all or any portion of the Revenues and which are senior to or on parity with the Commercial Paper Notes and the Bank Note.

"*Stated Amount*" means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date.

"*Stated Expiration Date*" means the date set forth in the Letter of Credit as the date on which the Letter of Credit is stated to expire (*i.e.*, initially, _____, 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 this Agreement.

"*Stop Order*" means the notice described in Section 4.03 hereof.

"*Substitution Date*" means the date of acceptance by the Metropolitan Government of a substitute credit facility in accordance with the terms and provisions of the Resolution.

"*Swap Contract*" means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*System*" has the meaning set forth in the Resolution.

"*Taxes*" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"*Term Loan*" means each term loan made by the Bank to the Metropolitan Government pursuant to Section 2.01(a)(iv) hereof on a Conversion Date.

"*Termination Date*" means the date on which the Letter of Credit terminates or expires as described in the Letter of Credit.

"*Water and Sewer Bond Resolution*" has the meaning set forth in the Resolution.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes"

and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

Section 1.03. Accounting Terms. All accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with the financial statements of the Metropolitan Government referred to in Section 5.01(k) hereof.

Section 1.04. Interpretations. The table of contents and article and section headings of this Agreement are included herein for convenience of reference purposes only and shall not constitute a part of this Agreement or affect its interpretation in any respect. All references to time herein shall refer to local time in New York, New York.

Section 1.05. Rounding. Any financial ratios required to be maintained by the Metropolitan Government pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.06. Letter of Credit Amounts. Unless otherwise specified herein, the amount of the Letter of Credit at any time shall be deemed to be the maximum amount available to be drawn under the Letter of Credit, whether or not such maximum stated amount is in effect at such time. Without limiting the foregoing, the determination of such maximum amount shall assume compliance with all conditions for drawing and no reduction for (a) any amount drawn by any drawing referred to in the Letter of Credit, the amount of which, in whole or in part, is subject to reinstatement (unless such amount is not reinstated under the Letter of Credit), or (b) any amount not available to be drawn because Commercial Paper Notes are held by or for the account of the Metropolitan Government.

ARTICLE II

LETTER OF CREDIT

Section 2.01. Issuance of Letter of Credit. Subject to the terms and conditions set forth herein, the Letter of Credit shall be in the original stated amount of $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 (the *"Stated Amount"*).

Section 2.02. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The Metropolitan Government hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The Metropolitan Government hereby irrevocably approves reductions and reinstatements of the Stated Amount with respect to the Letter of Credit as provided in the Letter of Credit.

Section 2.03. Reimbursement of Certain Drawings under the Letter of Credit; Mandatory Prepayment; Interest. (a)(i) Each Drawing shall be reimbursed by the Metropolitan Government in full on the date that such Drawing is made, *provided, however*, that if the conditions precedent set forth in Section 4.02 hereof are satisfied at the time of payment by the Bank of any Drawing, such Drawing made under the Letter of Credit shall constitute an advance (*"Advance"*) to the Metropolitan Government and shall be subject to the terms and conditions applicable to Advances under this Agreement. Unless the conditions precedent contained in Section 4.02 hereof are satisfied on the date of payment by the Bank of a Drawing, the Metropolitan Government agrees to reimburse the Bank for the full amount of such Drawing immediately upon payment by the Bank of such Drawing and on the date of each such payment. If the Metropolitan Government does not make such reimbursement to the Bank with respect to such Drawing on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable upon demand.

(ii) The Metropolitan Government promises to repay to the Bank on the date of the related Drawing the portion of each Drawing used to pay interest accrued on Commercial Paper Notes. If the Metropolitan Government does not make such reimbursement to the Bank with respect to the interest portion of such Drawing on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable upon demand.

(iii) To the extent not required to be paid earlier as set forth above, the Metropolitan Government promises to pay or cause to be paid to the Bank the principal portion of each Advance on the related Conversion Date; *provided*, that if the conditions precedent set forth in Section 4.04 hereof are satisfied on the Conversion Date, the unpaid principal amount of the related Advance shall convert into a Term Loan and shall be payable by the Metropolitan Government pursuant to Section 2.03(a)(iv) hereof and the interest accrued on the related Advance to the Conversion Date shall be payable by the Metropolitan Government on the related Conversion Date.

(iv) Unless otherwise required to be paid in full on one of the dates provided above, the principal portion of each Term Loan shall be payable by the Metropolitan Government in equal quarterly installments (*"Quarterly Principal Payments"*) commencing on the Conversion Date immediately succeeding the date the related Advance was made, and every three months thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Advance due and payable on the Final Maturity Date (the period commencing on the Conversion Date and ending on the Final Maturity Date is referred to as the *"Amortization Period"*). Each Quarterly Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Quarterly Principal Payments over the applicable Amortization Period.

(b) Upon the Bank's receipt of any payment or prepayment of any Advance, the amount of such Advance shall be reduced by the amount of such payment or prepayment, with the Bank crediting any prepayment received, first to the payment of any outstanding interest accrued on the related Advance, and second to the payment of the principal of such Advance. Any such payment or prepayment to be applied to principal of Advances hereunder shall be applied to the prepayment of related Advances in chronological order of their issuance hereunder, and within each Advance, shall be applied *pro rata* to principal installments payable thereon. Following the occurrence of an Event of Default, any payments received by the Bank hereunder shall be applied by the Bank to the payment of the Obligations in such order as the Bank shall in its sole discretion determine.

(c) Each unreimbursed Drawing and Advance made by the Bank shall be evidenced by the Bank Note, payable to the Bank and in the principal amount equal to the Stated Amount. The Bank Note shall bear interest and shall be due and payable on the dates, in the amounts, and under the circumstances set forth herein. The payment of the principal of and interest on the Bank Note shall constitute payment of the principal of and interest on the related Reimbursement Obligations and the payment of the principal of and interest on the Reimbursement Obligations shall constitute the payment of and principal and interest on the Bank Note and the failure to make any payment on any Reimbursement Obligation when due shall be a failure to make a payment on the Bank Note and the failure to make any payment on the Bank Note when due shall be a failure to make a payment on the related Reimbursement Obligation. The Metropolitan Government shall repay the Bank Note on each date on which the Metropolitan Government is required to make a principal payment on the corresponding Reimbursement Obligation in a principal amount equal to the amount of such Reimbursement Obligation so payable due on such date. The Metropolitan Government shall pay interest on the Bank Note on each date on which the Metropolitan Government is required to make an interest payment with respect to the corresponding Reimbursement Obligation.

(d) The Bank shall record, and prior to any transfer of its Bank Note shall endorse on the schedules forming a part thereof, appropriate notations to evidence the date, amount, type and maturity of each Advance made by it and the date and amount of each payment of principal made by the Metropolitan Government with respect thereto; *provided, however*, that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Metropolitan Government hereunder or under the Bank Note. In any legal action or proceeding in respect of this Agreement or the Bank Note, the notations made on the Bank Note or as provided by the Bank's accounting records shall be presumptive evidence of the existence and amount due thereunder, absent manifest error. The Bank is hereby authorized by the Metropolitan Government to endorse the Bank Note and to attach to and make a part of the Bank Note a continuation or substitution of any such schedule as and when required.

Section 2.04. Interest. (a) Subject to the provisions of subsection (b) below, the Metropolitan Government shall pay interest on the unpaid principal amount of each Advance, from and including the date of such Advance until the principal amount of such Advance shall be paid in full, at the Bank Rate, payable monthly in arrears on the first Business Day of each month (commencing on the first such date to occur after the making of such Advance), on the Final Maturity Date and on the date any Advance shall be paid or prepaid.

(b) (i) From and after the occurrence of an Event of Default and during the continuance of any such Event of Default, all Obligations (including, without limitation, Advances and Term Loans) hereunder and under the Fee Letter shall thereafter bear interest at the Default Rate.

(ii) If any amount payable by the Metropolitan Government hereunder, under the Fee Letter or under any other Related Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at the Default Rate.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest, to the extent permitted by law) shall be due and payable upon demand.

(c) To the extent permitted by applicable law, if the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Interest Rate for any period for which interest is payable, then (i) interest at the Maximum Interest Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof or under the Fee Letter, as applicable, without regard to the limitation of the Maximum Interest Rate and (B) the Maximum Interest Rate (the "*Excess Interest"*), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or under the Fee Letter, as applicable, without regard to the limitation of the Maximum Interest Rate ceases to exceed the Maximum Interest Rate, at which time the Metropolitan Government shall pay to the Bank with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, as applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Interest Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. To the extent permitted by applicable law, upon the termination of this Agreement, in

consideration for the limitation of the rate of interest otherwise payable hereunder, the Metropolitan Government shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest. In determining whether or not any interest payable under this Agreement or under the Fee Letter exceeds the Maximum Interest Rate, any non-principal payment (except payments specifically stated in this agreement to be "*interest*") shall be deemed, to the extent permitted by applicable law, to be an expense, fee, premium or penalty rather than interest. On the Final Maturity Date, to the extent permitted by applicable law, the Metropolitan Government shall pay to the Bank a fee equal to the amount of accrued and unpaid interest as a result of the provisions of this Section 2.04(c)

(d) All computations of interest, fees and other amounts due and owing hereunder shall be made by the Bank on the basis of a year of 365 or 366 days, in each case, for the actual number of days (including the first day but excluding the last day in the case of interest) occurring in the period for which such interest or fee is payable. Interest shall accrue on each Advance from and after the date on which such Advance was made to and including the date on which such Advance is paid in full, *provided* that any Advance that is repaid on the date on which it is made shall bear interest for one day. Each determination by the Bank of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent demonstrable error. In addition, any calculation made pursuant to this Section 2.04(d) that would cause the interest paid, payable or accruing on the indebtedness of the Metropolitan Government under this Agreement, the Fee Letter and the Bank Note to exceed the Maximum Interest Rate shall be adjusted so as to reduce the interest paid, payable and accruing hereunder and thereunder to such Maximum Interest Rate, as more fully set forth in Section 2.04(c) hereof. All sums paid or agreed to be paid to the Bank for the use, forbearance or detention of the indebtedness evidenced by the Advances shall, to the extent permitted by law, be amortized, prorated, allocated and spread throughout the full term of such Advances.

Section 2.05. Fees. The Metropolitan Government agrees to pay to the Bank the fees set forth in the Fee Letter at the times and in the amounts set forth therein, the provisions of which are incorporated herein by reference as if fully set forth herein. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter, and any reference to this Agreement shall be deemed to include a reference to the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Termination or Reduction of Stated Amount of Letter of Credit "Section 2.06. Termination or Reduction of Stated Amount of Letter of Credit" \l 2 . (a) (i) Notwithstanding any provision of the Agreement or this Fee Letter to the contrary, the Metropolitan Government agrees not to terminate or replace the Letter of Credit (in whole or in part), except (A) upon the payment to the Bank of all Obligations payable hereunder and under this Agreement and the Fee Letter and (B) the Metropolitan Government providing the Bank with thirty (30) days' prior written notice of its intent to terminate or replace the Letter of Credit; *provided* that all Obligations to the Bank shall be paid to the Bank at or prior to the time of termination and any such termination of the Letter of Credit shall be in compliance with the terms of the Resolution; and *provided further* that the

effective date of any reduction of the Letter of Credit shall not occur so long as Commercial Paper Notes remain outstanding and supported by such Letter of Credit.

(ii) Notwithstanding any provision of the Agreement or this Fee Letter to the contrary, the Metropolitan Government agrees not to permanently reduce the Stated Amount, except upon the Metropolitan Government providing the Bank with ten (10) days' prior written notice of its intent to permanently reduce the Stated Amount at any time on any Business Day as the result of: (A) a reduction of any two of the Bank's senior unsecured short term debt ratings below "P-1" by Moody's (or its equivalent), "A-1" by S&P or "F1" by Fitch (*provided*, that for the avoidance of doubt, the ratings referenced in this clause (A) shall mean those ratings assigned to TD Bank, N.A. and not ratings assigned to the Bank's parent or holding company or any other affiliate of the Bank), or (B) the Bank imposing increased costs on the Metropolitan Government pursuant to Section 3.02 of the Agreement.

(b) The Metropolitan Government may at any time at its option deliver to the Issuing and Paying Agent a substitute credit or liquidity facility in full and complete substitution and replacement for the Letter of Credit upon the occurrence of each of the following: (i) the payment to the Bank of all amount due and payable hereunder and under the Fee Letter as of the Substitution Date, and (ii) the payment to the Bank by the Metropolitan Government or the provider of such substitute credit or liquidity facility of all fees, expenses and other Obligations payable hereunder and under the Fee Letter, including, without limitation, all principal and accrued interest due and owing on any Drawing or Advances (including any Term Loans) and any amount due under the Bank Note. The Metropolitan Government shall give the Bank and the Issuing and Paying Agent at least thirty (30) days' prior written notice of any such proposed delivery of a substitute credit or liquidity facility in substitution of the Letter of Credit and on the Substitution Date (and assuming the payment to the Bank of the amounts described in clauses (i) and (ii) above), the Letter of Credit shall expire and terminate on the Business Day immediately succeeding the date of such delivery of a substitute credit or liquidity facility in substitution of this Agreement, and thereafter the Bank shall no longer be obligated to honor Drawings under the Letter of Credit.

(c) The Letter of Credit shall terminate on the Termination Date. All Obligations then outstanding (together with accrued interest thereon) shall be due and payable on the Termination Date, unless Advances shall be subject to the amortization provisions beyond the Termination Date as set forth in Section 2.03(a)(iv) hereof.

(d) If the Letter of Credit is terminated or expires, all accrued Facility Fees and all other amounts due and owing hereunder shall be payable on the effective date of such termination or expiration, as applicable. If the amount of the Stated Amount is permanently reduced, the Facility Fee that has accrued on the amount of such reduction shall be payable on the effective date of such reduction.

Section 2.07. Prepayments.

(a) *Optional Prepayments*. The Metropolitan Government may, upon three (3) Business Days' notice to the Bank at any time or from time to time voluntarily prepay any Advance or Term

Loan in whole or in part, without penalty or premium, each such prepayment to be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid, *provided* that each partial prepayment shall be in a principal amount equal to at least $100,000 and integral multiples thereof. Each notice of prepayment shall be irrevocable and shall specify the date and the amount of the prepayment and identify the Advance or Term Loan to be prepaid.

(b) M*andatory Prepayments*. (i) If on any date any Commercial Paper Notes or bonds are sold to finance the repayment of Advances or Term Loans, the Metropolitan Government shall immediately prepay any Outstanding Advances or Term Loans (if any) in an amount equal to the sum of the proceeds from such sale. If the Metropolitan Government executes and delivers Commercial Paper Notes on any date on which any Advance or Term Loan is outstanding and the sum of (1) the proceeds of such issuance and (2) any funds made available by the Metropolitan Government to pay the principal amount of such Commercial Paper Notes, exceeds (any such excess being referred to as the *"Excess Amount"*) the amount (if any) required to pay the principal amount of related Commercial Paper Notes maturing on such date, the Metropolitan Government shall (or shall cause the Issuing and Paying Agent to) repay or prepay Advances or Term Loans in an aggregate principal amount such that the aggregate principal amount so paid or prepaid, as the case may be (together with interest accrued thereon to but excluding the date of prepayment), shall equal the Excess Amount, by paying such aggregate principal amount together with such accrued interest to the Bank

(ii) Each such prepayment shall be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid.

(c) Upon the Bank's receipt of any payment or prepayment of any Advance or Term Loan, the amount of such Advance or Term Loan shall be reduced by the amount of such payment or prepayment, with the Bank crediting any prepayment received, first to the payment of any outstanding interest accrued on the related Advance or Term Loan, and second to the payment of the principal of such Advance or Term Loan. Any such payment or prepayment to be applied to principal of Advances or Term Loan hereunder shall be applied to the prepayment of related Advances or Term Loans in chronological order of their issuance hereunder, and within each Advance or Term Loan, shall be applied *pro rata* to principal installments payable thereon. Following the occurrence of an Event of Default, any payments received by the Bank hereunder shall be applied by the Bank to the payment of the Obligations in such order as the Bank shall in its sole discretion determine.

Section 2.08. General Provisions as to Payment. The following general provisions shall apply to all payments of Facility Fees, payments on the Advances, Term Loans and all other payment Obligations under this Agreement:

(a) The Bank shall calculate and notify the Metropolitan Government in writing of the amounts payable by the Metropolitan Government hereunder; *provided, however,* that the failure of the Bank to provide such notice shall not affect the obligations of the Metropolitan Government to make any payments owed to the Bank hereunder. All payments to be made by the Metropolitan Government shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise

expressly provided herein, all payments by the Metropolitan Government hereunder shall be made to the Bank, at the Bank's Office in Dollars and in immediately available funds not later than 3:00 p.m. (New York City time) on the date specified herein. All payments received by the Bank after 3:00 p.m. (New York City time) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Metropolitan Government shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) *Funding Source*. Nothing herein shall be deemed to obligate the Bank to obtain the funds for the making of any Drawing in any particular place or manner or to constitute a representation by the Bank that it has obtained or will obtain the funds for the making of any Drawing in any particular place or manner.

Section 2.09. Security. The Resolution creates, for the benefit of the Commercial Paper Notes and the Bank Note, a legally valid and binding Lien on and irrevocable pledge of the Revenues. There are no liens on all or any portion of the Revenues other than the Liens on Revenues securing the Senior Lien Water and Sewer Bonds, the Commercial Paper Notes, the Bank Note and any Commercial Paper Indebtedness (and related bank notes). No Senior Lien Water and Sewer Bonds or Commercial Paper Indebtedness may be issued after the Effective Date except as permitted to be issued under Section 6.02(e) hereof. The Lien on Revenues securing the Commercial Paper Notes and the Bank Note is subordinate only to the Lien on Revenues securing the Senior Lien Water and Sewer Bonds and such Lien is not subordinate to any other payment obligation of the Metropolitan Government secured by a Lien on the Revenues or any other claim as set forth in the Resolution. The Lien on Revenues securing the Commercial Paper Notes and the Bank Note is on parity with the Lien securing any Commercial Paper Indebtedness (and any related bank notes). No filing, registering, recording of this Agreement or the Resolution or any other instrument is required to establish the pledge or to maintain the Lien created thereby on the Revenues. The Bank Note constitutes Subordinated Indebtedness (as defined in the Water and Sewer Bond Resolution). Pursuant to the Resolution, all other Obligations owed to the Bank (other than the payment of principal and interest on the Bank Note) are 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 Enabling Act, secured by a pledge of Revenues of the System on parity with the Commercial Paper Notes and the Bank Note. Neither the Commercial Paper Notes, the Bank Note or any other Obligation hereunder constitutes a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government.

Unless the payment of the Commercial Paper Notes, the Bank Note and all amounts owed to the Bank under this Agreement (including, without limitation, amounts owed to the Bank under the Fee Letter) otherwise shall be provided for by or on behalf of the Metropolitan Government from proceeds of other Commercial Paper Notes or other available moneys, on or before the respective due dates thereof, the Metropolitan Government shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of bonds or other obligations of the Metropolitan Government (or otherwise obtain governmental financing) in an amount sufficient to provide for

the payment of and interest on the outstanding Commercial Paper Notes at maturity, the Bank Note and all amounts owed to the Bank under this Agreement (including, without limitation, amounts owed to the Bank under the Fee Letter).

Section 2.10. Extension of Stated Expiration Date. (a) Not less than ninety (90) days prior to the Stated Expiration Date (the *"Deadline"*), the Metropolitan Government may request in writing to the Bank an extension of the Stated Expiration Date. If the Metropolitan Government shall make such a request prior to the Deadline, the Bank shall, within sixty (60) days of such request, notify the Metropolitan Government in writing whether or not the Bank consents to such request and the terms and conditions upon which the Bank will consent to such request (including conditions relating to pricing and legal documentation). The Bank shall have no obligation whatsoever to consent to any request for an extension of the Stated Expiration Date, and any such extension shall be subject to approval by the Bank. If the Bank shall fail to notify the Metropolitan Government of its consent to such extension, the Bank shall be deemed to have rejected the Metropolitan Government's request for an extension. If the Bank (in its sole and absolute discretion) shall agree to extend the Stated Expiration Date, the Bank and the Metropolitan Government shall enter into an amendment to this Agreement and deliver a copy of any such amendment, executed by the parties thereto, to the Issuing and Paying Agent, each Dealer and each Rating Agency then rating the Commercial Paper Notes.

(b) Any such extension of the Stated Expiration Date shall be subject to such additional terms, including payment of extension fees to the Bank, as shall be agreed to by the Metropolitan Government and the Bank.

Section 2.11. Obligations Absolute. Subject to the provisions of Section 2.09 hereof, the obligations of the Metropolitan Government under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances: (i) any lack of validity, legality or enforceability of this Agreement, the Letter of Credit, the Bank Note or any other Related Document, or any other instrument, agreement or other document executed and delivered by the Metropolitan Government in connection with any of the foregoing; (ii) any amendment or waiver of or any consent to departure from all or any of the Related Documents, or any other instrument, agreement or other document executed and delivered by the Metropolitan Government in connection with any of the foregoing; (iii) any statement or other document pursuant hereto or pursuant to the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; (iv) the honoring of any Drawing that does not comply with the terms of the Letter of Credit; (v) the existence of any claim, set-off, defense or other rights which the Metropolitan Government may have at any time against the Issuing and Paying Agent (or any Person for whom the Issuing and Paying Agent may be acting), any Holder, any Dealer, the Bank or any other Person, whether in connection with this Agreement, the transactions contemplated herein or in the Related Documents or any unrelated transaction; (vi) the use to which amounts disbursed by the Bank pursuant to a Drawing or the proceeds of any Commercial Paper Notes or Bank Note may be put; (vii) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement or the Letter of Credit; (viii)

the Bank or any of its branches or affiliates being the beneficiary of the Letter of Credit; (ix) the Bank or any correspondent honoring a drawing up to the Stated Amount of the Letter of Credit even if such drawing claims an amount in excess of the Stated Amount of the Letter of Credit; (x) the Bank or any correspondent having previously paid against fraudulently signed or presented documents under the Letter of Credit (whether or not the Metropolitan Government shall have reimbursed the Bank for such Drawing); or (xi) any other circumstance which might constitute a legal or equitable discharge of any obligations hereunder (whether or not similar to any of the foregoing), it being agreed that the obligations hereunder shall not be discharged except by the performance thereof strictly in accordance with the terms of this Agreement including, without limitation, the payment in full as herein provided of all amounts owing hereunder.

Section 2.12. Interest and L/C Charges. Notwithstanding anything in this Agreement, the Bank Note or any of the other Related Documents to the contrary, in no event whatsoever (including, without limitation, the acceleration of any obligations due and owing hereunder) shall the interest and L/C Charges agreed to be paid to the Bank by the Metropolitan Government hereunder exceed the maximum amounts collectible under applicable laws in effect from time to time. It is understood and agreed by the parties hereto that, if for any reason whatsoever, the interest or L/C Charges paid or contracted to be paid by the Metropolitan Government in respect of Advances or any other Obligation hereunder shall exceed the maximum amounts collectible under applicable Laws in effect from time to time, then the obligation to pay such interest and/or L/C Charges shall be reduced to the maximum amounts collectible under applicable Laws in effect from time to time and any amounts collected by the Bank hereunder in respect of Advances or other Obligations due and owing hereunder and under the Fee Letter and Advances that exceed such maximum amounts shall be applied to the reduction of the principal amount of any Outstanding Advances and Term Loans and, to the extent that no Advances or Term Loans are outstanding, refunded to the Metropolitan Government so that at no time shall the interest or L/C Charges paid or payable in respect of the Bank Note exceed the maximum amounts permitted from time to time by applicable law.

Section 2.13. Rights of the Bank. At any time any Obligation is outstanding hereunder, the Bank shall be entitled to and shall be deemed to have all rights, privileges and security accorded owners of Commercial Paper Notes as provided in the Commercial Paper Notes and the Resolution.

Section 2.14. Applicability of ISP. The rules of ISP shall apply to the Letter of Credit.

Section 2.15. Issuance Generally. The Metropolitan Government may issue Commercial Paper Notes only in accordance with the terms of and subject to the conditions set forth in the Resolution and the Issuing and Paying Agency Agreement.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01. Net of Taxes, Etc.

(a) *Taxes*. Any and all payments to the Bank by the Metropolitan Government hereunder and the Fee Letter shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Metropolitan Government shall be required by law to withhold or deduct any Indemnified Taxes imposed by the United States or any political subdivision thereof or any other taxing jurisdiction from which or through which payments are made from or in respect of any sum payable hereunder or under the Fee Letter or the Bank Note to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.01), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Metropolitan Government shall make such deductions and (iii) the Metropolitan Government shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Metropolitan Government shall make any payment under this Section 3.01 to or for the benefit of the Bank with respect to Indemnified Taxes and if the Bank in its sole discretion determines that it shall receive a refund or claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Bank to any taxing jurisdiction then the Bank shall pay to the Metropolitan Government an amount equal to the amount by which such other taxes are actually reduced to the extent attributable, as determined by the Bank in its sole discretion, to such payment by the Metropolitan Government; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Metropolitan Government to the applicable party with respect to such Indemnified Taxes. In addition, the Metropolitan Government agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, any state of the United States or any other taxing jurisdiction from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as *"Other Taxes"*). The Bank shall provide to the Metropolitan Government within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Metropolitan Government to the Bank hereunder *provided* that the Bank's failure to send such notice shall not relieve the Metropolitan Government of its obligation to pay such amounts hereunder.

(b) *Reimbursement.* The Metropolitan Government shall, to the fullest extent permitted by law and subject to the provisions hereof, reimburse the Bank for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.01 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided* that the Metropolitan Government shall not be obligated to reimburse the Bank for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the Metropolitan Government of the

assertion of any claim against the Bank relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the Metropolitan Government promptly of such assertion shall not relieve the Metropolitan Government of its obligation under this Section 3.01. Payments by the Metropolitan Government pursuant to this Section 3.01(b) shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Metropolitan Government any refund actually received by the Bank (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the Metropolitan Government pursuant to this Section 3.01 received by the Bank for Indemnified Taxes or Other Taxes that were paid by the Metropolitan Government pursuant to this Section 3.01 and to contest, with the cooperation and at the expense of the Metropolitan Government, any such Indemnified Taxes or Other Taxes which the Bank or the Metropolitan Government reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Indemnified Taxes by the Metropolitan Government, the Metropolitan Government shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

Section 3.02. Increased Costs. (a) If the Bank shall have determined that any Change in Law shall (A) change the basis of taxation of payments to the Bank of any amounts payable under this Agreement, the Fee Letter or the Bank Note (except for taxes on the overall net income of the Bank), (B) impose, modify or deem applicable any reserve, special deposit, capital or liquidity ratio, compulsory loan, insurance charge or similar requirement against making or maintaining its obligations under the Letter of Credit or this Agreement or assets held by, or deposit with or for the account of, the Bank or the parent or holding company of the Bank or (C) impose on the Bank or the parent or holding company of the Bank any other condition regarding the Letter of Credit or this Agreement or the obligations of the Bank hereunder, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to the Bank or the parent or holding company of the Bank of making or maintaining its obligations under the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank hereunder, under the Bank Note or under the Fee Letter, then, the Metropolitan Government shall pay to the Bank at such time and in such amount as is set forth in paragraph (c) of this Section 3.02, such additional amount or amounts as will compensate the Bank or the parent or holding company of the Bank for such increased costs or reductions in amount.

(b) If the Bank shall have determined that any Change in Law either (A) affects or would affect the amount of capital to be maintained by the Bank or the parent or holding company of the Bank or (B) reduces or would reduce the rate of return on the Bank's or such parent's or holding companies' capital or liquidity to a level below that which the Bank or the parent or holding company of the Bank could have achieved but for such circumstances (taking into consideration the Bank's or such parent's or holding companies' policies with respect to capital adequacy or liquidity) then, the Metropolitan Government shall pay to the Bank at such time and in such amount as is set forth in paragraph (c) of this Section, such additional amount or amounts as will compensate the Bank or the parent or holding company of the Bank for such cost of maintaining

such increased capital or liquidity or such reduction in the rate of return on the Bank's or such parent's or holding companies' capital or liquidity.

(c) All payments of amounts referred to in paragraphs (a) and (b) of this Section shall be due thirty (30) days following the Metropolitan Government's receipt of written notice thereof. Interest on the sums due as described in paragraphs (a) and (b) of this Section, and in the preceding sentence, shall begin to accrue from the date which is thirty (30) days following the Metropolitan Government's receipt of notice thereof and shall otherwise be payable in accordance with Section 2.04 hereof; *provided* that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraph (a) or (b) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Metropolitan Government and shall be deemed conclusive absent manifest error. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

Notwithstanding the foregoing, for purposes of this Section 3.02, (i) all requests, rules, guidelines or directives in connection with the Dodd Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

Section 3.03. Survival. All of the Metropolitan Government's obligations under this Article III shall survive termination of the Letter of Credit, repayment of all other Obligations hereunder, and termination of this Agreement.

ARTICLE IV

CONDITIONS

Section 4.01. Conditions to Issuance of the Letter of Credit. The Bank's obligation to issue the Letter of Credit in accordance with Section 2.01 hereof and enter into this Agreement shall become effective on the Effective Date subject to the satisfaction of conditions in this Section 4.01.

(a) The Bank shall have received on or before the Effective Date (except with respect to paragraph (ii) of this Section 4.01(a), which such evidence shall be provided by the close of business on the Effective Date), the following, each in form and substance satisfactory to it and its counsel and, unless otherwise indicated, dated the Effective Date:

(i) a certified copy of (A) the Water and Sewer Bond Resolution and the Initial Resolutions, each as supplemented, amended and in full force and effect on the Effective Date and (B) the Resolution authorizing the Metropolitan Government's commercial paper program, the terms and conditions of the Commercial Paper Notes and the Bank Note,

authorizing the issuance of the Commercial Paper Notes and the Bank Note and approving the Metropolitan Government's execution, delivery and performance of this Agreement and the Related Documents, which certificate shall state that the Water and Sewer Bond Resolution and Initial Resolutions have not been further amended, repealed or rescinded and the Resolution has not been amended, repealed or rescinded, and that the Water and Sewer Bond Resolution, the Initial Resolutions and the Resolution are in full force and effect on the Effective Date;

(ii) a fully executed copy of (A) this Agreement, (B) the Fee Letter and (C) the Bank Note;

(iii) executed copies of each of the Related Documents and a final form of the Offering Memorandum;

(v) a certificate of the Metropolitan Government, certifying that all conditions precedent set forth in the Resolution with respect to issuance of the Commercial Paper Notes and the Bank Note shall have been satisfied;

(vi) a certificate of the Metropolitan Government, which shall certify, among other things, (A) as to the matters described in paragraph (b) below and (B) that all conditions in this Section 4.01 have been satisfied;

(vii) (A) opinions of Bond Counsel (or reliance letters thereto), addressed to the Bank in form and substance satisfactory to the Bank and its counsel, including, without limitation, (x) that all necessary action on the part of the Metropolitan Government shall have been taken to assign and pledge the Revenues for the benefit of the Bank and the holders of interests in the Bank Note and such pledge is valid, binding and enforceable against the Metropolitan Government and (y) this Agreement, the Fee Letter and the other Related Documents are valid and binding agreements of the Metropolitan Government enforceable in accordance with their respective terms, subject to standard exceptions; and (B) opinion of Director of Law or Acting Director of Law for the Metropolitan Government addressed to the Bank or stating that the Bank is entitled to rely thereon and in form and substance satisfactory to the Bank;

(viii) certified copies of all approvals or authorizations by, or consents of, or notices to or registrations with, any Governmental Authority required for the Metropolitan Government to enter into this Agreement, the Fee Letter and the other Related Documents to which it is a party and of all such approvals, authorizations, consents, notices, or registrations required to be obtained or made prior to the Effective Date in connection with the transactions contemplated hereby and by the Related Documents;

(ix) a certificate of the Metropolitan Government, certifying the names and true signatures of the officers of the Metropolitan Government authorized to sign this Agreement, the Bank Note, the Fee Letter and the other Related Documents;

(x) the most recent financial statements of the System for the Fiscal Year ended June 30, 202[2] **and unaudited financial statements of the System for fiscal quarters ended [_____]** and such other financial information, budgets, projections, investment policies, guidelines for permitted investments and swap policies of the Metropolitan Government as the Bank may reasonably request;

(xi) such other documents, opinions, or certificates reasonably requested by the Bank;

(xii) payment to the Bank of the fees referred to in the Fee Letter and in Section 8.18 hereof;

(xiii) written confirmation that the Commercial Paper Notes have been rated at least "P1" by Moody's and "A-1" by S&P; and

(xiv) written evidence satisfactory to the Bank that (i) a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Bank Note and (ii) the Bank Note has been assigned a long-term unenhanced rating of at least Investment Grade from one of Moody's, Fitch or S&P. The Metropolitan Government will (at its expense) ensure that the CUSIP Number and the Bank Note rating is available on an electronic registry acceptable to the Bank.

(b) (i) The representations and warranties of the Metropolitan Government contained in Article V of this Agreement and in each other Related Document to which it is a party on or prior to the Effective Date shall be true and correct on and as of the Effective Date as though made on and as of such date; (ii) no Default or Event of Default shall have occurred and be continuing on the Effective Date or would result from the execution, delivery or performance of this Agreement or the Fee Letter; (iii) since June 30, 202[2], there has been no material adverse change in (A) the laws, rules, regulations or guidelines (or the interpretation or administration thereof) applicable to the System's ability to satisfy its obligations under this Agreement and the other Related Documents or (B) the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System; and (iv) the Metropolitan Government is in compliance with the covenants set forth in Article VI hereof.

(c) The effectiveness of this Agreement, the issuance of the Bank Note, the making of any Advance and the consummation of the other transactions contemplated by this Agreement and the Resolution shall not contravene any law, rule or regulation applicable to the Metropolitan Government or the Bank or any request, guideline or directive (or the interpretation or administration of any of the foregoing) of any Governmental Authority with jurisdiction over either the Metropolitan Government or the Bank.

(d) All proceedings in connection with this Agreement and the Fee Letter, and all documents incidental thereto, shall be satisfactory to the Bank and its counsel.

(e) The Issuing and Paying Agent and Dealer have been appointed, which appointment shall be satisfactory to the Bank. The Bank shall have received copies of the Dealer Agreement

and Issuing and Paying Agency Agreement, duly executed by the parties thereto, which agreements shall be in full force and effect.

Section 4.02. Conditions to Making Advances. Following any payment by the Bank under the Letter of Credit pursuant to a Drawing, an Advance shall be made available to the Metropolitan Government *only if* on the date of payment of such Drawing (i) the representations and warranties contained in Article V hereof and in each other Related Document shall be true and correct on and as of the date of such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date); (ii) no Default or Event of Default shall have occurred and be continuing on the date of such Drawing.

Unless the Metropolitan Government shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Article V of this Agreement are not true and correct on and as of the date the Bank honors such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date) or (ii) any event has occurred and is continuing, or would result from the Bank honoring such Drawing or making such Advance, which constitutes a Default or Event of Default, then the Metropolitan Government shall be deemed to have represented and warranted on the date the Bank honors such Drawing and/or makes such Advance that (i) the representations and warranties contained in Article V hereof and in each other Related Document shall be true and correct on and as of the date of such Drawing as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date), and (ii) no event has occurred and is continuing, or would result from the Bank honoring such Drawing and/or making such Advance, which constitutes a Default or Event of Default.

In addition, the Bank shall have no obligation to honor any Drawing under the Letter of Credit the proceeds of which shall be used to pay the principal of and interest on maturing Commercial Paper Notes that were issued by the Metropolitan Government after receipt by the Issuing and Paying Agent of a Stop Order or Final Drawing Notice.

Section 4.03. Conditions Precedent to Each Commercial Paper Note Issuance. No Commercial Paper Note shall be issued unless on the date of such issuance, each of the following conditions precedent shall have been fulfilled in a manner satisfactory to the Bank (or waived by the Bank in writing):

(a) *Representations and Warranties, No Event of Default*. The representations and warranties contained herein, in each other Related Document and each certificate or other writing delivered to the Bank pursuant hereto or thereto on or prior to the date of such issuance shall be 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) *Commercial Paper Notes*. All conditions precedent for the issuance of the Commercial Paper Notes hereunder and under the Resolution and the Issuing and Paying Agency Agreement shall have been satisfied.

(c) *Resolution*. The Resolution shall be in full force and effect.

(d) *Governmental Approvals*. No registration, notice, qualification or other filing is required to be made with any Governmental Authority in connection with the issuance of the Commercial Paper Notes or, if required to be made, has been or will be made prior to the date of such issuance.

(e) *Certain Notices*. The Bank shall not have given a Stop Order or Final Drawing Notice.

(f) *Stated Amount.* After the issuance of the Commercial Paper Notes, the aggregate principal amount of all Reimbursement Obligations and 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.

(g) *Maturity*. The maturity date of any such Commercial Paper Notes will not occur later that the Business Day immediately preceding the Stated Expiration Date.

Unless the Metropolitan Government shall have previously advised the Bank in writing that one or more conditions set forth in subsections (a), (b), (c), (d), (f) and (g) of this Section 4.03 have not been satisfied, the Metropolitan Government shall be deemed to have represented and warranted that on the date of such issuance or authentication of any Commercial Paper Note the above conditions have been satisfied. The Bank may deliver a notice to the Issuing and Paying Agent in the form of Exhibit C hereto and to the Metropolitan Government, directing the Metropolitan Government not to issue and the Issuing and Paying Agent not to authenticate any Commercial Paper Note (a "*Stop Order"*), at any time that the Bank shall have determined that any condition to the issuance of any Commercial Paper Note has not been satisfied. The Bank may deliver the Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. The Stop Order and Final Drawing Notice may be delivered by telecopy, by mail or by messenger, and may also be given by telephone if promptly confirmed in writing, *provided* that the failure to confirm such Stop Order and/or Final Drawing Notice promptly in writing shall not render any telephonic notice ineffective or invalid in any respect. Upon receipt of such Stop Order and/or Final Drawing Notice, the Metropolitan Government shall not issue and the Issuing and Paying Agent shall not authenticate any Commercial Paper Note, in each case, unless and until, in the case of a Stop Order, such Stop Order is rescinded by the Bank. A Stop Order or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however,* that a Stop Order or the Final Drawing Notice received by the Issuing and Paying Agent after 12:00 noon New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. The Metropolitan Government shall use its best efforts to cause the Issuing and Paying Agent to comply immediately with any such Stop Order and/or Final Drawing Notice. The Bank shall not incur any liability as

a result of the Bank's giving any Stop Order that, in its good faith judgment, the Bank determines to be in accordance with this Section 4.03. The Bank agrees that if, after the delivery of a Stop Order, the Bank determines that the conditions to the issuance of any Commercial Paper Note have been satisfied and the Bank has received a notice from the Metropolitan Government to such effect, then the Bank shall promptly deliver a notice (a copy of which shall be delivered by the Bank to the Metropolitan Government and each Dealer) to the Issuing and Paying Agent, rescinding such Stop Order. The Bank will furnish a copy of any Stop Order or the Final Drawing Notice to the Metropolitan Government and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Stop Order or the Final Drawing Notice.

Section 4.04. Conditions to Term Loan. The obligation of the Bank to convert any Advance to a Term Loan on any Conversion Date pursuant to Section 2.03(a)(iii) hereof is subject to satisfaction of the following conditions: (i) the representations and warranties contained in Article V hereof and in each other Related Document shall be true and correct on and as of the Conversion Date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date); (ii) no Default or Event of Default shall have occurred and be continuing on the Conversion Date; and (iii) the Bank shall have received a certificate, signed by the Metropolitan Government and dated the applicable Conversion Date, confirming that all of the foregoing conditions have been satisfied.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties. The Metropolitan Government represents and warrants to the Bank as follows:

(a) *Legal Existence.* The Metropolitan Government is a Tennessee local governmental entity, duly organized and validly existing under the laws of the State of Tennessee, and has the full legal right, power, and authority to (i) execute and deliver this Agreement and the other Related Documents to which it is a party, (ii) perform all its obligations and liabilities under this Agreement and the other Related Documents to which it is a party, and (iii) receive the proceeds of any Drawing under the Letter of Credit, and otherwise incur Debt in accordance with this Agreement, the Resolution and the Water and Sewer Bond Resolution and (subject to the terms of the Water and Sewer Bond Resolution) and collect and apply the Revenues for the purposes described herein, including, without limitation, to pay the principal of and interest on the Commercial Paper Notes and all of the Metropolitan Government's Obligations hereunder and under the Fee Letter (including, without limitation, the obligation to repay all Advances and amounts owing under the Bank Note, to pay all interest thereon, and to pay all fees and other amounts payable hereunder).

(b) *Authorization; Compliance with Law and Contracts.* The issuance of the Commercial Paper Notes and the Bank Note, the making of Advances hereunder, honoring of Drawings under the Letter of Credit and the execution, delivery and performance by the

Metropolitan Government of this Agreement and the other Related Documents to which it is a party in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of the Metropolitan Government, and do not and will not (i) conflict with, violate, or contravene, in any material respect, any provision of existing law or regulation (including, without limitation, ERISA (if and to the extent applicable), the Metropolitan Government's investment policy and the Enabling Act) or any order or decree of any Governmental Authority or (ii) conflict with, or violate, in any material respect, or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the Metropolitan Government is a party or that is binding upon it or any of its properties; and no consent of any Person and no license, approval, or authorization of, or notice to or registration, filing, or declaration with, any Governmental Authority is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement or any of the Related Documents or for the Metropolitan Government to beneficially receive the proceeds of a Drawing under the Letter of Credit or otherwise incur indebtedness in accordance with this Agreement or, if required, the same has been obtained and is in full force and effect and true and complete copies thereof have been delivered to the Bank.

(c) *Validity*. Each of this Agreement and the Related Documents (other than the Letter of Credit) constitutes a legal, valid, and binding agreement or obligation, as the case may be, of the Metropolitan Government, enforceable in accordance with its respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability. The Letter of Credit, this Agreement, the Bank Note and the Fee Letter, collectively, constitute a "Facility," as such term is defined in the Resolution**.**

(d) *Litigation*. There is no action or investigation pending or, to the best knowledge of the Metropolitan Government, threatened against the Metropolitan Government or the System before any court or administrative agency which questions the existence or powers of the Metropolitan Government, in any material respect, or which, if adversely determined, could reasonably be expected to result in any material adverse change in the financial condition, operations or prospects of the System, or which questions the validity of any proceeding held or action taken by the Metropolitan Government in connection with the execution and delivery of this Agreement or any of the other Related Documents, or wherein an unfavorable decision, ruling or finding would in any way materially adversely affect the transactions contemplated by this Agreement or any of the other Related Documents or which in any way would adversely affect the validity or enforceability of the Agreement or any of the other Related Documents (or of any other instrument required or anticipated for use in consummating the transactions contemplated hereby).

(e) *No Defaults.* Neither the Metropolitan Government nor the System is in default under (i) any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to it, or (ii) any law or regulation applicable to

it, or (iii) any of its Debt, or (iv) any contract, agreement or instrument to which it is a party or by which it or its property is bound, in each case, which default could have a material adverse effect on the properties, business, revenues, condition (financial or other), results of operations or prospects of the System or an adverse effect on the validity or enforceability of, or the authority or ability of the Metropolitan Government to perform its obligations under, this Agreement and the other Related Documents; and no event has occurred which with the giving of notice or the passage of time or both, would constitute such a default. No Default or Event of Default has occurred or is continuing hereunder.

(f) *Related Documents.* The representations and warranties of the Metropolitan Government contained in the other Related Documents to which the Metropolitan Government is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Metropolitan Government in such Sections are hereby made for the benefit of the Bank. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein unless amended in accordance with the terms of this Agreement.

(g) *Regulation U.* The Metropolitan Government is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and will not use the proceeds of any Commercial Paper Notes, any Drawing under the Letter of Credit or any Advance so as to violate Regulation U as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

(h) *Information.* No representation, warranty or other statement made by the Metropolitan Government in or pursuant to this Agreement or any other Related Document, in the Offering Memorandum or in any document or financial statement provided by the Metropolitan Government to the Bank in connection with this Agreement or any other Related Document contains any untrue statement of a material fact or omits (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they are made. There is no fact known to the Metropolitan Government which the Metropolitan Government has not disclosed to the Bank (in writing) and which adversely affects or, so far as the Metropolitan Government can now reasonably foresee, is likely to adversely affect, the validity or enforceability of, or the authority or ability of the Metropolitan Government to perform its obligations under, this Agreement and the other Related Documents to which it is a party, or which materially adversely affects, or so far as the Metropolitan Government can now reasonably foresee, is likely to materially adversely affect, the properties, business, revenues, condition (financial or otherwise), results of operations or prospects of the System. The Metropolitan Government has delivered to the Bank that certain Official

Statement dated _____, 2022, relating to the Metropolitan Government's Water and Sewer Revenue Bonds, Series [_____] (the *"2022 Official Statement"*).

(i) *Revenues.* The Resolution creates, for the benefit of the Commercial Paper Notes and the Bank Note, a legally valid and binding Lien on and irrevocable pledge of the Revenues. As of the Effective Date, there are no Liens on all or any portion of the Revenues other than the Liens on Revenues securing the Commercial Paper Notes, Bank Note, Senior Lien Water and Sewer Bonds and Commercial Paper Indebtedness. As of the Effective Date, the Lien on Revenues securing the Commercial Paper Notes and the Bank Note are subordinate only to the Lien on Revenues securing the Senior Lien Water and Sewer Bonds and is not subordinate to any other payment obligation of the Metropolitan Government secured by a Lien on all or any portion of the Revenues or any other claim as set forth in the Resolution. The Lien on Revenues securing the Commercial Paper Notes and the Bank Note is on parity with the Lien securing any Commercial Paper Indebtedness (and any related bank notes). No filing, registering, recording of this Agreement or the Resolution or any other instrument is required to establish the pledge or to maintain the Lien created thereby on the Revenues. The Bank Note constitutes Subordinated Indebtedness (as defined in the Water and Sewer Bond Resolution). Pursuant to the Resolution, all other Obligations owed to the Bank (other than the payment of principal and interest on the Bank Note) are 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 Enabling Act, secured by a pledge of Revenues of the System on parity with the Commercial Paper Notes and the Bank Note.

(j) *Legislation.* No legislation has been enacted which in any way materially adversely affects or which prohibits (i) the issuance or delivery of the Commercial Paper Notes or the Bank Note, a Drawing under the Letter of Credit or the making of any Advance hereunder, (ii) the adoption of the Resolution, (iii) the execution and delivery of this Agreement or any of the other Related Documents to which the Metropolitan Government is a party, (iv) the creation, organization or existence of the Metropolitan Government or the System or the titles to office of any officers thereof, (v) the power of the Metropolitan Government to perform its obligations under the Enabling Act, or under this Agreement or any of the other Related Documents to which the Metropolitan Government is a party, or (vi) the Lien on Revenues securing the Commercial Paper Notes and the Bank Note.

(k) *Accuracy of Financial Reports.* The most recent financial statements of the System for the Fiscal Year ended June 30, 202[2], copies of which have been furnished to the Bank, fairly present the financial position and results of operations of the System, as of the dates and for the periods set forth therein. Since June 30, 202[2], there has been no material adverse change in the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System.

(l) *No Tax or Fee.* None of the execution or delivery of this Agreement or the other Related Documents, the issuance of the Bank Note, the honoring of any Drawing under the Letter of Credit or the making any Advance as contemplated hereunder will give

rise to any tax or fee imposed by any local or state agency or governmental body, except for those which have been paid.

(m) *Issuance of Commercial Paper Notes.* Each issuance of Commercial Paper Notes and Drawing under the Letter of Credit shall be deemed a representation by the Metropolitan Government that (i) the Metropolitan Government has complied in all material respects with all of the terms and provisions of this Agreement, (ii) on such date, and after giving effect to the issuance of the Commercial Paper Notes, no Default or Event of Default has occurred or is continuing, (iii) the representations and warranties of the Metropolitan Government contained in this Agreement and the other Related Documents to which it is a party are true and correct on and as of the date of issuance of the Commercial Paper Notes or the date of such Drawing, as applicable, in question as though made on and as of such date, and (iv) after the issuance of such Commercial Paper Notes, the principal amount of all Commercial Paper Notes that will be outstanding immediately after such issuance (and after giving effect to the application of proceeds of such issuance and the Reimbursement Obligations) and the interest thereon will not exceed the Stated Amount.

(n) *Tax-Exempt Status.* The Metropolitan Government has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Commercial Paper Notes from gross income for Federal income tax purposes.

(o) *Environmental Matters.* Except as otherwise disclosed in the Offering Memorandum or in the 202[2] Official Statement, the Metropolitan Government has not received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable Environmental Laws or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the assets, financial condition, or operations of the Metropolitan Government or the System or its ability to perform its obligations hereunder and under the other Related Documents or have become subject to any Environmental Liability.

(p) *Commercial Paper Notes*. Each Commercial Paper Note and the Bank Note has been and will be duly and validly issued under the Resolution and entitled to the benefits thereof.

(q) *Usury*. The terms of this Agreement and the Related Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(r) *ERISA; Pension Obligations*. The Metropolitan Government does not maintain or contribute to, and has not maintained or contributed to, any employee benefit plan that is subject to Title IV of ERISA.

(s) *Governmental Consent or Approval.* The execution, delivery and performance of this Agreement and the other Related Documents to which the Metropolitan Government is a party, and the validity and enforceability of this Agreement and the other Related Documents to which the Metropolitan Government is a party, to the extent not obtained prior to the Effective Date, do not and will not require registration with, or the consent or approval of, or any other action by, any Governmental Authority or regulatory body; *provided, however*, that the Metropolitan Government has taken no action with respect to any filings or registration required by any state securities or "*blue sky*" laws and makes no representations with respect thereto.

(t) *Immunity from Jurisdiction.* The Metropolitan Government is not entitled to claim the defense of sovereign immunity, statutory immunity or governmental immunity in any action appropriately asserted by the Bank in a state or Federal court located in Davidson County, Tennessee and arising out of its contractual obligations as set forth in this Agreement and the other Related Documents to which it is a party.

(u) *Offering Memorandum.* The information contained in the Offering Memorandum is correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, *provided* that the Metropolitan Government makes no representation as to information in the Offering Memorandum relating to the Bank and provided by the Bank for inclusion therein or the Book-Entry Only System.

(v) *Investment Company Act*. The Metropolitan Government is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

(w) *Issuing and Paying Agent and Dealer.* As of the Effective Date, U.S. Bank Trust Company, National Association is the duly appointed and acting Issuing and Paying Agent and J.P. Morgan Securities LLC (or a successor meeting the requirements of Section 6.01(p) hereof) is the duly appointed and acting Dealer for the Commercial Paper Notes.

(x) *Bank Note Issuance.* The Bank Note has been validly issued as a "bond anticipation note" under the Enabling Act and the Metropolitan Government has complied with all statutory requirements of the Enabling Act and any other applicable Laws necessary to cause the Bank Note to constitute a "bond anticipation note."

(y) *Regarding the Resolution.* The Letter of Credit together with the Reimbursement Agreement and the Fee Letter constitute(s) a Facility as defined in the Resolution. The Letter of Credit is the Initial Facility as defined in the Resolution.

(z) *Anti-Terrorism Laws.*

(i) *General*. The Metropolitan is not in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids,

or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(ii) *Executive Order No. 13224*. Neither the Metropolitan Government nor any Affiliate of the Metropolitan Government, or to the Metropolitan Government's knowledge, any of its respective agents acting or benefiting in any capacity in connection with the Advances or other transactions hereunder, is any of the following (each a "*Blocked Person*"):

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;

(E) a Person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(F) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;

(G) a Person that is named as a 'specially designated national" on the most current list published by the U.S. Treasury Department Office

of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(H) a Person who is affiliated with a Person listed above.

ARTICLE VI

COVENANTS OF THE METROPOLITAN GOVERNMENT

Section 6.01. Affirmative Covenants. The Metropolitan Government covenants and agrees, from the date hereof and until the Final Maturity Date and the payment in full of all Obligations, unless the Bank shall otherwise consent in writing:

(a) *Performance of This and Other Agreements*. The Metropolitan Government shall punctually pay or cause to be paid all amounts payable under this Agreement, the Bank Note and the other Related Documents and observe and perform all of the conditions, covenants and requirements set forth in this Agreement, the Bank Note and the other Related Documents.

(b) *Further Assurances*. The Metropolitan Government shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Bank all such instruments and documents as in the reasonable judgment of the Bank are necessary or advisable to carry out the intent and purpose of this Agreement, the Bank Note and the other Related Documents. The Metropolitan Government shall take all necessary action to maintain and preserve the lien on and security interest in the Revenues securing the Commercial Paper Notes and the Bank Note

(c) *Books and Records; Inspection Rights*. The Metropolitan Government shall keep adequate records and books of account, in which complete entries will be made, reflecting all financial transactions of the System; and shall at any reasonable time and from time to time, permit the Bank or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the System and to discuss the affairs, finances and accounts of the System with any of the System's officers, trustees and independent auditors (and by this provision, the System authorizes said auditors to discuss with the Bank or its agents or representatives or any Participant hereto, the affairs, finances and accounts of the System).

(d) *Maintenance of Approvals; Filings, Etc.* The Metropolitan Government shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for its execution, delivery and performance of this Agreement and the other Related Documents.

(e) *Compliance with Laws, Etc.* The Metropolitan Government shall comply with all applicable Laws, rules, regulations and orders of any Governmental Authority,

except that this Section 6.01(e) shall not apply to noncompliance that, singly or in the aggregate, would not have a materially adverse effect on (i) the financial condition or operations of the System or (ii) the ability of the System to perform its obligations hereunder including, but not limited to the timely payments of the Commercial Paper Notes, the Advances, the Bank Note or other Obligations.

(f) *Revenues.* The Metropolitan Government shall at all times keep the Revenues and every part thereof free and clear of all pledges and security interests except the pledges granted in or permitted by the Resolution, the Water and Sewer Bond Resolution or permitted under (A) the Related Documents, and (B) other documents authorizing Bonds (as defined in the Resolution) so long as either (i) such Bonds are issued in compliance with Section 6.02(e) hereof, or (ii) the proceeds of such Bonds are immediately applied to repay all Outstanding Commercial Paper Notes, the Reimbursement Obligations and the Bank Note, and shall maintain the pledge of, lien on and security interest in the Revenues securing the Commercial Paper Notes and the Bank Note as a pledge of all right, title and interest of the Metropolitan Government in the Revenues and all rights of the Metropolitan Government to receive any amount of the Revenues, subject only to the rights of the owners of the Commercial Paper Notes, the Senior Lien Water and Sewer Bonds, and the rights of holders of any Commercial Paper Indebtedness.

(g) *Accuracy of Information.* All data, certificates, reports, opinions of counsel, documents and other information furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement shall, at the time the same are so furnished, (i) be complete and correct in all material respects to the extent necessary to give the Bank true and accurate knowledge of the subject matter thereof, and (ii) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and the furnishing of the same to the Bank shall constitute a representation and warranty by the Metropolitan Government to that effect. Each financial statement furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement, shall, at the time the same is so furnished, fairly present the financial condition and results of operations of the System.

(h) *Additional Documents.* The Metropolitan Government shall furnish to the Bank from time to time at the Metropolitan Government's expense, all further instruments and documents, duly executed and delivered by the Metropolitan Government, and take all further action that may be reasonably necessary, or that the Bank may reasonably request, in order to (i) protect any security interest or other right or interest assigned, or purported to be assigned, to the Bank under or in connection with this Agreement, the Water and Sewer Bond Resolution, the Resolution or any other Related Document, or (ii) enable the Bank to exercise or enforce their rights or remedies under or in connection with this Agreement, the Water and Sewer Bond Resolution, the Resolution, or any other Related Document.

(i) *Financial and Other Reports.* The Metropolitan Government shall furnish the following reports to the Bank:

(i) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of the Metropolitan Government, the Bank shall have received (A) the audited financial statements of the System, consisting of a balance sheet and a statement of revenues, expenditures and changes in fund balances and a cash flow statement of the System setting forth in comparative form to the budget for such Fiscal Year and the corresponding figures (if any) for the preceding Fiscal Year, all in reasonable detail and prepared in accordance with generally accepted accounting principles for state and local governments consistently applied and (B) a report of the nationally recognized auditors of the Metropolitan Government with respect to the internal control over the financial reporting of the Metropolitan Government;

(ii) As soon as available and in any event within forty-five (45) days after the end of each fiscal quarter of each Fiscal Year, the Metropolitan Government shall provide to the Bank the unaudited financial statements of the System, consisting of a statement of revenues, expenditures, transfers and changes in fund balances and a cash flow statement of the System setting forth in comparative form to the then current fiscal year budget, all in reasonable detail and prepared in accordance with generally accepted accounting principles consistently applied;

(iii) A copy of the current investment policy of the Metropolitan Government applicable to the System as well as any amendment thereto;

(iv) From time to time such additional information regarding the financial position or business of the System as the Bank may reasonably request;

(v) Promptly following approval thereof and in any event within thirty (30) days after the end of the Fiscal Year, a copy of the annual budget of the System; and

(vi) Concurrently with the delivery of the financial statements referred to in paragraph (i) and (ii) of this Section, a duly completed certificate signed by a responsible officer of the Metropolitan Government stating that there exists on the date of such certificate no Default or Event of Default or if any Default or Event of Default then exists, setting forth the details thereof and the action which the Metropolitan Government is taking or proposes to take with respect thereto.

provided, however, that delivery of any such financial information set forth in clauses (i) and (ii) of this Section 6.01(i) shall be deemed satisfied upon the Bank's receipt of written notice that the same are available on EMMA.

(j) *Notices.* The Metropolitan Government will promptly (and in any event within ten (10) Business Days) notify the Bank of (i) the occurrence of any Default or Event of Default known to the Metropolitan Government or which, with the exercise of reasonable diligence by the Metropolitan Government, should have become known to the Metropolitan Government, specifying the details of such Default or Event of Default and the action that the Metropolitan Government proposes to take with respect thereto; (ii) to the knowledge of the Metropolitan Government, the failure by the Issuing and Paying Agent or by the Dealer to perform in any material respect any of their respective obligations under the Issuing and Paying Agency Agreement or the Dealer Agreement; (iii) the (x) existence and status of any litigation or environmental proceeding which individually or in the aggregate could, in the event of any unfavorable outcome, have a material adverse effect on or (y) passage of any state or local ordinance, law or rule not of general applicability to all Persons, either of which could reasonably be expected to have a material adverse effect on (A) the financial condition or operations of the System, (B) the Commercial Paper Notes or (C) the enforceability or validity of any of this Agreement or the other Related Documents; (iv) any change in any material fact or circumstance represented or warranted in this Agreement or in any of the other Related Documents; (v) any communications, reports or financial statements delivered or received by it from any taxing authority, securities commission or department or Rating Agency or the Dealer or the Issuing and Paying Agent with respect to the transactions contemplated hereby (together with a copy of such communication, report, or statement); and (vi) notice of any proposed substitution of this Agreement; *provided, however,* that delivery of any such information set forth in this Section 6.01(j) shall be deemed satisfied upon the Bank's receipt of written notice that the same are available on EMMA.

(k) *Other Obligations.* The Metropolitan Government will comply with and observe all other obligations and requirements set forth in the Resolution, the Water and Sewer Bond Resolution and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank), in all statutes and regulations binding upon it relating to the Commercial Paper Notes, this Agreement or any of the other Related Documents, and in the Metropolitan Government's investment policy as approved by the Metropolitan Government and as amended from time to time.

(l) *Documents Related to Other Securities.* Prior to the issuance thereof, the Metropolitan Government shall notify the Bank of the sale or placement of any securities of which the Metropolitan Government is the issuer, or which are issued for its direct benefit, and which are payable from or secured by all or any portion of the Revenues, and as soon as practicable but in any event within five (5) days after the issuance thereof, furnish to the Bank copies of any prospectus, official statement, offering circular or placement memorandum, and any supplements thereto, that the Metropolitan Government makes available in connection with the offering for sale of any securities of which it is the issuer, or which are issued for its direct benefit, and which are payable from or secured by all or any portion of the Revenues; *provided, however,* that delivery of any such information set forth in this Section 6.01(l) shall be deemed satisfied upon the Bank's receipt of written notice that the same are available on EMMA.

(m) *Obligations under Related Documents.* The Metropolitan Government shall take all actions as may be reasonably requested by the Bank to enforce the material obligations under the Related Documents of each of the other parties thereto.

(n) *Incorporation of Covenants by Reference.* The Metropolitan Government agrees that it will perform and comply in all material respects with each and every obligation, covenant and agreement required to be performed or observed by it in or pursuant to the Related Documents, which provisions, as well as the related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent any such incorporated provision permits the owners of one or more Commercial Paper Notes or any other Person or Persons to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the owners of one or more Commercial Paper Notes or any other Person or Persons, for purposes of this Agreement, such provision shall be complied with only if it is waived by the Bank and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. Except as provided in Section 6.02(a) hereof, no amendment to such obligations, covenants and agreements or defined terms made pursuant to any of the Related Documents shall be effective to amend such obligations, covenants and agreements and defined terms as incorporated by reference herein without the prior written consent of the Bank; *provided*, that any modification, amendment or waiver of any provision or term of this Agreement or the Bank Note shall be made pursuant to Section 8.01 hereof and any modification, amendment or waiver of any provision or term of the Fee Letter shall be made pursuant to the terms thereof. The Metropolitan Government shall give prior written notice to the Bank or any action referred to in this Section.

(o) *Sale of Commercial Paper Notes to Repay Bank Note*. The Metropolitan Government will issue and sell Commercial Paper Notes as promptly as practicable after the Bank makes any unreimbursed Drawing and use the proceeds of such sale solely for the repayment of such unreimbursed Drawing (and such proceeds of sale shall be deemed to be proceeds of Commercial Paper Notes for all the purposes of the Resolution, this Agreement and the Bank Note).

(p) *Commercial Paper Dealer.* The Metropolitan Government will appoint, or cause to be appointed, at all times, a Dealer which is acceptable to the Bank. The Metropolitan Government agrees to cause the Dealer to use its best efforts to sell Commercial Paper Notes up to the maximum rate applicable to Commercial Paper Notes in order to repay maturing Commercial Paper Notes. If the Dealer fails to perform its material duties and obligations under the Dealer Agreement (including, without limitation, an inability or failure to sell Commercial Paper Notes to pay maturing Commercial Paper Notes), then the Metropolitan Government agrees, at the written request of the Bank, to cause the Dealer to be replaced with a Dealer satisfactory to the Bank. The Metropolitan Government agrees to obtain the written consent of the Bank prior to the appointment of a successor Dealer, which consent shall not be unreasonably withheld. If any Advance remains outstanding for a period of thirty (30) consecutive calendar days, at the written

direction of the Bank, the Metropolitan Government shall cause the related Dealer (that has been unable to sell Rollover Commercial Paper Notes) to be replaced with a Dealer reasonably satisfactory to the Bank. The Metropolitan Government shall at all times cause each Dealer Agreement entered into after the date hereof, to contain satisfactory third-party beneficiary provisions in favor of the Bank. Each Dealer Agreement shall provide that the related Dealer may not resign until the earlier of (i) the appointment of a Dealer which is acceptable to the Bank and such Dealer's acceptance of such appointment and (ii) the date which is at least sixty (60) days following the receipt by the Metropolitan Government, the Issuing and Paying Agent and the Bank of prior written notice of such resignation.

(q) *Replacement of Certain Entities.* The Metropolitan Government shall obtain the prior written consent of the Bank prior to the replacement of the Issuing and Paying Agent or the Dealer.

(r) *Alternate Facility*. (i) In the event that (A) the long-term unenhanced rating by Moody's, Fitch or S&P on any Senior Lien Water and Sewer Bonds is reduced below "A3" (or its equivalent), "A-" (or its equivalent) or "A-" (or its equivalent), respectively, (B) a Stop Order has been delivered and has not been rescinded within 5 days of its delivery or (C) the Bank shall decide not to extend the Stated Expiration Date, the Metropolitan Government shall use its best efforts to obtain a substitute credit or liquidity facility to replace this Agreement or shall take such other action as will result in the payment of all amounts owed to the Bank upon termination of this Agreement.

(ii) The Metropolitan Government agrees that any alternate facility will require, as a condition to the effectiveness of the substitute credit or liquidity facility, that the provider of the substitute credit or liquidity facility will provide funds, on the Substitution Date, for the payment of all principal and accrued interest (at the applicable rate pursuant to Article II hereof) on all Advances then outstanding. On such Substitution Date, any and all amounts due hereunder and under the Fee Letter, the Bank Note, the Resolution, the Water and Sewer Bond Resolution and the Commercial Paper Notes due to the Bank shall be payable in full to the Bank.

(s) *Waiver of Immunity.* To the extent permitted by law (as to which no representation is made by the Metropolitan Government), the Metropolitan Government hereby agrees not to assert the defense of any right of immunity (sovereign or otherwise) in any action or proceeding to enforce or collect upon the contractual obligations of the Metropolitan Government under this Agreement or any other Related Document.

(t) *Maintenance of Ratings on Commercial Paper Notes and Bank Note.* The Metropolitan Government shall at all times (i) maintain, or cause to be maintained, two short-term credit ratings on the Commercial Paper Notes by any of Fitch, Moody's or S&P, (ii) maintain, or cause to be maintained, long-term credit ratings on unenhanced Senior Lien Water and Sewer Bonds from any two of Moody's, Fitch or S&P, (iii) maintain, or cause to be maintained, a long-term credit rating by any one of Moody's, Fitch or S&P applicable to the Bank Note and (iv) ensure (at its expense) that the CUSIP Number and

the Bank Note rating (described in sub-clause (iii) of this Section 6.01(t)) are available on an electronic registry acceptable to the Bank).

(u) *Reserved Capacity*. At all times, the Metropolitan Government shall have the capacity to issue bonds or other indebtedness to enable it to repay an amount at least equal to the sum of (i) the aggregate principal amount of the Commercial Paper Notes authorized under the Resolution and any other Commercial Paper Indebtedness, plus (ii) the Obligations hereunder and under the Fee Letter, plus (iii) any other obligations (other than with respect to principal and interest on Commercial Paper Notes) owing to any credit enhancer or liquidity provider on the other Debt payable from all or any portion of the Revenues or secured by all or any portion of the Revenues.

(v) *Budget*. The Metropolitan Government shall include in each annual budget of the Metropolitan Government all amounts reasonably anticipated to be necessary to pay all principal of and interest on the Commercial Paper Notes and all amounts necessary to pay all Obligations due to the Bank hereunder and under the Fee Letter (including, without limitation, the Bank Note). If the amounts so budgeted are not adequate for the payment of the Obligations due hereunder and under the Fee Letter and in connection with the Bank Note, the Metropolitan Government will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be paid to the Bank during the course of the Fiscal Year to which such annual budget applies.

(w) *Commercial Paper Notes.* If the long-term unenhanced rating by Moody's, Fitch or S&P on any Debt payable from all or any portion of the Revenues or secured by all or any portion of the Revenues is reduced below "A3" (or its equivalent), "A-" (or its equivalent) or "A-" (or its equivalent), respectively, then at any time the Metropolitan Government issues or causes to be issued Commercial Paper Notes (other than Rollover Commercial Paper Notes) that are supported by this Agreement, it shall also issue or cause to be issued an corresponding equal principal amount of Commercial Paper Indebtedness that is to be supported by a related Bank Facility (to the extent of any available capacity thereunder); *provided, however*, that if at any time the short-term ratings assigned to any unenhanced short-term obligations of such Bank Facility provider, as determined by any two of S&P, Fitch and Moody's, shall be below "A-1" (or its equivalent), "F-1" (or its equivalent) and "P-1" (or its equivalent), respectively, the Metropolitan Government shall not be required to comply with this clause (w).

(x) *Additional Debt.* If (i) (A) the long-term unenhanced rating by Moody's, Fitch or S&P on any Debt payable from all or any portion of the Revenues or secured by all or any portion of the Revenues is reduced below "A3" (or its equivalent), "A-" (or its equivalent) or "A-" (or its equivalent), respectively, or (B) an Event of Default has occurred and is continuing and (ii) the Metropolitan Government issues any long-term Debt payable from all or any portion of the Revenues or secured by all or any portion of the Revenues (each a *"Debt Issuance"*), the Metropolitan Government shall (x) use the proceeds of each such Debt Issuance to pay, on a *pro rata* basis, the principal amount of all Commercial Paper Indebtedness outstanding, and (y) reduce, to the extent such *pro rata* payments are

made on such Commercial Paper Indebtedness and the Commercial Paper Notes, *pro tanto* the Stated Amount of the Letter of Credit and the commitments under each agreement or other banking arrangement entered into by the Metropolitan Government in support of such other Commercial Paper Indebtedness (in each case, without regard to any temporary reductions thereof and in proportion to the maximum amount available to be drawn or issued hereunder and thereunder, without regard to any temporary reductions thereof). Notwithstanding the foregoing, so long as (i) the long-term unenhanced rating by Moody's, Fitch or S&P on any Debt payable from all or any portion of the Revenues or secured by all or any portion of the Revenues is equal to or above "A3" (or its equivalent), "A-" (or its equivalent) or "A-" (or its equivalent), respectively, and (ii) no Event of Default has occurred and is continuing, the Metropolitan Government may issue Debt payable from Revenues or secured by the Revenues from time to time without regard to the provisions of this Section 6.01(x).

(y) *Maintenance of System.* The Metropolitan Government shall, in all material respects, maintain, preserve and keep the System in good repair, working order and condition (ordinary wear and tear excepted), except to the extent that the failure to do so could not reasonably be expected to result in a material adverse change in the business, properties, condition (financial or otherwise), or operations, present or prospective, of the System. The Metropolitan Government shall operate and maintain the System in an efficient and economical manner and in accordance with applicable law and the Related Documents.

(z) *Maintenance of Commercial Paper Notes and Bank Note.* The Metropolitan Government shall cause the Commercial Paper Notes and the Bank Note to be extended or renewed for not more than two additional periods not exceeding two years each with the approval of the Director of State and Local Finance, in each such instance, in accordance with Section 9-21-505 of the Enabling Act.

(aa) *Rates, Fees and Charges.* (i) The Metropolitan Government shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to produce Net Revenues in each Fiscal Year which, when added to the amount of Net Revenues collected in prior Fiscal Years that are on the balance sheet of the System, and are legally and contractually available within such Fiscal Year to timely provide for each of the payments set forth below, shall equal at least 100% of the sum of:

(A) the Debt Service Requirement on the Outstanding Senior Lien Water and Sewer Bonds and Subordinated Indebtedness in such Fiscal Year;

(B) the amounts required to be paid during such Fiscal Year into the Debt Service Reserve Fund and the Operating Reserve Fund established by the Water and Sewer Bond Resolution and to the Debt Service Reserve Fund pursuant to the Resolution, and

(C) the amount of all other charges and liens whatsoever payable out of Revenues during such Fiscal Year, including payments in lieu of taxes and any payments required during such Fiscal Year under Contracts to the extent not otherwise provided for in this Section 6.01(aa)(i).

(ii) For purposes of this Section 6.01(aa), the Metropolitan Government may, when calculating the Debt Service Requirement on Subordinated Indebtedness, make the adjustments and assumptions set forth in subsection (b) of the definition of "Debt Service Requirement," as if such provisions were applicable to Subordinated Indebtedness; *provided, however,* that there shall be disregarded any scheduled principal amount of Subordinated Indebtedness which are notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds, the payment of which is to be paid from the proceeds of such Bonds (but excluding from this proviso, for the avoidance of doubt, principal relating to any Advance and principal relating to any other term loan or similar amortization of credit extended under any Bank Facility).

(iii) All terms used in this Section 6.01(aa) and not otherwise defined herein have the meanings ascribed to such terms in the Water and Sewer Bond Resolution as the Water and Sewer Bond Resolution is in effect on the Effective Date, and without regard to any amendment, supplement, waiver, or modification thereto entered into after the Effective Date, unless otherwise consented in writing by the Bank.

(bb) *Notice of Proposed Termination*. The Metropolitan Government shall provide each Rating Agency, the Dealer, the Issuing and Paying Agent and the Bank with ten (10) Business Days prior written notice of any proposed termination of the Commercial Paper Program (as defined in the Resolution).

(cc) *Access to Commercial Paper Reporting System*. The Metropolitan Government shall cause the Issuing and Paying Agent to provide the Bank daily reporting on commercial paper trades with respect to the Commercial Paper Notes to fulfill the Bank's regulatory reporting needs with respect to the Commercial Paper Notes.

Section 6.02. Negative Covenants. The Metropolitan Government covenants and agrees, from the date hereof and until the Termination Date and the payment in full of all Obligations, unless the Bank shall otherwise consent in writing:

(a) *Amendments to Related Documents.* Except to cure an ambiguity or inconsistency, to cure any defective provisions contained in a Related Document for the purpose of more clearly expressing the intent of such Related Document or to enter into an amendment which would not have an adverse effect on the rights, interests, security, remedies or obligations of the Bank or the holders of the Commercial Paper Notes or the holder of any interest in the Bank Note, the Metropolitan Government shall not enter into or consent to any amendments of or supplements to any Related Document or any waiver of the requirements thereof without the prior written consent of the Bank; *provided,* that any modification, amendment or waiver of any provision or term of this Agreement or the Bank Note shall be made pursuant to Section 8.01 hereof and any modification, amendment

or waiver of any provision or term of the Fee Letter shall be made pursuant to the terms thereof. In connection with any such amendment, modification or waiver, the Metropolitan Government agrees to deliver to the Bank copies of all such amendments, modifications or waivers at least thirty (30) calendar days prior to the effective date thereof. The Bank shall, within fifteen (15) calendar days after receiving such copies, inform the Metropolitan Government in writing if, in the Bank's reasonable discretion, such amendment, modification or waiver requires the prior written consent of the Bank in accordance with this Section 6.02(a).

(b) *Voluntary Liens.* The Metropolitan Government shall not create or assume any Lien on all or any portion of the Revenues, except the Liens created for the benefit of the owners of the Commercial Paper Notes and the holders of interests in the Bank Note and pursuant to the terms of the Water and Sewer Bond Resolution and the Resolution. Notwithstanding the foregoing, the Metropolitan Government may (i) issue long term bonds secured by a Lien on Revenues for the purpose of retiring the Commercial Paper Notes or the Bank Note, (ii) issue Commercial Paper Indebtedness and create Liens in connection therewith and (iii) grant Liens to secure indebtedness issued after the Effective Date that is permitted to be issued under Section 6.02(e) hereof.

(c) *Total Outstanding.* At no time shall the Metropolitan Government permit the aggregate amount of the principal of and interest on Commercial Paper Notes Outstanding to exceed the Stated Amount.

(d) *Exempt Status.* The Metropolitan Government shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Commercial Paper Notes from the gross income of the owners thereof for purposes of federal income taxation.

(e) *Additional Bonds/Notes Test.* (i) The Metropolitan Government shall not issue any additional Debt that is secured by a Lien on all or any portion of the Revenues that ranks senior to the Commercial Paper Notes and the Bank Note until there shall first be delivered to the Bank a certificate (an "*Additional Debt Certificate*") prepared by the Metropolitan Government showing in reasonable detail that the Revenues collected for any 12 consecutive months out of the 24 calendar months immediately preceding the issuance of the proposed Debt that is secured by a Lien on all or any portion of the Revenues that ranks senior to the Commercial Paper Notes and the Bank Note was at least equal to (i) the Operation and Maintenance Expenses for such 12 month period, plus (ii) 110% of the maximum annual debt service for all Debt of the Metropolitan Government secured by or payable from all or any portion of the Revenues which will be outstanding, in each case, immediately after the issuance of the proposed Debt (the "*Coverage Level*").

(ii) In addition to the requirements set forth in the Water and Sewer Bond Resolution, the Metropolitan Government shall not issue any additional Debt that is secured by a Lien on all or any portion of the Revenues that ranks on parity with the Commercial Paper Notes and the Bank Note until there shall first be delivered to the Bank an Additional Debt Certificate evidencing in reasonable detail a Coverage Level of at least

105%. The Metropolitan Government may issue Debt without regard to clauses (i) and (ii) so long as the proceeds of such Debt are immediately used to pay off all Outstanding Commercial Paper Notes, all Reimbursement Obligations and the Bank Note; *provided, however*, that the Metropolitan Government is not required to comply with this subsection (e) in order to issue Extendable Commercial Paper Notes but the Metropolitan Government shall issue the Extendable Commercial Paper Notes in accordance with the Water and Sewer Bond Resolution and the Extendable Commercial Paper Resolution.

For purposes of this subsection (e), (A) the Revenues collected during the relevant 12 month period may be calculated on a pro forma basis giving effect to any rate increase imposed by the Metropolitan Government with respect to the System that is in effect on the date of the related Additional Debt Certificate as if such rate increase was in effect during the relevant 12 month period; (B) the interest on any Debt issued as tax–credit bonds (e.g., Build America Bonds and Recovery Zone Economic Development Bonds) will be calculated by deducting scheduled federal subsidy payments with respect thereto and (C) the debt service on any Commercial Paper Notes and any other Commercial Paper Indebtedness will be calculated by (1) disqualifying the principal amount thereof, but only if the payment of principal of such Commercial Paper Notes and any other Commercial Paper Indebtedness is supported by an irrevocable Bank Facility of a Bank Facility provider that has short-term ratings assigned to its unenhanced short-term obligations, as determined by any two of S&P, Fitch and Moody's, of at least "A-1" (or its equivalent), "F-1" (or its equivalent) and "P-1" (or its equivalent), respectively, and (2) calculating interest on such Commercial Paper Notes and any other Commercial Paper Indebtedness at a rate equal to the sum of (w) the average daily yield on 30-day tax-exempt commercial paper rated A-1/P-1 during the preceding twelve-month period ending on the last day of July of such year (as calculated by a Dealer and set forth in a written notice to the Metropolitan Government and the Bank on or before August 31 of each year), plus (x) two percent (2%). Additionally, the Metropolitan Government may issue Debt without regard to the requirement of an Additional Debt Certificate so long as either (y) all or any portion of the proceeds of such Debt are immediately used to pay off all Outstanding Commercial Paper Notes, all Reimbursement Obligations and the Bank Note; or (z) the additional Debt is a refunding issue which results in debt service savings for the System, and the Metropolitan Government provides the Bank with written confirmation of such debt service savings.

(f) *Use of Proceeds.* The Metropolitan Government shall not use the proceeds of any credit extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System. The Metropolitan Government shall not use the proceeds of the Commercial Paper Notes, any Drawing or the Bank Note for any purpose other than as provided for in the Resolution or in contravention of applicable law.

(g) *Offering Memorandum and Other Documents*. Other than the information contained in the Offering Memorandum under the caption "**DESCRIPTION OF THE INITIAL BANK**" include, or permit to be included, any material or reference relating to the Bank in any offering memorandum or any other document or any tombstone, unless such material or reference is approved in writing by the Bank prior to its inclusion therein.

(h) *Other Documents*. The Metropolitan Government shall not enter into any agreement containing any provision which would be violated or breached by the performance by the Metropolitan Government of its obligations hereunder or under the other Related Documents. In the event that the Metropolitan Government shall enter into, or otherwise consent to any amendment, supplement or other modification of, any credit agreement, reimbursement agreement, standby bond purchase agreement, standby note purchase agreement, bond purchase agreement, continuing covenant agreement, supplemental bondholder agreement or other contract agreement or instrument (each of the foregoing being referred to herein as a "*Bank Agreement*") under which, directly or indirectly, any Person or Persons undertake to make or provide funds to make payment of, or to purchase or provide credit enhancement for any Debt of the Metropolitan Government secured by or payable from all or any portion of the Revenues and which includes (i) financial covenants not included in this Agreement, (ii) any other more favorable terms (including, without limitation, events of default and remedies, but subject to any applicable cure periods related thereto) granted to any such Person or Persons, (iii) covenants that are more restrictive as to the Metropolitan Government (excluding any additional or more restrictive (1) events of default under any agreement the remedy for which is an immediate termination or suspension of the obligations of the related liquidity provider and (2) conditions to funding thereunder) than those contained in this Agreement or (iv) a more favorable bank bond amortization period or more accelerated schedule of bank bond amortization payments or any other rights to otherwise accelerate, in each case, than those contained in this Agreement (the provisions in clauses (i), (ii) and (iii) being referred to herein as "*More Favorable Provisions*"), this Agreement shall be deemed to be amended to include such More Favorable Provision or Provisions so long as such More Favorable Provision or Provisions remain in effect under the other Bank Agreement.

(i) *Swap Termination Payments*. The Metropolitan Government shall not permit any Lien on all or any portion of the Revenues securing any termination payments with respect to any Swap Contract to be payable senior in terms of priority of payment to the payment of the principal of and interest on the Commercial Paper Notes and the Bank Note and the other Obligations hereunder and under the Fee Letter.

(j) *Accounting Methods and Fiscal Year*. The Metropolitan Government will not adopt, permit or consent to any change in accounting practices other than as required by generally accepted accounting principles and will not adopt, permit or consent to any change in its Fiscal Year without the prior written consent of the Bank.

(k) *Defeasance*. Notwithstanding anything in the Resolution to the contrary, without the prior written consent of the Bank, the Metropolitan Government shall not affect

a defeasance of the Commercial Paper Notes and shall not permit the Issuing and Paying Agent to process any request for defeasance.

(l) *Anti-Corruption Laws and Sanctions*. The Metropolitan Government shall not request, nor cause any other Person to request, any Drawing or Advance, and the Metropolitan Government shall not use, and shall not permit its elected officials, officers, employees and agents to use, the proceeds of any such Advance (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (ii) in any manner that would result in the violation of any Sanctions applicable to the Metropolitan Government.

(m) *No Intervening Liens*. The Metropolitan Government shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the Revenues that is senior to or on a parity with the Lien securing the Bank Note other than the Liens created for the benefit of the Senior Lien Water and Sewer Bonds that have heretofore or may hereafter be issued.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. The occurrence of any of the following events (including the expiration of any specified time) shall constitute an "Event of Default," unless waived by the Bank in writing:

(a) the Metropolitan Government shall fail to pay (i) any principal of or interest on any Reimbursement Obligations or 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 Bank pursuant to this Section 7.01); (ii) any Facility Fee or any other amount payable hereunder or under the Fee Letter and, in the case of such Facility Fee or other amount, such failure shall continue for a period of 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 this Agreement, any other Related Document or in any certificate, financial statement, or other document delivered pursuant to this Agreement or any Related Documents shall have been incorrect or untrue in any material respect when made or deemed to have been made;

(c) the Metropolitan Government shall fail to perform or observe any covenant, agreement or condition contained in Section 6.01(a), (b), (c), (f), (j), (o), (p), (q), (r), (s), (t), (u), (w), (x), (aa) or 6.02 hereof (excluding Section 6.02(j) hereof);

(d) the Metropolitan Government shall fail to perform or observe any other covenant, agreement, or condition contained in this Agreement, the Bank Note or any other Related Document (other than as addressed by any other Event of Default under this Section 7.01) and such failure, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier to occur of (i) the date on which the Metropolitan Government has actual knowledge thereof or (ii) written notice thereof shall have been given to the Metropolitan Government by the Bank; *provided, however,* such breach shall not constitute an Event of Default after such thirty (30) day period for such period of time as, in the judgment of the Bank, the Metropolitan Government is diligently pursuing a cure or correction of such failure and has provided the Bank with a written plan for curing or correcting such failure, but in no event shall such period extend more than ninety (90) days after the occurrence of such default;

(e) one or more final unappealable judgments or orders, issued or rendered by a Government Authority of competent jurisdiction, for the payment of money in excess of $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, 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 (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 (other than as referred to in Section 7.01(f)(i) hereof) 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) above; 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 this Agreement or any of the other Related Documents shall at any time for any reason cease to be valid and binding or enforceable against the Metropolitan Government or shall be declared to be null and void as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment, or (ii) the validity or enforceability of any material provision of this Agreement or any of the other Related Documents shall be contested or repudiated in writing by the Metropolitan Government or the Metropolitan Government shall deny that it has any or further liability or obligation under this Agreement, the Resolution, the Issuing and Paying Agency Agreement, the Commercial Paper Notes or 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 this 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 (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 this 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 Resolution, the Issuing and Paying Agency Agreement or any other Related Document (other than this 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.

Section 7.02. Rights and Remedies. Upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) declare the Bank Note, all accrued interest thereon, and all other amounts payable under this 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 hereby expressly waived by the Metropolitan Government. If any Event of Default specified in paragraph (g) above shall occur, without any notice to the Metropolitan Government or any other act by the Bank, the Bank Note, together with accrued interest thereon, and all other amounts payable under this Agreement, shall become forthwith due and payable, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Metropolitan Government;

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

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

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

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

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

Section 7.03. Suits at Law or in Equity and Mandamus. If any Event of Default shall occur, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in this Agreement, in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the Bank by this Agreement, the Bank Note or by law. The provisions of this Agreement shall be a contract with each and every Holder and the duties of the Metropolitan Government shall be enforceable by any Holder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by any Holder.

Section 7.05. Application of Funds. After the exercise of remedies provided for in Section 7.02 hereof (or after the Bank Note has automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Bank in the following order:

FIRST, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Bank and amounts payable under Article II and Article III hereof) payable to the Bank in its capacity as such;

SECOND, to payment of that portion of the Obligations constituting accrued and unpaid Facility Fees and interest on the Bank Note and other Obligations;

THIRD, to payment of that portion of the Obligations constituting unpaid principal of the Bank Note; and

LAST, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Metropolitan Government or as otherwise required by Law.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments, Etc. No amendment, modification or waiver of any provision or term of this Agreement, and no consent to any departure by the Metropolitan Government or any other party therefrom, shall be effective unless in writing signed by the Bank (unless otherwise specifically provided herein) and the Metropolitan Government and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that no amendment to or waiver of any term or provision of any Related Document incorporated herein by reference shall have the effect of amending or otherwise modifying any corresponding term or provision incorporated into this Agreement unless the Bank has consented to such amendment or waiver, as applicable, in writing.

Section 8.02. Notices; Effectiveness; Electronic Communication.

(a) *Notices Generally*. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule I hereto, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, for such Person on Schedule I hereto. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given by 5:00 p.m. (New York City time,) shall be deemed to have been given at the opening of business on the next Business Day). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) *Electronic Communications*. Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Bank, *provided* that the foregoing shall not apply to Drawings or other notices under the Letter of Credit. The Bank or the Metropolitan Government may, in its discretion, agree to accept notices and other communications

to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Bank otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), *provided* that if such notice or other communication is not sent by 5:00 p.m. (New York City time), such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc*. The Metropolitan Government or the Bank may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other party hereto.

(d) *Reliance by Bank*. The Bank shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of the Metropolitan Government even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Metropolitan Government shall, to the extent permitted by applicable law, reimburse the Bank and the Related Parties of the Bank from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Metropolitan Government except to the extent caused by the gross negligence or willful misconduct of the Bank. All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and the Metropolitan Government hereby consents to such recording.

Section 8.03. No Waiver; Cumulative Remedies; Enforcement. No failure by the Bank to exercise, and no delay by the Bank in exercising, any right, remedy, power or privilege hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Related Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04. Liability of the Bank; Indemnification.

(a) *Liability of Bank*. The Metropolitan Government assumes all risks of the acts or omissions of the Issuing and Paying Agent, any Dealer or any agent of the Issuing and Paying Agent and the Dealer, as applicable, with respect to the use of this Agreement and the use of proceeds hereunder; *provided* that this assumption with respect to the Bank is not intended to and shall not preclude the Metropolitan Government from pursuing such rights and remedies as it may have against the Issuing and Paying Agent or any Dealer under any other agreements. No

Indemnitee (as hereinafter defined) shall be liable or responsible for (i) the use of this Agreement or the Drawings made under the Letter of Credit, the proceeds of the Commercial Paper Notes, the Drawings or the Bank Note or the transactions contemplated hereby and by the Related Documents or for any acts or omissions of the Issuing and Paying Agent or any Dealer, (ii) the validity, sufficiency, or genuineness of any documents determined in good faith by the Bank to be valid, sufficient or genuine, even if such documents shall, in fact, prove to be in any or all respects invalid, fraudulent, forged or insufficient, (iii) the honoring by the Bank of a Drawing under the Letter of Credit or requests for which the Bank in good faith has determined to be valid, sufficient or genuine and which subsequently are found not to comply with the terms of this Agreement, or (iv) any other circumstances whatsoever in making or failing to make payment hereunder; *provided* that the Metropolitan Government shall not be required to indemnify the Bank for any claims, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the gross negligence or willful misconduct of the Bank.

(b) *Indemnification by the Metropolitan Government*. The Metropolitan Government shall indemnify the Bank and the Related Parties of the Bank (each such Person being called an *"Indemnitee"*) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Metropolitan Government or any other party arising out of, in connection with, or as a result of (i) the execution, delivery or performance of this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the Letter of Credit, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, (ii) the use or proposed use of the proceeds from the honoring by the Bank of a Drawing under the Letter of Credit (including any refusal by the Bank to honor a demand for payment thereunder if the documents presented in connection with such demand do not strictly comply with the terms hereof), (iii) any action or proceeding arising out of or in connection with this Agreement or any Related Document (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under this Agreement, or for the wrongful dishonor of or honoring a presentation under this Agreement; (iv) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an *"Instruction"*) regarding this Agreement or error in computer transmission related to this Agreement; (v) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of proceeds of this Agreement; (vi) the fraud, forgery or illegal action of parties other than the Indemnitee; (vii) the enforcement of this Agreement or any rights or remedies under or in connection with this Agreement, or a Related Document; (viii) the acts or omissions, whether rightful or wrongful, of any present or future *de jure* or *de facto* governmental or regulatory authority or cause or event beyond control of such Indemnified Person; or (ix) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Metropolitan Government or any other party, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined pursuant to a court of

competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. The obligation of the Metropolitan Government to provided indemnification pursuant to this subsection (b) shall be effective only to the fullest extent permitted by applicable law, as to which no representation is made by the Metropolitan Government.

(c) *Waiver of Consequential Damages, Etc*. To the fullest extent permitted by applicable law (as to which no representation is made by the Metropolitan Government), the Metropolitan Government shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby or the use of the proceeds of Drawings made by the Bank hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(d) *Payments*. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(e) *Survival*. The agreements in this Section shall survive the termination of this Agreement and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.05. Payments Set Aside. To the extent that any payment by or on behalf of the Metropolitan Government is made to the Bank, or the Bank exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 8.06. Successors and Assigns.

(a) *Successors and Assigns Generally*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither party may assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the other party hereto; *provided, however,* that any assignment or transfer by the Bank of its obligations to purchase Commercial Paper Notes hereunder shall require prior written confirmation from each Rating Agency then rating the Commercial Paper Notes that the short-term rating thereon will not be withdrawn or reduced as a result of such assignment or transfer. Nothing in this Agreement,

expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (b) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Bank) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Participations*. Notwithstanding anything set forth in Section 8.06(a) hereof to the contrary, the Bank shall have the right to grant participations in this Agreement, the Fee Letter and the Bank Note to one or more banking institutions (each a "*Participant*"), and such Participants shall be entitled to the benefits of this Agreement, the Fee Letter and the Bank Note, including, without limitation, Sections 3.01, 3.02 and 8.04 hereof, to the same extent as if they were a direct party hereto; *provided, however*, that (i) no such participation by any such Participant shall in any way affect the obligation of the Bank under this Agreement and (ii) that the Metropolitan Government shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement, the Fee Letter and the Bank Note.

Section 8.07. Treatment of Certain Information; Confidentiality. The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required by any regulatory authority having jurisdiction over it, (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Metropolitan Government and its obligations, (g) with the consent of the Metropolitan Government or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Bank or any of its Affiliates on a nonconfidential basis from a source other than the Metropolitan Government.

For purposes of this Section, "Information" means all information received directly from the Metropolitan Government after the date hereof that is clearly identified at the time of delivery as confidential. As of the Effective Date, the Metropolitan Government has not provided any confidential information to the Bank. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Bank acknowledges that (a) the Information may include material non-public information concerning the Metropolitan Government, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle

such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

This Section 8.07 shall only be effective for a period of three (3) years after receipt of Information, unless a longer period is required by applicable law.

Section 8.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, the Bank and its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Bank or any such Affiliate to or for the credit or the account of the Metropolitan Government or the System or any other party against any and all of the obligations of the Metropolitan Government or the System or such party now or hereafter existing under this Agreement or any other Related Document to the Bank, irrespective of whether or not the Bank shall have made any demand under this Agreement or any other Related Document and although such obligations of the Metropolitan Government or the System or such party may be contingent or unmatured or are owed to a branch or office of the Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Bank and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Bank or its Affiliates may have. The Bank agrees to notify the Metropolitan Government promptly after any such setoff and application, *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 8.09. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Related Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.10. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or Event of Default at the time of any payment under this Agreement, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.11. Severability. If any provision of this Agreement or any other Related Document is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and or such Related Document shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.12. Governing Law. (a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TENNESSEE WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; *PROVIDED, HOWEVER,* THAT THE OBLIGATIONS OF THE BANK HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) *SUBMISSION TO JURISDICTION*. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF THE STATE OF TENNESSEE, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TENNESSEE STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER RELATED DOCUMENT SHALL AFFECT ANY RIGHT THAT THE BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT AGAINST THE DISTRICT OR ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) *WAIVER OF VENUE*. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) *SERVICE OF PROCESS*. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 8.13. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW (AS TO WHICH NO REPRESENTATION IS MADE BY THE METROPOLITAN GOVERNMENT), ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.14. Reserved.

Section 8.15. Electronic Execution of Assignments and Certain Other Documents. The Metropolitan Government and the Bank acknowledge and agree that this Agreement and any Related Documents, and any amendments or waivers hereto or thereto, may be executed and delivered by facsimile, electronic copies in portable document format ("PDF") or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means or by any digital or electronic signature process or program, and that any signature so delivered shall be treated as and have the same force and effect as an original signature, and copies of the same may be used and introduced as evidence at any legal proceedings including, without limitation, trials and arbitrations, relating to or arising under this document. Notwithstanding the foregoing, Bank also requires delivery of this Agreement and the other Related Documents, and any amendments or waivers hereto or thereto, with an original signature for its records and two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument

Section 8.16. Government Regulations. The Bank hereby notifies the Metropolitan Government that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Metropolitan Government, which information includes the name and address of the Metropolitan Government and other information that will allow the Bank to identify the Metropolitan Government in accordance with the Patriot Act. The Metropolitan Government shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, and shall comply, and cause any of its Affiliates, if any, to comply, with all applicable Bank Secrecy Act (*"BSA"*) laws and regulations, as amended.

The Metropolitan Government shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Metropolitan Government is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (*"OFAC"*), the Department of the Treasury or included in any Executive

Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Metropolitan Government or from otherwise conducting business with the Metropolitan Government and (b) ensure that the proceeds of the Commercial Paper Notes, the proceeds of Drawings and the Bank Note shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.17. Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned Obligations made by the Metropolitan Government to the Bank in accordance with the terms of this Agreement shall satisfy the Metropolitan Government's Obligations hereunder in respect of such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.18. Expenses and Taxes. The Metropolitan Government will promptly pay (i) the reasonable fees, expenses and disbursements of domestic and foreign counsel to the Bank incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Related Documents in the amount set forth in the Fee Letter, (ii) the reasonable out-of-pocket expenses of the Bank incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Related Documents, (iii) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of an Event of Default and enforcement of its rights hereunder and with respect to the Bank Note, and (iv) all reasonable costs and expenses, if any, in connection with any amendment, modifications or waivers of the provisions hereof or the enforcement of this Agreement and the other Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Bank. In addition, the Metropolitan Government shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Related Documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the Metropolitan Government agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Metropolitan Government hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the Metropolitan Government under this Section 8.18 shall survive the termination of this Agreement.

Section 8.19. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Metropolitan Government acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement provided by the Bank and any of its affiliates are arm's length commercial transactions between the Metropolitan Government and its affiliates, on the one hand, and the Bank and its

affiliates, on the other hand, (ii) the Metropolitan Government has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Metropolitan Government is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b)(i) the Bank and each of its affiliates is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Metropolitan Government or any of its Affiliates, or any other Person and (ii) neither the Bank nor any of its affiliates has any obligation to the Metropolitan Government or any of its affiliates with respect to the transactions contemplated hereby, except those obligations expressly set forth herein; and (c) the Bank and each of its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Metropolitan Government and its affiliates, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to the Metropolitan Government or its affiliates. To the fullest extent permitted by applicable law, the Metropolitan Government hereby waives and releases any claims that it may have against the Bank and each of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 8.20. Dealing with the Metropolitan Government, the Issuing and Paying Agent, and/or the Dealers. The Bank and its Affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Metropolitan Government, the Issuing and Paying Agent, and/or the Dealers regardless of the capacity of the Bank hereunder.

Section 8.21. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.22. Arm's Length Transaction. The transaction described in this Agreement and the Letter of Credit is an arm's length, commercial transaction between the Metropolitan Government and the Bank in which: (i) the Bank is acting solely as a principal (*i.e.*, as a lender) and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Metropolitan Government; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Metropolitan Government with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its Affiliates has provided other services or is currently providing other services to the Metropolitan Government on other matters); (iv) the only obligations the Bank has to the Metropolitan Government with respect to this transaction are set forth in this Agreement and the Letter of Credit; and (v) the Bank is not recommending that the Metropolitan Government take an action with respect to the transaction described in this Agreement, the Letter of Credit and the other Related Documents, and before taking any action with respect to the this transaction, the Metropolitan Government should discuss the information contained herein with the Metropolitan Government's own legal, accounting, tax, financial and other advisors, as the Metropolitan Government deems appropriate.

Section 8.23. Acknowledgement Regarding Any Supported QFCs. To the extent that the Letter of Credit provide support, through a guarantee or otherwise, for any Swap Contract or any

other agreement or instrument that is a QFC (such support, *"QFC Credit Support"* and each such QFC a *"Supported QFC"*), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the *"U.S. Special Resolution Regimes"*) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a *"Covered Party"*) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"*QFC*" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 8.24. Redaction. In the event the Metropolitan Government delivers or permits, authorizes or consents to the delivery of this Agreement or the Letter of Credit (including without limitation any amendments hereto) to the Dealer or any other Person for delivery to the Municipal Securities Rulemaking Board pursuant to Rule G-34 ("*CUSIP Numbers, New Issue, and Market Information Requirements*") or any other Law, the Metropolitan Government shall cooperate with the Bank to provide for the redaction of information permitted to be redacted under Rule G-34 or such other applicable Law. Without the written consent of the Bank, the Metropolitan Government will not make available the Fee Letter for filing pursuant to Rule G-34 or any other Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By:_____
Name: _____
Title: _____

By:_____
Name: _____
Title: _____

Approved As to Form and Legality:

By:_____
Name: _____
Title: _____

TD BANK, N.A.

By:_____
Name: _____
Title: _____

EXHIBIT A

FORM OF LETTER OF CREDIT

IRREVOCABLE TRANSFERABLE DIRECT-PAY LETTER OF CREDIT

_____, 2022

No. [LC Number]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Corporate Trust Services

Ladies and Gentlemen:

1. At the request and for the account of our customer, The Metropolitan Government of Nashville and Davidson County (the "*Metropolitan Government*"), which has or will cause the issuance of The Metropolitan Government of Nashville and Davidson County Water and Sewer Revenue Commercial Paper Notes, Series 2022A (the "*Commercial Paper Notes*"), TD Bank, N.A. (the "*Bank*"), hereby establishes, in favor of U.S. Bank Trust Company, National Association, as Issuing and Paying Agent (the "*Issuing and Paying Agent*") acting for the benefit of the holders of the Commercial Paper Notes pursuant to that certain Issuing and Paying Agency Agreement dated as of _____, 2022 (the "*Issuing and Paying Agency Agreement*"), between the Metropolitan Government and the Issuing and Paying Agent and the Resolution (as defined in the hereinafter defined Reimbursement Agreement), each pursuant to which the Commercial Paper Notes have been or will be issued from time to time, and pursuant to that certain Reimbursement Agreement dated as of _____, 2022 (the "*Reimbursement Agreement*"), between the Metropolitan Government and the Bank, relating to the Commercial Paper Notes, this Irrevocable Transferable Direct-Pay Letter of Credit (this "*Letter of Credit*") in the maximum available amount of Two Hundred Eighteen Million Dollars ($217,753,425) (calculated as the sum of the maximum principal amount of the Commercial Paper Notes, in an amount equal to $200,000,000, *plus* interest thereon in an amount equal to $17,753,425 (calculated at the maximum rate of twelve percent (12%) per annum for a period of two hundred and seventy (270) days and based upon a year of three hundred sixty-five (365) days), hereinafter, as reduced or reinstated from time to time in accordance with the provisions hereof, the "*Stated Amount*"), which may be drawn upon by the Issuing and Paying Agent to pay the unpaid principal amount of the Commercial Paper Notes on their respective stated maturity dates, together with accrued and unpaid interest thereon. The Stated Amount may be permanently reduced from time to time in accordance with paragraph 6

hereof. The Stated Amount of this Letter of Credit will be permanently reduced to the amount set forth on an Annex (Permanent Reduction of the Stated Amount of Letter of Credit) in the form of Annex B hereto from time to time delivered by you to the Bank; *provided, however*, that in no event shall the Stated Amount of this Letter of Credit be reduced to an amount less than the then outstanding principal amount of all Commercial Paper Notes outstanding plus all interest due (up to the assumed rate described above) on the stated maturity date thereof. Drawings (as herein defined) may be made on or prior to the date any sum is due on the Commercial Paper Notes; *provided* that the Bank is not obligated to honor such Drawings until the respective stated maturity dates of such Commercial Paper Notes.

2. This Letter of Credit shall expire at 5:00 p.m. New York City time on the date (the *"Termination Date"*) which is the earliest to occur of: (a) _____, 2027, as such date may be extended in a Notice of Extension from the Bank to the Issuing and Paying Agent and the Metropolitan Government in the form attached hereto as Annex F (the *"Stated Expiration Date"*); (b) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored hereunder which were not subject to reinstatement as provided herein, in the aggregate equals the principal component of the Stated Amount on the date of issuance hereof as adjusted pursuant to the terms and conditions of this Letter of Credit; (c) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex C attached hereto appropriately completed (after we honor any properly presented and conforming Drawing, if any, on such date); (d) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex D attached hereto appropriately completed; or (e) the earlier of (i) the 10th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which you receive notice from us in the form of Annex H-1 hereto (the *"Final Drawing Notice"*), and (ii) the date on which the Drawing (in the form of Annex H-2 hereto) resulting from the delivery of the Final Drawing Notice is honored hereunder. All Drawings hereunder shall be paid from immediately available funds of the Bank.

3. Funds under this Letter of Credit are available to you against your presentation of a drawing certificate in the form of Annex A or Annex H-2 hereto (each, a *"Drawing"*) which shall be made by facsimile to: TD Bank, N.A., at facsimile number _____, Attention: [_____], or at any other number or numbers which may be designated by the Bank by written notice delivered to you. Each Drawing shall be immediately confirmed by telephone (telephone number: _____), notifying us of such Drawing; *provided that* the failure to confirm such Drawing by telephone shall not affect the validity or effectiveness of the Drawing. Each Drawing so presented shall have all blanks appropriately filled in and shall be signed by a person who purports to be an authorized officer of the Issuing and Paying Agent and each of the aforesaid certificates shall be either in the form of a letter on the letterhead of the Issuing and Paying Agent or a communication by telecopy delivered or transmitted to the Bank. Any telecopy pursuant to which a Drawing is made hereunder shall be promptly confirmed by you to us by telephone (but such notice shall not be a condition to drawing hereunder and you shall have no liability for not doing so).

4. The Bank hereby agrees with you that, to the extent of its liability as provided herein, all demands for payment made under and in strict compliance with the terms of this Letter of Credit

will be duly honored upon delivery or transmission of the certificate as specified in paragraph 3 hereof and if presented at the aforesaid office on or before the Termination Date. If a Drawing is made by you hereunder at or prior to 12:00 p.m., New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made in the amount specified in such Drawing in immediately available funds, no later than 2:30 p.m., New York City time, on the same Business Day. If a Drawing is made by you hereunder after 12:00 p.m., New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made of the amount specified in such Drawing, in immediately available funds, not later than 2:30 p.m., New York City time, on the next succeeding Business Day. Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds, to [U.S. Bank Trust Company, National Association, ABA No. _____, Account No. _____, Reference: Nashville and Davidson Water and Sewer]. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent and authenticated to our satisfaction. As used in this Letter of Credit, *"Business Day"* means any days other than (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 the Bank at which Drawings are required to be presented hereunder, 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 Book-Entry Commercial Paper Notes, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

5. Demands for payment honored hereunder shall not at the time of any Drawing exceed the Stated Amount, as the Stated Amount may have been reduced or reinstated by the Bank as hereinafter provided. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce, by the amount of such Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing, except to the extent the Stated Amount has been reinstated in accordance with the provisions of paragraph 7 of this Letter of Credit.

6. Upon receipt by the Bank of a certificate in the form of Annex B (a *"Stated Amount Reduction Certificate"*) attached hereto appropriately completed and signed by your duly authorized officer, the Stated Amount shall be permanently reduced to the amount set forth therein.

7. After any Drawing, unless you shall have received notice from the Bank in substantially the form of Annex G or Annex H-1 attached hereto that an Event of Default under the Reimbursement Agreement has occurred and is continuing, the Stated Amount will be reinstated (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) but only when and to the extent amounts are received by the Bank for reimbursement of the amount of such Drawing, and such reinstatement shall also be subject to any reduction in said Stated Amount as above provided in paragraph 6.

8. Only you or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit. Upon the payment to you or to your account of the amount demanded

hereunder, the Bank shall be fully discharged of its obligation under this Letter of Credit with respect to such demand for payment and shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of or interest on any Commercial Paper Note. By paying to you an amount demanded in accordance herewith, the Bank makes no representations as to the correctness of the amount demanded.

9. (a) Upon our receipt of a termination certificate in the form of Annex D hereto indicating that all Commercial Paper Notes are wholly defeased or otherwise no longer outstanding and that the Metropolitan Government does not intend to issue any additional Commercial Paper Notes, this Letter of Credit shall expire as provided in paragraph 2(d) hereof. In connection with the termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled".

(b) Upon our receipt of a termination certificate in the form of Annex C hereto, this Letter of Credit shall terminate as provided in paragraph 2(c) hereof. In connection with any termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled".

10. This Letter of Credit is intended to apply only to the payment of the principal amount of the Commercial Paper Notes and accrued interest thereon upon the maturity thereof.

11. Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the *"ISP98"*). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, the Uniform Commercial Code, including, without limitation, Article 5 thereof, as in effect in the State of New York, without regard to conflict of laws. Unless otherwise specified herein, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at TD Bank, N.A. [_____][_____], Attention: [_____], specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the Letter of Credit Department at [_____] or [_____], and have the Letter of Credit number available.

12. This Letter of Credit is transferable in whole only to your successor as Issuing and Paying Agent. Any such transfer (including any successive transfer) shall be subject to the Bank's receipt of a signed transfer request signed by the transferor and by the transferee in the form of Annex E hereto together with the original Letter of Credit. Transfers to designated foreign nationals and/or specifically designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon our endorsement of such transfer, the transferee instead of the transferor shall, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided* that, in such case, any certificates of the Issuing and Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer of the transferee.

13. This Letter of Credit sets forth in full the Bank's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document,

instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the certificates, notices and annexes referred to herein; and no such reference shall be deemed to incorporate herein by reference any document, instrument or agreement.

Very truly yours,

TD BANK, N.A.

By:_____
Name: _____
Title: _____

ANNEX A TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

TD Bank, N.A.
[_____]
[_____]
[_____]
Attention: [_____]

Re: Drawing Certificate

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association, (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the *"Letter of Credit"*; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent pursuant to the Reimbursement Agreement that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, and is acting as agent for the owners of Commercial Paper Notes.

2. The Issuing and Paying Agent is making a drawing under the Letter of Credit with respect to payment of the principal amount of, and accrued interest on, the Commercial Paper Notes due on _____.

3. The amount demanded hereby is $_____ (of which $_____ represents the principal amount of Commercial Paper Notes and $_____ represents the accrued interest amount on such Commercial Paper Notes), to be used for payment of principal of, and interest on, the Commercial Paper Notes. Said amount does not exceed the amounts permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit.

4. The amount demanded hereunder was computed in accordance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agency Agreement and the Resolution.

5. The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the Metropolitan Government or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Commercial Paper Notes for the benefit of the Metropolitan Government.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal of and accrued interest on the Commercial Paper Notes upon the stated maturity thereof, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) such amount will be deposited to the appropriate account of the Commercial Paper Fund (established pursuant to the Resolution), and (d) except for the other amounts on deposit in the applicable account of the Commercial Paper Fund, no portion of said amount shall be commingled with other funds held by the undersigned.

7. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

8. Payment by the Bank pursuant to this drawing shall be made to the Issuing and Paying Agent in accordance with the terms of the Letter of Credit.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex A as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX B TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

TD Bank, N.A.
[_____]
[_____]
[_____]
Attention: [_____]

Re: Permanent Reduction of the Stated Amount of Letter of Credit

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association (the "*Issuing and Paying Agent*") hereby certifies to TD Bank, N.A. (the "*Bank*"), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the "*Letter of Credit*"; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, and is acting as the agent for the owners of the Commercial Paper Notes.

2. The Issuing and Paying Agent hereby notifies you that on or prior to the date hereof the Metropolitan Government has determined that the Stated Amount of the Letter of Credit shall be permanently reduced to $_____ (of which $_____ represents the principal amount and $_____ represents the assumed interest amount (calculated on the same basis as set forth in the Letter of Credit)).

3. The Issuing and Paying Agent hereby confirms that the aggregate principal amount of the Commercial Paper Notes outstanding, together with the aggregate assumed interest (calculated on the same basis as set forth in the Letter of Credit) payable on such principal amount of such Commercial Paper Notes outstanding, as of the date hereof, does not exceed the Stated Amount of the Letter of Credit as so reduced.

4. If any Commercial Paper Notes are outstanding as of the date of this Annex B, the Metropolitan Government has informed us that they will not issue additional Commercial Paper Notes unless after the issuance of such additional Commercial Paper Notes the aggregate principal amount of Commercial Paper Notes outstanding, together with the aggregate assumed interest payable thereon (calculated on the same basis as set forth in the Letter of Credit), shall be no greater than the Stated Amount of the Letter of Credit, as so permanently reduced pursuant to this Annex B.

5. The Stated Amount of the Letter of Credit is reduced to $_____ upon receipt by the Bank of this Annex B.

6. The undersigned represents that he/she is a duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex B as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX C TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

TD Bank, N.A.
[_____]
[_____]
[_____]

Attention: [_____]

Re: Termination of Letter of Credit (Alternate Credit Facility)

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the *"Letter of Credit"*; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution.

2. As Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, the Issuing and Paying Agent has accepted an Alternate Credit Facility, in compliance with the Issuing and Paying Agency Agreement, the Resolution and the Reimbursement Agreement.

3. Upon receipt of this Annex C, the Letter of Credit shall terminate as provided in paragraph 2(c) of the Letter of Credit.

4. Accompanying this Annex C is the Letter of Credit, marked "cancelled".

5. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex C as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX D TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

TD Bank, N.A.
[_____]
[_____]
[_____]
Attention: [_____]

Re: Termination of Letter of Credit
(No Commercial Paper Notes Outstanding)

Ladies and Gentlemen:

U.S. Bank Trust Company, National Association (the *"Issuing and Paying Agent"*) hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the *"Letter of Credit"*; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution.

2. All the Commercial Paper Notes are wholly defeased or no Commercial Paper Notes remain outstanding under the Issuing and Paying Agency Agreement or the Resolution.

3. The Metropolitan Government has notified us that they do not intend to issue any additional Commercial Paper Notes and desires to terminate this Letter of Credit in accordance with terms of the Reimbursement Agreement.

4. Upon receipt by the Bank of this Annex D, the Letter of Credit shall terminate as provided in paragraph 2(d) of the Letter of Credit.

5. Accompanying this Annex D is the Letter of Credit, marked "cancelled".

6. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex D as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX E TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

TD Bank, N.A.
[_____]
[_____]
[_____]
Attention: [_____]

Re: Transfer of Irrevocable Transferable
Direct-Pay Letter of Credit No. [LC Number]
dated _____, 2022

Ladies and Gentlemen:

For value received, we, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the *"Letter of Credit"*) in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF _____
TRANSFEREE _____
CITY, STATE/COUNTRY _____
ZIP

as successor Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution, as defined in the Letter of Credit, all rights of the undersigned beneficiary to draw under the Letter of Credit in its entirety.

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in the Letter of Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of the Letter of Credit in such form and manner as you deem appropriate, and the terms and conditions of the Letter of Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor trustee under the Issuing and Paying Agency Agreement and the Resolution, (b) the enclosed Letter of Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which Transferor effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Transfer is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Sincerely yours,

_____
(Print Name of Transferor)

_____
(Transferor's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(Date)

Acknowledged:

_____
(Print Name of Transferee)

_____
(Transferee's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(Date)

Acknowledged as of _____, 20__:

TD BANK, N.A.

By: _____
Name: _____
Title:_____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX F TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Services

Re: Notice of Extension

Ladies and Gentlemen:

We refer to the Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number] (the *"Letter of Credit"*) of TD Bank, N.A. Any capitalized term used herein and not defined herein shall have its respective meaning as set forth in the Letter of Credit

The Letter of Credit Expiration Date is extended from _____to _____.

This Notice of Extension shall be attached to the Letter of Credit and made a part thereof.

Very truly yours,

TD BANK, N.A., as Bank

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX G TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Services

Re: Event of Default under Reimbursement Agreement

Ladies and Gentlemen:

The undersigned, authorized officer of TD Bank, N.A. (the *"Bank"*) with reference to that certain Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the *"Letter of Credit"*; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of U.S. Bank Trust Company, National Association, as Issuing and Paying Agent, hereby certify that:

1. There exists an Event of Default under Section ____ of the Reimbursement Agreement and such Event of Default is continuing.

2. Upon receipt by you of this Annex G you are notified (i) that the Stated Amount of the Letter of Credit shall be permanently reduced to $_____, representing the principal amount of Commercial Paper Notes currently outstanding and assumed interest thereon (calculated on the same basis as set forth in the Letter of Credit), and shall be further permanently reduced following the maturity of any such Commercial Paper Notes on the same basis and (ii) that the Stated Amount shall no longer be reinstated following any Drawings.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex G as of the _____ day of _____, ____.

TD BANK, N.A., as Bank

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX H-1 TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

[Date]

U.S. Bank Trust Company, National Association,
as Issuing and Paying Agent
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Services

Re: Final Drawing Notice

Ladies and Gentlemen:

Reference is made to Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the *"Letter of Credit"*; established by TD Bank, N.A. (the *"Bank"*) in your favor as Beneficiary and as Issuing and Paying Agent, and at the request of the account party, The Metropolitan Government of Nashville and Davidson County (the *"Metropolitan Government"*), any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be).

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Final Drawing Notice, to cease issuing Commercial Paper Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Final Drawing Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agency Agreement which are outstanding and are maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 10th calendar day (or

if such date is not a Business Day, the immediately succeeding Business Day) after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex H-1 as of the _____ day of _____, ____.

TD BANK, N.A., as Bank

By _____
Name _____
Title _____

cc: The Metropolitan Government of Nashville and Davidson County

ANNEX H-2
TO
TD BANK, N.A.
LETTER OF CREDIT NO. [LC NUMBER]

TD Bank, N.A.
[_____]
[_____]
[_____]

Attention: [_____]

Re: Certificate for Drawing in connection with the Payment of Principal and Interest after Final Drawing Notice

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the *"Issuing and Paying Agent"*), hereby certifies to TD Bank, N.A. (the *"Bank"*), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [LC Number], dated _____, 2022 (the *"Letter of Credit,"* any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Resolution and is acting as the agent for the holders of the Commercial Paper Notes.

2. The Issuing and Paying Agent has received the Final Drawing Notice in the form of a Final Drawing Notice in the form of Annex H-1 to the Letter of Credit.

3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Commercial Paper Notes issued in accordance with the Issuing and Paying Agency Agreement and the Resolution and which mature on or after the date of the Final Drawing Notice.

4. The amount of the Drawing is equal to $_____, with $_____ being drawn in respect of the payment of principal of maturing Commercial Paper Notes and $_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agency Agreement and the Resolution. The amount of the Drawing being drawn in respect of the payment of principal of and interest payable to maturity of

the Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Commercial Paper Fund maintained by the Issuing and Paying Agent pursuant to the Resolution and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Issuing and Paying Agency Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for amounts on deposit in the Commercial Paper Fund and except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. This Annex H-2 is being presented to the Bank on a date which is no later than the 10th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after receipt by the Issuing and Paying Agent of the Final Drawing Notice from the Bank.

7. Payment by the Bank pursuant to this drawing shall be made to the Issuing and Paying Agent in accordance with the terms of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Annex H-2 as of the _____ day of _____, _____.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Issuing and Paying Agent

By:_____
Name: _____
Title: _____

cc: The Metropolitan Government of Nashville and Davidson County

EXHIBIT B

FORM OF BANK NOTE

$217,753,425 Maximum Principal Amount Dated: _____, 2022

FOR VALUE RECEIVED, the undersigned, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the *"Metropolitan Government"*), HEREBY PROMISES TO PAY to the order of TD BANK, N.A. (the *"Bank"*), (i) the principal sum of TWO HUNDRED SEVENTEEN MILLION SEVEN HUNDRED FIFTY-THREE THOUSAND AND FOUR HUNDRED TWENTY-FIVE DOLLARS ($217,753,425) or, if less, the aggregate unpaid principal amount of all Reimbursement Obligations (as such term is defined in the Reimbursement Agreement hereinafter defined) made by the Bank to the Metropolitan Government, payable at such times as are specified in the Reimbursement Agreement, and (ii) interest on the unpaid principal amount of all Reimbursement Obligations, from the date of each Drawing was honored until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Reimbursement Agreement; *provided, however*, all principal of, and all earned interest then accrued on, this Bank Note shall be fully and finally due and payable on the Termination Date (as defined in the Reimbursement Agreement).

Both principal and interest are payable in lawful money of the United States of America and in immediately available funds as specified in the Reimbursement Agreement. All payments made by the Metropolitan Government on account of principal hereof and interest hereon shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the schedule attached hereto (which is a part of this Bank Note); *provided*, that the failure of the Bank to make any recordation or endorsement shall not affect the obligations of the Metropolitan Government hereunder or under the Reimbursement Agreement. Notwithstanding any other provision of this Bank Note, interest paid or becoming due hereunder shall, subject to the terms of the Reimbursement Agreement, in no event exceed the maximum rate permitted by applicable law.

This note is the Bank Note referred to in, and is entitled to the benefits of, the Reimbursement Agreement, dated as of _____ 1, 2022 (as amended or otherwise modified from time to time, the *"Reimbursement Agreement"*), between the Metropolitan Government and the Bank. The Reimbursement Agreement, among other things, provides for the extension of credit by the Bank to the Metropolitan Government from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Metropolitan Government to the Bank resulting from each such extension being evidenced by this Bank Note.

This Bank Note is a special obligation of the Metropolitan Government, to which the funds described in Section 2.05 of the Resolution (as defined in the Reimbursement Agreement) are pledged.

This Bank Note shall constitute a "bond anticipation note" for purposes of the Enabling Act (as defined in the Reimbursement Agreement).

[SIGNATURE PAGE TO FOLLOW]

This Bank Note shall be governed by, and construed in accordance with, the laws of the State of New York.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By:_____
Name:
Title:

By:_____
Name:
Title:

Approved As to Form and Legality:

By:_____
Name:
Title:

SCHEDULE FOR BANK NOTE

DATED _____, 2022

BY THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PAYABLE TO TD BANK, N.A.,

AMOUNT OF CREDIT	DATES OF PAYMENT	AMOUNT OF PAYMENT	NAME AND SIGNATURE OF BANK OFFICER

EXHIBIT C

FORM OF STOP ORDER

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
WATER AND SEWER REVENUE COMMERCIAL PAPER NOTES, SERIES 2022A

[Date]

[_____], as Issuing and Paying Agent
_____
_____
Attention: _____

The Metropolitan Government of Nashville and
Davidson County
_____
_____
Attention: _____

Dear Sir or Madam:

Reference is made to (i) the Reimbursement Agreement, dated as of _____ 1, 2022 (the "*Agreement*"), between The Metropolitan Government of Nashville and Davidson County (the "*Metropolitan Government*"), and TD Bank, N.A. (the "*Bank*"); and (ii) the Issuing and Paying Agency Agreement, dated as of _____ 1, 2022 (the "*Issuing and Paying Agency Agreement*"), among the Metropolitan Government and U.S. Bank Trust Company, National Association, as Issuing and Paying Agent (the "*Issuing and Paying Agent*"). All capitalized terms herein having the meanings ascribed thereto in the Agreement.

You are hereby notified that (a) either (1) an "Event of Default" under Section 7.01(__) of the Agreement has occurred and is now continuing or (2) one or more of the representations and warranties of the Metropolitan Government set forth in the Agreement, is/are in the reasonable opinion of the Bank, no longer true and correct in all material respects and; (b) upon receipt of this notice, (i) no new Commercial Paper Notes, as defined in the Agreement, shall be issued or authenticated (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to $_____, representing the principal amount of Commercial Paper Notes currently outstanding on the date hereof and interest thereon, and shall be further permanently reduced

following the maturity of any such Commercial Paper Notes, and (iii) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings.

You are hereby instructed to cease issuing Commercial Paper Notes under the Issuing and Paying Agency Agreement and the Resolution until such time, if any, as we have notified you in writing that (i) no Event of Default is continuing; and (ii) you may resume issuing Commercial Paper Notes.

This Stop Order may be delivered by telecopy, by mail or by messenger, and also may be given by telephone if promptly confirmed in writing, provided that the failure to confirm this Stop Order promptly in writing shall not render any telephonic notice ineffective or invalid in any respect.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Bank has executed and delivered this Stop Order as of the ____ day of _____, ____.

Sincerely,

TD BANK, N.A.

By _____
Name: _____
Title: _____

cc: **[DEALERS]**
[RATING AGENCIES]

SCHEDULE I

CERTAIN ADDRESSES FOR NOTICES

METROPOLITAN GOVERNMENT:

The Metropolitan Government of Nashville and Davidson County
700 2nd Avenue South, Suite 205
Nashville, Tennessee 37210

Attention: Office of the Treasurer
Telephone: (615) 862-6154
Telecopier: (615) 880-2810

BANK:

wire instructions:

TD Bank, N.A.
ABA #[_____]
Account Name: [_____]
Account Number: [_____]
Reference: [_____]

For all notices:

TD Bank, N.A.
[_____]
[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Telecopier: [_____]

For draws under the Letter of Credit:

TD Bank, N.A.
[_____]
[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Telecopier: [_____]

Any notices required to be given to the Rating Agencies hereunder shall be emailed as set forth below:

Moody's Investors Service
7 World Trade Center
Public Finance Dept.
250 Greenwich St., 23rd Floor
New York, New York 10007
Attention: Municipal Supported Products Group
Email: MSPGSurveillance@moodys.com

S&P Global Ratings
55 Water St., 41st Floor
New York, New York 10041
Attention: Structured Finance LOC Surveillance Group
Email: pubfin_structured@spglobal.com