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A Thirtieth Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by electing to defease, pay and redeem certain Electric System Revenue Bonds and authorizing certain other related matters

WHEREAS, under authority conferred by Appendix III of the Charter of The Metropolitan Government of Nashville and Davidson County and the laws of the State of Tennessee, the Metropolitan Council adopted Substitute Resolution No. R85-746 on November 5, 1985; and

WHEREAS, the Electric Power Board of The Metropolitan Government of Nashville and Davidson County (i) has determined by resolution duly adopted at its meeting of December 16, 2020 that it is in the best interest of the electric system under its control that all of the outstanding revenue bonds issued under Substitute Resolution No. R85-746 and designated as the 2008 Series B Bonds be redeemed, and requests that the Metropolitan Council redeem such 2008 Series B Bonds as provided herein, and (ii)(A) has determined by resolution duly adopted at its meeting of December 16, 2021 that it is in the best interest of the electric system under its control to use all amounts released from the Debt Service Reserve Account created under Substitute Resolution No. R85-746 upon the redemption of the 2008 Series B Bonds as follows: (1) first, to pay at maturity or to redeem, as appropriate, all of the outstanding revenue bonds issued under Substitute Resolution No. R85-746 and designated as the 2011 Series A Bonds and the 2011 Series B Bonds, and (2) second, if there are any remaining funds, to pay Cost of Acquisition and Construction (as defined in Substitute Resolution No. R85-746) of such electric system, and (B) requests that the Metropolitan Council approve such use of funds so released from the Debt Service Reserve Account and redeem such 2011 Series A Bonds and 2011 Series B Bonds as provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, as follows:

AUTHORITY AND DEFINITIONS

Supplemental Resolution. This Thirtieth Supplemental Electric System Revenue Bond Resolution is supplemental to the Electric System Revenue Bond Resolution adopted by the Metropolitan Government on November 5, 1985 (such Electric System Revenue Bond Resolution as heretofore amended is referred to herein as the "Electric System Revenue Bond Resolution").

Authority for this Thirtieth Supplemental Resolution. This Thirtieth Supplemental Resolution is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article X of the Electric System Revenue Bond Resolution.

Definitions.

Except as provided by this Thirtieth Supplemental Resolution, all terms which are defined in Section 101 of the Electric System Revenue Bond Resolution shall have the same meanings, respectively, in this Thirtieth Supplemental Resolution as such terms are given in said Section 101 of the Electric System Revenue Bond Resolution.

In this Thirtieth Supplemental Resolution:

2008 Series B Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2008 Series B, authorized by Article II of the Twenty-Second Supplemental Resolution.

2011 Series A Bonds shall mean the Metropolitan Government's Electric System Revenue Bonds, 2011 Series A, authorized by Article II of the Twenty-Fourth Supplemental Resolution.

2011 Series B Bonds shall mean the Metropolitan Government's Electric System Revenue Refunding Bonds, 2011 Series B, authorized by Article II of the Twenty-Fourth Supplemental Resolution.

Director of Finance shall mean the Director of Finance appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Finance, or his or her designee.

DSR Funds shall mean all moneys to be released from the Debt Service Reserve Account upon the effectiveness of the amendments made to the Electric System Revenue Bond Resolution pursuant to Article IV of the Twenty-Fourth Supplemental Resolution.

Escrow Agreement shall mean the escrow agreement to be entered into among the Metropolitan Government, the Board and Regions Bank, as Escrow Agent, in connection with the defeasance, payment and redemption of the 2011 Series A Bonds and the 2011 Series B Bonds as contemplated in Section 301.

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

Treasurer shall mean the Metropolitan Treasurer appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Metropolitan Treasurer, or his or her designee.

Twenty-Fourth Supplemental Resolution shall mean Resolution No. RS2011-42 of the Metropolitan Government, entitled "A Twenty-Fourth Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Bonds, 2011 Series A, and Electric System Revenue Refunding Bonds, 2011 Series B, and amending Substitute Resolution No. R85-746, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on October 18, 2011, which Twenty-Fourth Supplemental Resolution amended the Electric System Revenue Bond Resolution in certain respects, but effective only after all Bonds Outstanding on the date of adoption thereof shall cease to be Outstanding.

Thirtieth Supplemental Resolution shall mean this Thirtieth Supplemental Electric System Revenue Bond Resolution.

Twenty-Second Supplemental Resolution shall mean Resolution No. RS2008-261 of the Metropolitan Government, entitled "A Twenty-Second Supplemental Electric System Revenue Bond Resolution supplementing certain resolutions of The Metropolitan Government of Nashville and Davidson County by authorizing the issuance of Electric System Revenue Bonds, 2008 Series A, and Electric System Revenue Refunding Bonds, 2008 Series B, as requested by the Electric Power Board of The Metropolitan Government of Nashville and Davidson County," adopted on May 20, 2008.

REDEMPTION OF 2008 SERIES B Bonds

Approval of Redemption of 2008 Series B Bonds. The Metropolitan Government, at the request of the Board pursuant to Section 402 of the Electric System Revenue Bond Resolution, hereby (i) approves the redemption on February 16, 2021 (or such other date approved by the Director of Finance at the request of an Authorized Board Representative), from moneys deposited by the Board with the Fiscal Agent on such date, at a Redemption Price of 100%, of all the 2008

Series B Bonds scheduled to mature on May 15, 2021, May 15, 2022 and May 15, 2023 (being all of the Outstanding 2008 Series B Bonds), and (ii) elects and directs the Fiscal Agent to pay on such date the Redemption Price of such 2008 Series B Bonds and to pay on such date all of the interest which is to become due on such 2008 Series B Bonds on such date of redemption. In order to effectuate such redemption, the Metropolitan Government hereby covenants that upon adoption of this Thirtieth Supplemental Resolution, an Authorized Metropolitan Government Representative shall execute and deliver to the Fiscal Agent the written notice required by Sections 402 of the Electric System Revenue Bond Resolution, in substantially the form attached hereto as Exhibit A. The Metropolitan Government hereby authorizes and directs the Fiscal Agent to mail notice of redemption to the Holders of such 2008 Series B Bonds to be redeemed in the manner provided in Section 405 of the Electric System Revenue Bond Resolution.

Use OF DEBT SERVICE RESERVE ACCOUNT MONEYS

Approval of Defeasance, Payment and Redemption of Series 2011 Bonds. The Metropolitan Government, at the request of the Board pursuant to Section 402 and Section 1201 of the Electric System Revenue Bond Resolution, hereby (i) approves the defeasance and payment at maturity or redemption, as applicable, on May 15, 2021 (or such other date approved by the Director of Finance at the request of an Authorized Board Representative), from the proceeds of the Investment Securities purchased with the DSR Funds and other funds and deposited by the Board with the Fiscal Agent as contemplated in the Escrow Agreement, of all the 2011 Series A Bonds scheduled to mature on May 15, 2021, May 15, 2031 and May 15, 2036 (being all of the Outstanding 2011 Series A Bonds) and of all the 2011 Series B Bonds scheduled to mature on May 15, 2021, May 15, 2022, May 15, 2023, May 15, 2024, May 15, 2025 and May 15, 2026 (being all of the Outstanding 2011 Series B Bonds), and (ii) elects and directs the Fiscal Agent to pay on such date the principal amount due at maturity or the Redemption Price of 100%, as applicable, of such 2011 Series A Bonds and 2011 Series B Bonds and to pay on such date all of the interest which is to become due on such 2011 Series A Bonds and 2011 Series B Bonds on such maturity date or date of redemption, as applicable. In order to effectuate such defeasance, payment and redemption, the Metropolitan Government hereby covenants that upon adoption of this Thirtieth Supplemental Resolution, an Authorized Metropolitan Government Representative shall execute and deliver to the Fiscal Agent the written notice and instructions required by Section 402 and Section 1201 of the Electric System Revenue Bond Resolution, in substantially the form attached as Schedule B to the Escrow Agreement. The Metropolitan Government hereby (i) authorizes and directs the Fiscal Agent to mail notice of redemption to the Holders of such 2011 Series A Bonds and 2011 Series B Bonds to be redeemed in the manner provided in Section 405 of the Electric System Revenue Bond Resolution, and (ii) authorizes the investment of the DSR Funds and other funds as contemplated in the Escrow Agreement.

Remaining DSR Funds. The Metropolitan Government, at the request of the Board, hereby authorizes and directs that any DSR Funds not used for the defeasance, payment and redemption of the 2011 Series A Bonds and the 2011 Series B Bonds as provided in Section 301 shall be deposited into the Construction Fund and used by the Board to pay Cost of Acquisition and Construction of the Electric System.

APPROVAL OF DOCUMENTS

Execution by Metropolitan Government. The Metropolitan Mayor, the Treasurer of the Metropolitan Government and the Director of Finance of the Metropolitan Government, any one of whom may act alone, are hereby authorized and directed to execute, upon proper presentation to the Metropolitan Mayor, the Treasurer or the Director of Finance, as applicable, by the Board, (i) the instructions to redeem those 2008 Series B Bonds to be redeemed prior to maturity in substantially the form attached hereto as Exhibit A as contemplated in Section 201, and (ii) the Escrow Agreement relating to the defeasance, payment and redemption of the 2011 Series A Bonds and the 2011 Series B Bonds substantially in the form attached hereto as Exhibit B, along with the instructions to redeem those 2011 Series A Bonds and 2011 Series B Bonds to be redeemed prior to maturity in substantially the form annexed as Schedule B to the

Escrow Agreement, as contemplated in Section 301.

Miscellaneous Acts. The appropriate officers of the Metropolitan Government are hereby authorized, empowered and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable, file or record, or cause to be filed or recorded, in any appropriate public officers, all such documents, instruments and certifications, in addition to those acts, things, documents, instruments and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Thirtieth Supplemental Resolution, or any of the documents herein authorized and approved.

MISCELLANEOUS

Resolution to Remain in Effect. Save and except as supplemented by this Thirtieth Supplemental Resolution, the Electric System Revenue Bond Resolution as heretofore supplemented and amended shall remain in full force and effect.

Effective Date. This Thirtieth Supplemental Electric System Revenue Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

Analysis

This resolution approves a supplemental electric system revenue bond resolution by electing to defease, pay, and redeem prior electric system revenue bonds. In addition to approving the $195,000,000 in new revenue bonds, which is the subject matter of Resolution No. RS2021-717, the NES Power Board voted in December 2020 to defease and redeem certain outstanding 2011 Series A and B electric system revenue bonds with funds released from the debt service reserve account at redemption of the 2008 Series B bonds.

This supplemental bond resolution will first redeem the 2008 Series B bonds. Upon redemption, the funds in the 2008 Series B debt service reserve account will be released and used to (a) defease the outstanding 2011 Series A and 2011 Series B bonds and (b) if there are any remaining funds, pay for system improvements. The redemption will include all of the 2011 Series A and B bonds scheduled to mature on May 15, 2021, plus the following:

- $2,010,000 of the 3.625% 2011 Series A Bonds scheduled to mature on May 15, 2031
- All of the 2011 Series A Bonds scheduled to mature on May 15, 2036
- $4,965,000 principal amount of the Series 2011 Series B Bonds scheduled to mature on May 15, 2022
- $5,185,000 principal amount of the 2011 Series B Bonds scheduled to mature on May 15, 2023
- $6,525,000 principal amount of the 2011 Series B Bonds scheduled to mature on May 15, 2024
- $3,750,000 principal amount of the 2011 Series B Bonds scheduled to mature on May 15, 2025
- $3,425,000 principal amount of the 5.00% 2011 Series B Bonds scheduled to mature on May 15, 2026
- $1,430,000 principal amount of the 3.25% 2011 Series B Bonds scheduled to mature on May 15, 2026

This will also include the payment of the interest that will become due on the defeased 2011 Series A and B bonds.

This would be the 30th supplement to the electric system revenue bond resolution originally adopted in 1985. Although the Metropolitan Charter grants NES complete control and authority over the operation of the electric system (Appendix III, Article 42, section 15), NES cannot issue bonds without permission of the Metro Council. (Id., at section 16). These bonds are to be paid solely from NES revenues and will not be an obligation of the general government or be guaranteed by the taxing authority of Metro.