



FOR IMMEDIATE RELEASE

Media Contact:

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**MEMPHIS CITY COUNCIL HONORS DR. DAVID AND MRS. YVONNE ACEY WITH
2024 HUMANITARIAN AWARD**

MEMPHIS, TN. (January 3, 2025) — The Memphis City Council is proud to announce Dr. David and Mrs. Yvonne Acey as the recipients of the prestigious 2024 Humanitarian Award. The Aceys, distinguished leaders and advocates, will be formally recognized for their exceptional contributions to the community at the Regular Council Meeting on Tuesday, January 7, 2025.

Dr. David and Mrs. Yvonne Acey are celebrated for their lifelong dedication to empowering individuals and fostering positive change. With deep ancestral roots in Africa, their work reflects a steadfast commitment to service, excellence, and uplifting others. Through their leadership in education, healthcare, entrepreneurship, social justice, and women's empowerment, the Aceys have made an indelible impact on Memphis and beyond.

The 2024 Humanitarian Award recognizes the Aceys' extraordinary impact on the Memphis community, where they have led efforts to bridge socio-economic divides, enhance education and healthcare access, and champion social equity. Their tireless advocacy and commitment to service have earned them respect and admiration both locally and nationally.

The presentation of the 2024 Humanitarian Award to Dr. David and Mrs. Yvonne Acey will take place during the Regular Council Meeting on Tuesday, January 7, 2025 at 3:30 pm. The public is invited to attend and join in celebrating the remarkable achievements of two individuals who have made a lasting difference in the lives of many.

For more information, please contact the Memphis City Council office at 901-636-6786.

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ORDINANCE TO AMEND TITLE 10, CHAPTER 20 – MISCELLANEOUS OFFENSES AND PROVISIONS – OF THE CODE OF ORDINANCES OF MEMPHIS, TENNESSEE, TO ADD PROVISIONS RELATIVE TO THE REGULATION OF DEADLY WEAPONS AND EXTREME PROTECTION ORDERS

WHEREAS, Referendum Ordinance No. 5877 was approved by the Memphis City Council on July 11, 2023, to be published and submitted by the City of Memphis to its qualified voters during the general election on August 1, 2024.

WHEREAS, the Referendum ordinance was subsequently amended and restated in Ordinance No. 5908 to submit the questions to the qualified voters of the City of Memphis during the general election on November 4, 2024.

WHEREAS, the qualified voters approved the amendments to the Charter of the City of Memphis.

WHEREAS, it is the intent of the Council to implement the demonstrated will of the people of Memphis and adopt the proposed amendments.

WHEREAS, the City's Charter vests the City Council with the authority, in its legislative discretion, by ordinance to declare which state misdemeanor offenses committed within the City shall be enforced as misdemeanors within the City. *See* Memphis Charter §§ 360 and 370.

WHEREAS, the provisions of Ordinance No. 5908 are not automatically enforceable or self-executing because they lack the specific details needed for their enforcement and implementation but rather establish the maximum authority of the City Council to adopt ordinances and policies to implement such Charter provisions.

WHEREAS, the Council has no present intention to authorize enforcement and implementation of any provisions of Ordinance No. 5908 that are inconsistent with state law but intends to create legislation that authorizes and supports vigorous enforcement of gun laws adopted by the Tennessee General Assembly.

WHEREAS, it is the intent of this ordinance to adopt the following provisions, which were approved by the qualified voters of the City of Memphis during the state general election on November 4, 2024, in order to declare which state misdemeanor offenses committed within the City, as so approved by Memphis voters, shall be enforced as misdemeanors within the City to be effective upon approval by the Tennessee General Assembly of such laws as may necessary to allow for police and judicial enforcement of violations of such provisions in the City.

WHEREAS, it is the intent of this Ordinance to request the City Administration and the Memphis Police Department to provide advice on policies, procedures and directives that the Council can adopt in order to abate violation of existing provisions of state gun laws.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS that

Section 1. Article 10, Chapter 20 of the Code of Ordinances of Memphis, Tennessee, is hereby amended to add the following provisions

Section 10-20-30. Weapons – Carrying

- A. No person shall be allowed to carry a handgun in the City of Memphis without possessing a valid handgun carry permit.
- B. No person shall be allowed to carry, store, or travel with a handgun in a vehicle in the City of Memphis without possessing a valid handgun permit.
- C. It shall be unlawful for a person to store a firearm, whether loaded or unloaded, or firearm ammunition, in a motor vehicle or boat while the person is not in the motor vehicle or boat unless the firearm or firearm ammunition is kept from ordinary observation and locked within the trunk, utility or glove box, or a locked container securely affixed to the motor vehicle or boat.
- D. The proliferation and use of assault weapons pose a threat to the health, safety, and security of all citizens of Memphis.
- E. It shall be unlawful and prohibited for a person to possess or carry, openly or concealed, any assault rifles in the City of Memphis. Persons with valid handgun permits are exempt from this restriction when possessing or carrying an assault rifle on their privately owned property or at a shooting range.
- F. Any person who violates this section shall be guilty of a misdemeanor and upon conviction shall be subject to punishment as provided in Section 1-1-8.

Section 10-20-31. Commercial Sale of Assault Rifles

A. The commercial sale of assault rifles within the City of Memphis shall be deemed unlawful and is prohibited.

B. The provisions of this Chapter shall not apply to the commercial sale of assault rifles to:

- 1. Any federal, state, local law enforcement agency;
- 2. The United States Armed Forces or department or agency of the United States;
- 3. Tennessee National Guard, or a department, agency, or political subdivision of a state; or
- 4. A Law Enforcement Officer.

C. This prohibition shall not apply to those pre-existing owners who can demonstrate that the commercial sale of an assault rifle was completed prior to January 1, 2025.

- 1. A pre-existing owner is one who, in the purchase of an assault rifle in a commercial

sale prior to January 1, 2025, completed an application, passed a background check, and has a receipt or purchase order for said purchase, without regard to whether the purchaser has actual physical possession of the Assault Rifle and complied with any other requirements regarding the purchase and sale of weapons, codified in Tenn. Code Ann. §§ 39-17-1316 and 39-17-1351.

Section 10-20-32. Extreme Risk Protection Orders

A. Definitions

1. “Petitioner” means:

- a. A law enforcement officer or agency, including an attorney for the state;
- b. A member of the family of the respondent, which shall be understood to mean a parent, spouse, child, or sibling of the respondent;
- c. A member of the household of the respondent;
- d. A dating or intimate partner of the respondent;
- e. A health care provider who has provided health services to the respondent;
- f. An official of a school or school system in which the respondent is enrolled or has been enrolled within the preceding month;

2. “Respondent” means the person against whom an order under Section 20-35 or 20-36 has been sought or granted.

B. Types of Orders

1. The petitioner may apply for an emergency ex parte order as provided in Section 20-35 or an order following a hearing as provided in Section 20-36.

Section 10-20-33. Emergency Ex Parte Order

(a) Basis for Order. The court shall issue an emergency ex parte extreme risk protection order upon submission of an application by a petitioner, supported by an affidavit or sworn oral statement of the petitioner or other witness, that provides specific facts establishing probable cause that the respondent’s possession or receipt of a firearm will pose a significant danger or extreme risk of personal injury or death to the respondent or another person. The court shall take up and decide such an application on the day it is submitted, or if review and decision of the application on the same day is not feasible, then as quickly as possible but in no case later than forty-eight hours.

(b) Content of Order. An order issued under this section shall,

1. prohibit the respondent from possessing, using, purchasing, manufacturing, or otherwise receiving a firearm;

2. order the respondent to provisionally surrender any firearms in his or her possession or control, and any license or permit allowing the respondent to possess or acquire a firearm, to any law enforcement officer presenting the order or to a law enforcement agency as directed by the officer or the order; and

3. inform the respondent of the time and place of the hearing under Section 3 to determine whether he or she will be subject to a continuing prohibition on possessing and acquiring firearms.

(c) Search and Seizure.

1. If the application and its supporting affidavit or statement establish probable cause that the respondent has access to a firearm, on his or her person or in an identified place, the court shall concurrently issue a warrant authorizing a law enforcement agency to search the person of the respondent and any such place for firearms and to seize any firearm therein to which the respondent would have access.

2. The court may subsequently issue additional search warrants of this nature based on probable cause that the respondent has retained, acquired, or gained access to firearm while an order under this section remains in effect.

3. If the owner of a firearm seized pursuant to this subsection is a person other than the respondent, the owner may secure the return of the firearm as provided in Section 20-36 (c)(3).

(d) Time for Service and Searches. The responsible law enforcement agency shall serve the order on the respondent and carry out any search authorized under subsection (c)(1), promptly following issuance of the order. If a search is authorized under subsection (c)(1), the agency may serve the order on the respondent concurrently with or after the execution of the search.

Section 20-36. Order After Hearing

(a) Order After Hearing. Upon application for an extreme risk protection order, supported by an affidavit or sworn oral statement of the petitioner or other witness that provides specific facts giving rise to the concern about the significant danger or extreme risk described in Section 20-35, the court may issue an order under this section, which shall be effective for a period of one (1) year after a hearing. An order issued under this section shall,

- (1) prohibit the respondent from possessing, using, purchasing, or otherwise receiving a firearm; and

(2) order the respondent to surrender any firearm in his or her possession or control, and any license or permit allowing the respondent to possess or acquire a firearm, to any law enforcement officer presenting the order or to a law enforcement agency as directed by the officer or the order.

(b) Basis for order. The court shall issue such an order based on a preponderance of the evidence that the respondent's possession or receipt of a firearm will pose a significant danger or extreme risk of personal injury or death to the respondent or another person. In determining the satisfaction of this requirement, the court shall consider all relevant facts and circumstances after reviewing the petitioner's application and conducting the hearing described in Section 20-35(d). The court may order a psychological evaluation of the respondent, including voluntary or involuntary commitment of the respondent for purposes of such an evaluation, to the extent authorized by other law.

(c) Search and Seizure.

(1) If the evidence presented at the hearing establishes probable cause that the respondent has access to a firearm, on his or her person or in an identified place, the court shall concurrently issue a warrant authorizing a law enforcement agency to search the person of the respondent and any such place for firearms and to seize any firearm therein to which the respondent would have access.

(2) The court may subsequently issue additional search warrants of this nature based on probable cause that the respondent has retained, acquired, or gained access to a firearm while an order under this section remains in effect.

(3) If the owner of a firearm seized pursuant to this subsection is a person other than the respondent, the owner may secure the prompt return of the firearm by providing an affidavit to the law enforcement agency affirming his or her ownership of the firearm and providing assurance that he or she will safeguard the firearm against access by the respondent. The law enforcement agency shall return the firearm to the owner upon its confirmation, including by a check of the National Instant Criminal Background Check System and the applicable state firearm background check system, that the owner is not legally disqualified from possessing or receiving the firearm.

(d) Time for Hearings and Service.

(1) A hearing under this section shall be held within three (3) days of the filing of the application, or within one (1) day of the issuance of an emergency ex parte order under Section 20-35, if such an order is issued. The responsible law enforcement agency shall serve notice of the hearing on the respondent promptly after the filing of the application or issuance of an emergency ex parte order, but notice may be provided by publication or mailing if the respondent cannot be personally served within the specified period. The respondent shall be entitled to one continuance of up to two (2) days on request, and the court may thereafter grant

an additional continuance or continuances for good cause. Any emergency ex parte order under Section 20-35 shall remain in effect until the hearing is held. The court may temporarily extend the emergency order at the hearing, pending a decision on a final order.

(2) The responsible law enforcement agency shall serve an order issued under this section on the respondent and carry out any search authorized under subsection (c)(1), promptly following issuance of the order. If a search is authorized under subsection (c)(1), the agency may serve the order on the respondent concurrently with or after the execution of the search.

(e) Termination and Renewal of Orders.

(1) A respondent may file a motion to terminate an order under this Section one time during the effective period of that order. The respondent shall have the burden of proving, by the same standard of proof required for issuance of such an order, that he or she does not pose a significant danger or extreme risk of personal injury or death to himself or herself or another.

(2) The petitioner may seek renewals of an order under this section for an additional six (6) months at any time preceding its expiration. Renewals after the initial order shall be granted subject to the same standards and requirements as an initial order. The preceding order shall remain in effect until the renewal hearing is held and the court grants or denies a renewed order.

(3) If the respondent fails to appear at, or cannot be personally served in relation to, any hearing or renewal hearing under this section, the default does not affect the court's authority to issue an order or entitle the respondent to challenge the order prior to its expiration. The order will lapse after one (1) year if no eligible petitioner seeks its renewal.

Section 20-37. Entry Into Background Check Systems

The court shall forward any order issued under Section 20-35 or 20-36 to an appropriate law enforcement agency on the day it is issued. Upon receipt of an order under Section 20-36, the law enforcement agency shall make the order available to the National Instant Criminal Background Check System and any state system used to identify persons who are prohibited from possessing firearms.

Section 20-38. Violations

A. The following persons shall be in violation of the City Code of Ordinances:

1. FILER OF FALSE OR HARASSING APPLICATION. – Any person filing an application under Section 20-35 or 20-36 containing information that he or she knows to be materially false, or for the purpose of harassing the respondent.

2. **RESPONDENT NOT COMPLYING WITH ORDER.** – Any person who knowingly violates an order under Section 20-35 or 20-36 , including by possessing or acquiring a firearm in violation of the order or failing to surrender a firearm as required by the order.

3. **PROVIDER OF PROHIBITED ACCESS TO RESPONDENT.** – Any person who knowingly provides the subject of an order under Section 20-35 or 20-36 access to a firearm, in violation of an assurance the person has provided in an affidavit under Section 20-35(c)(3) or 20-36(c)(3) that he or she will safeguard the firearm against access by the respondent.

SECTION 2. Severability Clause.

BE IT FURTHER ORDAINED That the provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases, or parts is held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 3. Codification Clause.

BE IT FURTHER ORDAINED that this Ordinance amends Title 10, Chapter 20 of the Official 2021 City Code. The City has authorized the Municipal Code Corporation to provide a republication of the City's Ordinances in the Official City Code, as amended from time to time, for the convenience of the public. The Official 2021 City Code and the official version of all new, amending, repealing and clarifying ordinances adopted by the City Council are maintained by the City's Comptroller in the Office of Council Records.

SECTION 4. Repeal of Inconsistent Ordinances. Ordinance Section 10-20-21-Weapons-Carrying that was adopted to mirror the misdemeanor provisions of Tennessee Code Annotated §§ 39-6-1701, -1702 is hereby repealed in its entirety.

SECTION 5. Effective Date.

BE IT FURTHER ORDAINED that, notwithstanding any other provision of law to the contrary, this Ordinance shall take effect, and to the extent permitted, on the thirtieth 30th day following the occurrence of either of the following circumstances in the interests of the public welfare, namely:

1. The passage of any enabling legislation adopted by the Tennessee General Assembly or the United States Congress that authorizes municipalities and/or the City of Memphis to enforce ordinances that regulate the use, purchase, transfer, manufacture, ownership, possession, carrying, sale, acquisition, gift, devise, licensing, registration, storage, and transportation firearms within the City; or
2. The passage of any enabling legislation adopted by the Tennessee General Assembly or the United States Congress that authorizes municipalities and/or the City of Memphis to enforce ordinances that provide for obtaining and prosecuting violations of Emergency Ex Parte Orders;

3. The entry of a final decree or judgment by a court of competent jurisdiction declaring or deciding that Tennessee municipalities and/or the City of Memphis are authorized under Tennessee or federal law (i) to enforce ordinances that regulate the use, purchase, transfer, manufacture, ownership, possession, carrying, sale, acquisition, gift, devise, licensing, registration, storage, and transportation firearms within the City or (ii) to enforce ordinances that provide for obtaining and prosecuting violations of Emergency Ex Parte Orders;

SECTION 6. Adoption. BE IT FURTHER ORDAINED that this Ordinance shall be and become a finally adopted ordinance after having been passed by City Council, signed by the Chair of Council, certified and delivered to the office of the Mayor in writing by the Comptroller, and become operative in accordance with its terms as otherwise provided by law and shall remain operative unless and until the City Council alters, amends clarifies or repeals it by a superseding, amending, clarifying or codifying ordinance.

Sponsor(s):
Dr. Jeff Warren

JB SMILEY, JR.
CHAIRMAN

January 7, 2025

FISCAL CONSENT ITEMS

DIVISIONS/DEPARTMENTS:
Police Services

FISCAL CONSENT AGENDA

- RESOLUTION to accept new forensic software valued at \$2,800.00 on behalf of Memphis Police Department Internet Crimes Against Children (ICAC) unit donated from Operation Underground Railroad. All Districts and All Super Districts. This Resolution is sponsored by Memphis Police Services. **(Request for Same Night Minutes)**
- RESOLUTION to accept new grant funds in the amount of \$963,000.00 from the Department of Justice Office of Community Oriented Policing Services. All Districts and All Super Districts. This Resolution is sponsored by Memphis Police Services. **(Request for Same Night Minutes)**
- RESOLUTION to accept new grant funds in the amount of \$963,000.00 from the Department of Justice Office of Byrne Discretionary Community Project Grant. All Districts and All Super Districts. This Resolution is sponsored by Memphis Police Services. **(Request for Same Night Minutes)**

- **RESOLUTION to accept new forensic software valued at \$2,800.00 on behalf of Memphis Police Department Internet Crimes Against Children (ICAC) unit donated from Operation Underground Railroad. All Districts and All Super Districts. This Resolution is sponsored by Memphis Police Services. (Request for Same Night Minutes)**
 - Division/Department: Police Services
 - Division/Department Contact: Janille Townsel
 - Name of Grantor: Operation Underground
 - Funding Amount: \$2,800 value
 - Award Duration: 1 year
 - Awarded Type: In-Kind Gift/Equipment
 - Plain Language Description: MPD has been gifted free access to Cyacomb Examiner Plus software for 1 year (\$2,800.00) from Operation Underground Railroad (OUR) on behalf for MPD's Internet Crimes Against Children Unit for criminal investigations.
 - Impact: Using cutting-edge technology, it replaces slow scans, detecting indecent images of children to further Internet Crimes Against Children (ICAC) investigations.

- **RESOLUTION to accept new grant funds in the amount of \$963,000.00 from the Department of Justice Office of Community Oriented Policing Services. All Districts and All Super Districts. This Resolution is sponsored by Memphis Police Services. (Request for Same Night Minutes)**
 - Division/Department: Police Services
 - Division/Department Contact: Janille Townsel
 - Name of Grantor: US Office of Community-Oriented Policing Services (COPS)
 - Funding Amount: \$963,000.00
 - Award Duration: 2 years, 3/9/2024 to 3/31/2026
 - Awarded Type: Federal Funds
 - Plain Language Description: Federal funding for license plate readers to support public safety efforts.
 - Impact: Building on the success of previously funded LPRs, the Memphis Police Department seeks to enhance the camera network with additional LPRs through collaboration with the federal government. This strategic move will significantly aid in providing relief to victims of auto theft and other vehicle-based violent crimes. Using LPRs, the Sentinel Program will provide additional video evidence and situational awareness in Memphis.

- **RESOLUTION to accept new grant funds in the amount of \$963,000.00 from the Department of Justice Office of Byrne Discretionary Community Project Grant. All Districts and All Super Districts. This Resolution is sponsored by Memphis Police Services. (Request for Same Night Minutes)**
 - Division/Department: Police Services
 - Division/Department Contact: Janille Townsel
 - Name of Grantor: US Office of Justice Bureau of Justice Assistance Grants (JAG)
 - Funding Amount: \$963,000.00
 - Award Duration: 12 months, 6/1/2024 to 5/31/2025
 - Awarded Type: Federal Funds
 - Plain Language Description: Federal funding for equipment to support public safety efforts
 - Impact: The proposed protective gear, such as the ballistic shield and rifle plates, allows officers to respond to gun crime while safely completing the apprehension of persons who commit violent crimes. Obtaining this equipment supports work to study and improve officer performance and safety on several fronts. Visibility and forensic equipment for officers, such as thermal imaging devices and tint meters for optical safety, will aid in criminal investigations and preventative analytics.

MLGW Consent Agenda Committee Discussion



MLGW Committee
January 7th , 2025

Items for January 7th Agenda

Items approved by BOC on December 18th

1. Resolution awarding Contract No. 12490, Landfill Services for MLGW to Memphis Wrecking Company Inc. in the funded amount of \$777,600.00.
2. Resolution approving the ratification of Purchase Order Number 7060792 to National Water Services for Davis Pumping Station high service pump #6 and motor in the amount of \$224,317.00.
3. Resolution approving Change No. 3 to Contract No. 12286, MLGW Utility Payment Centers with Firstech, Incorporated to renew the current contract in the funded amount of \$239,172.00.
4. Resolution approving Change No. 1 to Contract No. 12563, MLGW Flower Planting, Mulch Maintenance, & Turf Area Management (formerly Contract No. C2649) with APS Facility Maintenance to renew the current contract in the funded amount of \$92,735.16.
5. Resolution approving Change No. 3 to Contract No. 12460, Bridgewater Consulting with Bridgewater Consulting Group, Inc. to ratify, extend, and change the project scope in the funded amount of \$84,694.28.
6. Resolution approving Change No. 2 to Contract No. 12291 (Formerly Purchase Requisition #5062182), MLGW Customer Utility Bill Folder/Inserter (Beale Street Landing) with Bell and Howell, LLC to renew the current contract in the funded amount of \$36,640.00.
7. Resolution approving Change No. 2 to Contract No. 12261 (Formerly Purchase Requisition #5059363), Utility Bill Folder/Inserter Equipment and Software Maintenance with Bell and Howell, LLC to renew the current contract in the funded amount of \$138,490.00.

Landfill Services

- Funded amount: \$777,600.00
- Award Duration: 3 Years
- Type of Bid: Sealed Bid
- Awarded to: Memphis Wrecking Company, Inc.
- LSB/MWBE Goal Assigned/Committed: No supplier diversity goal assigned or committed.
- Plain Language Description: MLGW needs landfill services to support MLGW underground Electric, Gas and Water crews.
- Impact: MLGW needs to be able to dispose of truckloads of removed concrete and other excess waste after working jobs across the service territory.

Purchase of Davis High Service Pump and Motor Purchase (Emergency)

- Funded amount: \$224,317.00
- Award Duration: N/A
- Type of Bid: Sealed Bid
- Awarded to: National Water Service
- LSB/MWBE Goal Assigned/Committed: No supplier diversity goal assigned or committed.
- Plain Language Description: This purchase is for new motor and pump for Davis High Service Pump malfunctioned and was deemed non-repairable. MLGW Water Operations start to re-install equipment when it arrives.
- Impact: Redundancy at Davis Pumping Station. High Service Pump #5 and #6 are the largest reservoir pumps that provide the most flow out of the station. It's priority to have Davis Pumping Station at full operation due to the industrial and residential customers it serves.



MLGW Utility Payment Centers

- Funded amount: \$239,172.00
- Award Duration: Renewal through May 14, 2026
- Type of Bid: RFP
- Awarded to: Firstech, Inc.
- LSB/MWBE Goal Assigned/Committed: No supplier diversity goal assigned or committed.
- Plain Language Description: This contract allows MLGW customers the ability to pay their utility bills at over 200 authorized pay agent locations in Memphis and surrounding areas of Shelby County.
- Impact: MLGW customers will not have the ability to make their utility payments in person at these authorized pay agent locations without this service.

MLGW Flower Planting, Mulch Maintenance, & Turf Area Management

- Funded amount: \$92,735.16
- Award Duration: Renewal through February 28, 2026
- Type of Bid: Sealed Bid
- Awarded to: APS Facility Maintenance
- LSB/MWBE Goal Assigned/Committed: Yes, a 30% goal was assigned. The actual participation is 100% MBE- APS Facility Maintenance.
- Plain Language Description: This contract is for grounds maintenance for MLGW's community offices. These services include spraying, trimming, limb removal, weed eating, fence clearing, mowing, flower planting, etc. improving the overall aesthetics of the MLGW Community Office grounds areas.
- Impact: MLGW needs to be able to upkeep and improve the community office grounds areas' overall aesthetics.

Review of MLGW's Meter to Cash Billing Operations

- Funded amount: \$84,694.28
- Award Duration: September 28, 2024 through October 31, 2024
- Type of Bid: Sole Source
- Awarded to: Bridgewater Consulting Group, Inc.
- LSB/MWBE Goal Assigned/Committed: No Supplier Diversity goal was assigned to this contract, Vendor is 100%MBE.
- Plain Language Description: – To ratify invoice payment and extend the contract.
- Impact: Vendor is doing independent assessment of the factors that contributed to the metering and billing issues so that internal processes are improved.

Utility Bill Folder/Inserter Equipment Maintenance and Software Support – Beale Street Landing location

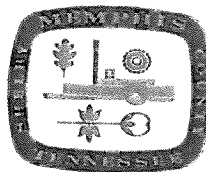
- Funded amount: \$36,640
- Award Duration: Renewal through August 13, 2027
- Type of Bid: Sole Source
- Awarded to: Bell and Howell, LLC
- LSB/MWBE Goal Assigned/Committed: No supplier diversity goal assigned or committed.
- Plain Language Description: This contract is for Utility Bill Folder/Inserter Equipment Maintenance and Software Support for the Beale Street Landing Building.
- Impact: This equipment is used to process MLGW customer utility bills and statements. The Vendor is the only authorized party to provide maintenance and software support on this equipment.

Utility Bill Folder/Inserter Equipment Maintenance and Software Support –Administration Building location

- Funded amount: \$138,490.00
- Award Duration: Renewal through April 8, 2027
- Type of Bid: Sole Source
- Awarded to: Bell and Howell, LLC
- LSB/MWBE Goal Assigned/Committed: No supplier diversity goal assigned or committed.
- Plain Language Description: This contract is for Utility Bill Folder/Inserter Equipment Maintenance and Software Support for the Administration Building.
- Impact: This equipment is used to process MLGW customer utility bills and statements. The Vendor is the only authorized party to provide maintenance and software support on this equipment.

Questions





Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

An Initial Resolution authorizing the issuance of not to exceed \$70,000,000 of Sanitary Sewerage System Revenue Bonds of the City for the purpose of financing various improvements to the Sanitary Sewerage System.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Finance Division is the initiating party.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

There is no change to an existing ordinance or resolution.

4. State whether this will impact specific council districts or super districts.

N.A.

5. State whether this requires a new contract, or amends an existing contract, if applicable.

N/A

6. State whether this requires an expenditure of funds/requires a budget amendment

The resolution does require an expenditure of funds.

7. If applicable, please list the MWBE goal and any additional information needed

N/A

T-165

AN INITIAL RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE BY THE CITY OF MEMPHIS, TENNESSEE OF SANITARY SEWERAGE SYSTEM REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000) PURSUANT TO AND IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE TENNESSEE CODE ANNOTATED, AS AMENDED, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS IMPROVEMENTS, ADDITIONS AND EXTENSIONS TO THE SANITARY SEWERAGE SYSTEM OF THE CITY.

WHEREAS, under the applicable provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended (the “**Act**”), , the City of Memphis, Tennessee (the “**City**”), is authorized to issue and sell from time to time its sanitary sewerage system revenue bonds for the purpose of financing capital improvements to the sanitary sewage disposal systems located within the City’s corporate boundaries (the “**System**”); and

WHEREAS, pursuant to Section 304 of the Act prior to the issuance of any sanitary sewerage system revenue bonds, the governing body of the local government proposing to issue said bonds shall duly adopt an initial resolution determining to issue the same; and

WHEREAS, for the purpose of complying with the requirements set forth in the aforementioned statutes, the Council of the City of Memphis, Tennessee (the “**City Council**”) duly adopts this Initial Resolution.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE AS FOLLOWS:

Section 1. Authorization and Purpose. It is hereby determined that there are hereby authorized to be issued, pursuant to and in accordance with the Act, sanitary sewerage system revenue bonds of the City, in one or more series, in the aggregate principal amount not to exceed Seventy Million Dollars (\$70,000,000) (the “**Bonds**”) for the purpose of financing, in whole or in part, public works projects within the System, which shall include the (i) construction of additions, extensions and improvements to the System; (ii) acquisition of all property, real and personal, appurtenant thereto or connected therewith; (iii) payment or reimbursement of the payment of principal of and interest on any bonds, notes or other debt obligations issued in anticipation of the Bonds (as defined herein) and (iv) any other related costs permitted to be financed by the Act.

Section 2. Interest. The Bonds shall bear interest at such rate or rates not to exceed six percent (6%), the maximum rate permitted by applicable law at the time of sale thereof, payable in such manner and at such times as shall hereafter be determined pursuant to a subsequent series resolution of the City Council duly adopted in accordance herewith.

T-165

Section 3. Security and Source of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable exclusively from and secured solely by a pledge of the income and revenues of the System.

Section 4. Publication of Initial Resolution. The Interim Comptroller of the City is hereby directed pursuant to the Act, to cause this Initial Resolution, upon its adoption, to be published in its entirety once in a newspaper published and having general circulation in the City together with a notice substantially in the form prescribed by the Act.

Section 5. Effective Date. This Initial Resolution shall take effect immediately upon its adoption by the City Council, the welfare of the City requiring it.



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

A Series Resolution authorizing the issuance of not to exceed \$70,000,000 of Sanitary Sewerage System Revenue Bonds of the City for the purpose of financing various improvements to the Sanitary Sewerage System.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Finance Division is the initiating party.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

There is no change to an existing ordinance or resolution.

4. State whether this will impact specific council districts or super districts.

N.A.

5. State whether this requires a new contract, or amends an existing contract, if applicable.

N/A

6. State whether this requires an expenditure of funds/requires a budget amendment

The resolution does require an expenditure of funds.

7. If applicable, please list the MWBE goal and any additional information needed

N/A

T-116p

THE CITY COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE

SERIES RESOLUTION

A SERIES RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE BY THE CITY OF MEMPHIS, TENNESSEE OF SANITARY SEWERAGE SYSTEM REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000) FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS IMPROVEMENTS, ADDITIONS AND EXTENSIONS TO THE SANITARY SEWERAGE SYSTEM OF THE CITY; AUTHORIZING AND APPROVING THE SALE OF SUCH BONDS PURSUANT TO A COMPETITIVE PUBLIC SALE THROUGH THE PUBLICATION AND DISTRIBUTION OF A NOTICE OF SALE WITH THE EXECUTION THEREOF ON THE SALE DATE, OR PURSUANT TO A PRIVATE NEGOTIATED SALE THROUGH THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT BETWEEN THE CITY AND THE UNDERWRITER; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BONDS AND AUTHORIZING THE CHIEF FINANCIAL OFFICER OF THE CITY TO DETERMINE SUCH ADDITIONAL DETAILS; APPOINTING THE PAYING AND REGISTRATION AGENT FOR THE BONDS; AUTHORIZING AND APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS AND APPROVING THE FORM THEREOF; APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS; AND AUTHORIZING ALL LEGAL ACTIONS AND OTHER NECESSARY MATTERS REQUIRED WITH RESPECT TO THE FOREGOING.

BACKGROUND

WHEREAS, the City of Memphis, Tennessee (the “City”) is authorized, among other things, to: (i) provide for the construction, ownership, management and operation of the sanitary sewage disposal systems located within the City’s corporate boundaries; (ii) prescribe and collect rates, fees and charges for the services furnished by such public works; and (iii) adopt and promulgate rules and regulations in connection with the foregoing (the “System”); and

WHEREAS, the City is authorized pursuant to the Constitution and the laws of the State of Tennessee, including particularly the applicable provisions of the Act (as defined herein) to issue its sanitary sewerage system revenue bonds for the purpose of financing, in whole or in part, public works projects within the System, which shall include the (i) construction of additions, extensions and improvements to the System; (ii) acquisition of all property, real and personal, appurtenant thereto or connected therewith; (iii) payment or reimbursement of the payment of principal of and interest on any bonds, notes or other debt obligations issued in anticipation of the Bonds (as defined herein) and (iv) payment of any other related costs permitted to be financed under the Act (defined herein); and

WHEREAS, the Council of the City of Memphis, Tennessee (the “City Council”), duly adopted on February 24, 1981, a resolution authorizing and providing for the issuance of revenue

bonds of the City for the purposes of the System and its operations, as amended, restated and repealed on by a resolution duly adopted by the City Council on March 3, 1981, as further amended by resolutions duly adopted by the City Council on December 17, 1985, April 25, 2000, and June 1, 2004, respectively (collectively, the **"1981 Master Resolution"**); and

WHEREAS, the City Council determined to amend, restate and replace the 1981 Master Resolution, and on September 1, 2020, duly adopted that certain Amended and Restated Master Resolution which proposed to replace the 1981 Master Resolution in its entirety subject to majority bondholder consent from the holders of one or more series of the City's Sanitary Sewerage System Revenue and Revenue Refunding Bonds (the **"Amended and Restated Master Resolution"**); and

WHEREAS, in connection with the City's issuance of its Sanitary Sewerage System Revenue Bond, Series 2020A (WIFIA Project) (Federally Taxable), on September 16, 2020, and the issuance of its Sanitary Sewerage System Revenue and Revenue Refunding Bonds, Series 2020B, on October 15, 2020, the City and the prospective purchasers and holders of such bonds were deemed to have consented to the proposed Amended and Restated Master Resolution; and

WHEREAS, on March 3, 2021, the City caused a Bondholder Consent Solicitation Statement to be distributed to holders of all of its outstanding Sanitary Sewerage System Revenue and Revenue Refunding Bonds in order to request their consent to the adoption and effectiveness of the Amended and Restated Master Resolution; and

WHEREAS, on April 23, 2021, the City reached the required threshold number of bondholder consents of at least sixty-six and two-thirds percent (66 2/3%) of the principal amount of the City's Sanitary Sewerage System Revenue and Revenue Refunding Bonds then outstanding under the 1981 Master Resolution, which was necessary to initiate the effectiveness of the Amended and Restated Master Resolution, thereafter causing such Sanitary Sewerage System Revenue and Revenue Refunding Bonds then outstanding and any Bonds issued thereafter under the Amended and Restated Master Resolution and a corresponding series resolution to be governed by the covenants and provisions set forth in the Amended and Restated Master Resolution; and

WHEREAS, certain Sanitary Sewerage System Revenue and Revenue Refunding Bonds of the City are currently outstanding under the Amended and Restated Master Resolution, as set forth in Section 2(b) hereof; and

WHEREAS, the City Council is concurrently considering the adoption of an initial resolution (the **"Initial Resolution"**), as such term is described and used in the Act determining to issue the City's Sanitary Sewerage System Revenue Bonds in the aggregate principal amount not to exceed Seventy Million Dollars (\$70,000,000) for the purposes set forth therein and under the Act (the **"Series 2025 Bonds"**); and

WHEREAS, the City has submitted a request for lien modification to the State of Tennessee Comptroller of the Treasury - Division of Local Government on behalf of the Tennessee Local Government Authority which, if granted, will constitute the State's consent to modify the lien position of the City's outstanding loans from the State of Tennessee's Clean

Water State Revolving Fund and Drinking Water State Revolving Fund to allow the Series 2025 Bonds to be issued as Senior Lien Bonds under the Amended and Restated Master Resolution.

WHEREAS, the City deems it advisable to issue the Series 2025 Bonds, in one or more series pursuant to the Amended and Restated Master Resolution, the Initial Resolution and this Series Resolution (collectively, the “**Bond Resolution**”), and has determined to adopt this Series Resolution authorizing and providing for the issuance and sale of the Series 2025 Bonds for the purposes set forth and more fully described herein.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AS FOLLOWS:

SECTION 1. Definitions.

(a) Capitalized terms not otherwise defined herein shall have the meaning ascribed in the Master Resolution. The following words and terms as used herein, whether or not capitalized, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined.

“Act” means the Tennessee Code Annotated Section 9-21-101 *et seq.*, as amended.

“Authorized Officers” means the Mayor, the Chief Financial Officer, the Chief Legal Officer/City Attorney, the City Comptroller or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the City then authorized to perform such act or discharge such duty.

“Award Certificate” means, with respect to Series 2025 Bonds sold through competitive public offering, the certificate executed by the Mayor awarding the sale of the Series 2025 Bonds to the winning bidder with the lowest true interest cost in conformance with this Series Resolution and the Notice of Sale, establishing the final maturity schedule, interest rates, principal and interest payment dates and redemption provisions of the Series 2025 Bonds.

“Bond Purchase Agreement” means that certain bond purchase agreement, to be utilized by the City in the event of a negotiated sale, providing for and setting forth the terms and provisions for the purchase and sale of the Series 2025 Bonds, by and between the Underwriter and the City, in a form that is satisfactory to the City and the Underwriter with such modifications thereto shall be approved by the Mayor or Chief Financial Officer.

“Bond Resolution” has the meaning ascribed in the preamble.

“CUSIP Identification Number” means a universally recognized identification number assigned by CUSIP (Committee on Uniform Security Identification Procedures) Global Services that may be affixed to the Series 2025 Bonds.

“Chief Financial Officer” shall mean the duly qualified, appointed, and acting Chief Financial Officer of the City, or its designee, as permitted by the Bond Resolution.

"Chief Legal Officer/City Attorney" shall mean the duly qualified, appointed, and acting Chief Legal Officer/City Attorney of the City.

"City Comptroller" shall mean the duly qualified, appointed, and acting City Comptroller of the City.

"DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

"Initial Resolution" has the meaning ascribed in the preamble.

"Mayor" shall mean the duly qualified, elected, and acting Mayor of the City, or its designee, as permitted by the Bond Resolution.

"Notice of Sale" means the official notice of sale to be published with the Preliminary Official Statement detailing the terms and details of the Bonds, including the applicable bidding parameters for the initial offer and competitive public sale of the Series 2025 Bonds, in a form that is satisfactory to the City with such modifications thereto as may be approved by the Mayor or Chief Financial Officer, in the event the City elects to proceed in such manner.

"Official Statement" and "Preliminary Official Statement" means the Official Statement and Preliminary Official Statement described herein pertaining to the Series 2025 Bonds.

"Outstanding Bonds" shall mean collectively, the City's Bonds set forth in Section 2(b) hereof.

"Paying and Registration Agent" shall have the meaning set forth in the Master Resolution and with regard to the Series 2025 Bonds only, shall refer to Regions Bank, Nashville, Tennessee, or its successor by acquisition of the corporate trust department or otherwise.

"Sale Date" shall mean the date and time which the City shall hold its competitive public sale for the Series 2025 Bonds pursuant to the terms set forth in the Notice of Sale and in the manner required by the Act, at which time prospective bidders may submit their electronic bids to purchase all of the Series 2025 Bonds; or the date on which the Series 2025 Bonds are sold at a private negotiated sale.

"Series 2025 Bonds" shall mean the City's Sanitary Sewerage System Revenue Bonds authorized under the Bond Resolution to be issued in the aggregate principal amount not to exceed Seventy Million Dollars (\$70,000,000) for the purposes herein and under the Act.

"Series 2025 Debt Service Reserve Requirement" means \$_____, the amount which is equal to the Maximum Annual Debt Service Requirement (as defined in the Bond Resolution) on any Series 2025 Bonds then Outstanding, whether at maturity or upon mandatory redemption for any period of twelve (12) consecutive calendar months for which such a determination is made.

"Series Resolution" has the meaning ascribed in the preamble.

(b) Unless or except as the context shall clearly indicate otherwise or may otherwise require in this Series Resolution: (i) all references to a particular Article, Section and or subdivision of the Amended and Restated Master Resolution or this Series Resolution, as the case may be, are to the corresponding Article, Section or subdivision of the Amended and Restated Master Resolution only, or this Series Resolution only, as the case may be; (ii) the terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms refer to this Series Resolution as a whole and not to any particular Section or subdivision hereof; (iii) the terms "therein", "thereunder", "thereby", "thereto", "thereof", and any similar terms, refer to the Amended and Restated Master Resolution as a whole and not to any particular Article, Section or subdivision thereof; (iv) the term "heretofore" means before the time of effectiveness of this Series Resolution and the term "hereafter" means after the time of effectiveness of this Series Resolution; and (v) if a term is defined in this Series Resolution and in the Amended and Restated Master Resolution, in case of conflict, the defined term in the Amended and Restated Master Resolution shall control.

"State" shall mean the State of Tennessee.

SECTION 2. Findings and Determinations.

(a) The City deems it advisable and hereby finds it to be in the best interests of the citizens of the City to issue, in one or more series, Bonds pursuant to the Amended and Restated Master Resolution and the Initial Resolution and has determined to duly adopt this Series Resolution authorizing and providing for the issuance and sale of the Series 2025 Bonds in the aggregate principal amount not to exceed \$70,000,000 for the purposes set forth and more fully described herein.

(b) The City hereby finds and determines that: (i) the City's Sanitary Sewerage System Revenue Refunding Bonds, Series 2014 have been heretofore issued, have a final maturity date of July 1, 2025, and as of June 30, 2024, approximately \$4,350,000 aggregate principal amount of such bonds were outstanding under the Amended and Restated Master Resolution; (ii) the City's Sanitary Sewerage System Revenue Refunding Bonds, Series 2018 have been heretofore issued, have a final maturity date of October 1, 2043, and as of June 30, 2024, approximately \$55,690,000 aggregate principal amount of such bonds were outstanding under the Amended and Restated Master Resolution; (iii) the City's Sanitary Sewerage System Revenue and Revenue Bond, Series 2020A (WIFIA Project) (Federally Taxable) has been heretofore issued, has a final maturity date of April 1, 2056, and as of June 30, 2024, approximately \$75,388,909 aggregate principal amount of such bond was outstanding under the Amended and Restated Master Resolution; and (iv) the City's Sanitary Sewerage System Revenue and Revenue Refunding Bonds, Series 2020B, have been heretofore issued, have a final maturity date of October 1, 2045, and as of June 30, 2024, approximately \$109,325,000 aggregate principal amount of such bonds were outstanding under the Amended and Restated Master Resolution. The afore-referenced Bonds are Outstanding and are collectively referred to herein as the "Outstanding Bonds".

(c) The City has adopted a debt management policy, as required by the State Funding Board of the State of Tennessee. The City Council hereby finds that the issuance and sale of the Series 2025 Bonds, as proposed therein, are consistent with the City's debt management policy. The City Council also hereby acknowledges receipt of all costs and other disclosures regarding the Series 2025 Bonds required by the debt management policy.

SECTION 3. Authorization; Security and Source of Payment; and Certain Details of the Series 2025 Bonds.

(a) Authorization of the Series 2025 Bonds. There is hereby authorized to be issued, sold and delivered under the Bond Resolution, one or more series of sanitary sewerage system revenue bonds of the City in the maximum aggregate principal amount of not to exceed Seventy Million Dollars (\$70,000,000) to be designated "City of Memphis, Tennessee Sanitary Sewerage System Revenue Bonds, Series 2025" or such other designation as the Chief Financial Officer of the City may determine is appropriate for the purpose of (i) financing various improvements, additions and extensions to the System; (ii) other eligible capital expenditures; (iii) funding a debt service reserve fund, if necessary; and (iv) paying the costs of issuance related to the Series 2025 Bonds.

(b) Security and Source of Payment. The Series 2025 Bonds are issued as special obligations of the City payable from, and secured, solely by the Net Revenues (as defined in the Bond Resolution). The taxing power of the City is not available for the payment of the Series 2025 Bonds. The Series 2025 Bonds do not constitute a debt of the State, or any political subdivision thereof, or municipal corporation therein, other than the City, and no Bondholder shall have recourse to the taxing power of any such entities or the City. The Series 2025 Bonds shall be equally and ratably secured under the Amended and Restated Master Resolution with one another, with the Outstanding Bonds and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the Series Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery or otherwise, by the liens, pledges, charges and assignments created by the Bond Resolution.

(c) Certain Details of the Series 2025 Bonds. The Series 2025 Bonds shall mature in serial or term forms not later than the end of the fortieth (40th) fiscal year of the City following the fiscal year of the City in which the Series 2025 Bonds are issued, and shall be issued in the amounts, bear interest at rates not to exceed 6.00% per annum, and be payable on the dates, all as shall be determined by the Chief Financial Officer.

The Series 2025 Bonds shall be dated as shall be determined by the Chief Financial Officer, shall be issuable in the form of fully registered Bonds, without coupons, in authorized denominations of \$5,000 or any integral multiple of \$5,000, and shall be numbered in consecutive numerical order from R-1 upwards in chronological order as issued. The Paying and Registration Agent shall endorse on the Series 2025 Bonds the date of their authentication. Interest on the Series 2025 Bonds shall be payable from the date of the Series 2025 Bonds. Interest on the Series 2025 Bonds shall be payable to the registered owner as of the close of business on a record date as shall be determined by the Chief Financial Officer.

The Series 2025 Bonds shall be issued in Book-Entry-Only Form. One Series 2025 Bond representing each maturity initially will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), as registered owner of the Series 2025 Bonds. DTC will act as securities depository for the Series 2025 Bonds. For so long as the Series 2025 Bonds are held under a Book-Entry System, individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, and purchasers will not receive physical delivery of certificates representing their interest on the Series 2025 Bonds purchased.

Principal, premium, if any, and interest payments on the Series 2025 Bonds will be made by the Paying and Registration Agent by wire transfer to DTC or its nominee, Cede & Co., as registered owner of the Series 2025 Bonds, which will in turn remit such payments to the DTC participants (the "**DTC Participants**") for subsequent disbursement to the beneficial owners of the Series 2025 Bonds (the "**Beneficial Owners**"). Transfer of principal, premium, if any, and interest payments to DTC Participants will be the responsibility of DTC. Transfers of such payments to Beneficial Owners of the Series 2025 Bonds by DTC Participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Series 2025 Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC participants who act on behalf of the indirect participants of DTC and the Beneficial Owners.

The City will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owner.

SECTION 4. Procedure in the Event of Revision of Book-Entry Transfer System - Replacement Bonds. The City shall issue Bond certificates (the "**Replacement Bonds**") directly to the beneficial owners of the Series 2025 Bonds other than DTC, or its nominee, but only in the event that:

(a) DTC determines to discontinue providing its services with respect to the Series 2025 Bonds at any time by giving notice to the City and discharging its responsibilities; or

(b) The City discontinues use of DTC (or substitute depository or its successor) at any time upon determination by the City that the use of DTC (or substitute depository or its successor) is no longer in the best interests of the City and the beneficial owners of the Series 2025 Bonds, subject to DTC procedures.

Upon the occurrence of the events described in either (a) or (b) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall execute and deliver Replacement Bonds in substantially the form set forth in **EXHIBIT A** attached to this Series Resolution.

Prior to the execution and delivery of Replacement Bonds, the City shall notify the beneficial owners of the Series 2025 Bonds by mailing an appropriate notice to DTC. Principal

of and interest on the Replacement Bonds shall be payable by check or draft mailed to each owner of such Replacement Bonds at the address of such owner as it appears in the books of registry maintained on behalf of the City by the Paying and Registration Agent. Replacement Bonds will be transferred only by presentation and surrender to the Paying and Registration Agent, together with an assignment duly executed by the owner of the Replacement Bond(s) or by their representative in a form satisfactory to the Paying and Registration Agent and containing information required by the Paying and Registration Agent in order to effect such transfer.

The City may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to an exchange or transfer of a Series 2025 Bond and may charge the person requesting such exchange or transfer a sum or sums which shall be paid as a condition precedent to the exercise of the privilege of making such exchange or transfer.

SECTION 5. Redemption of the Series 2025 Bonds.

(a) All or any portion of the Series 2025 Bonds shall be subject to redemption prior to maturity at the option of the City at such times and at such redemption prices or shall not be subject to redemption prior to maturity at the option of the City, as may be determined by the Chief Financial Officer. If any Series 2025 Bond (or any portion of the principal amount thereof in installments of \$5,000) shall be called for redemption, notice of the redemption thereof, specifying the date, number and maturity of such Series 2025 Bond, the date and place or places fixed for its redemption, the premium, if any, payable upon such redemption, and if less than the entire principal amount of such Series 2025 Bond is to be redeemed, that such Series 2025 Bond must be surrendered in exchange for the principal amount thereof to be redeemed and a new Series 2025 Bond or Series 2025 Bonds issued equaling in principal amount that portion of the principal amount thereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of such Series 2025 Bond at such holder's address as it appears on the books of registry kept by the Paying and Registration Agent for the Series 2025 Bonds as of the close of business on the forty-fifth (45th) day preceding the date fixed for redemption; provided, however, that any notice of redemption may state that it is conditioned upon the receipt by the Paying and Registration Agent of sufficient moneys to pay the redemption price, plus interest accrued and unpaid to the redemption date, or upon satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any other such event occurs. Notice of such rescission shall be given by the Paying and Registration Agent to affected registered owners of 2025 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event and shall be given in the same manner as the notice of redemption was given.

(b) If notice of the redemption of any Series 2025 Bond shall have been given as aforesaid, and payment of the principal amount of such Series 2025 Bond (or the portion of the principal amount thereof to be redeemed) and of the accrued interest and premium, if any, payable upon such redemption shall have been duly made or provided for, interest on such Series 2025 Bond shall cease to accrue from and after the date so specified for redemption thereof. So

long as the Series 2025 Bonds are in book-entry only form, any notice of redemption will be given only to DTC or its nominee, and the City shall not be responsible for providing any beneficial owner of the Series 2025 Bonds with notice of redemption.

SECTION 6. Appointment of Paying and Registration Agent. Regions Bank, Nashville, Tennessee is hereby appointed as the initial Paying and Registration Agent for the Series 2025 Bonds.

SECTION 7. Execution and Authentication of Series 2025 Bonds; Form of Series 2025 Bonds. The Series 2025 Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City and the seal of the City (or a facsimile thereof) shall be affixed thereto or impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Comptroller, neither of which signatures shall be required to be manual, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Series 2025 Bonds shall cease to be such officer after the Series 2025 Bonds so signed and sealed shall have been delivered by the City, such Series 2025 Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or sealed such Series 2025 Bonds had not ceased to hold such offices. Any Series 2025 Bond may be signed and sealed on behalf of the City by such persons as at the time of the execution of such Series 2025 Bonds shall be duly authorized or hold the proper office in the City, although at the date borne by the Series 2025 Bonds such persons may not have been so authorized or have held such office.

The Series 2025 Bonds shall be in substantially the form set forth in **EXHIBIT A** attached to this Series Resolution and shall recite that they are issued pursuant to Chapter 21 of Title 9 of the Tennessee Code Annotated, as amended.

The Series 2025 Bonds shall bear thereon a certificate of authentication in the form set forth in **EXHIBIT A** attached to this Series Resolution executed manually by an authorized officer of the Paying and Registration Agent as registration agent for the City. Only such Series 2025 Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Master Resolution and this Series Resolution and no Series 2025 Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by an authorized officer of the Paying and Registration Agent. Any such certificate of the Paying and Registration Agent upon any Bond executed on behalf of the City shall be conclusive evidence that the Series 2025 Bond(s) so authenticated has been duly authenticated and delivered under the Master Resolution and this Series Resolution and that the holder of such Series 2025 Bond is entitled to the benefits and security of the Master Resolution and this Series Resolution.

SECTION 8. Establishment of Series 2025 Bond Subaccounts; Application of Proceeds of Sale of the Series 2025 Bonds.

(a) There is hereby created a special account of the City to be known as the "Series 2025 Bond Proceeds Special Account" (the "Bond Proceeds Special Account"), which shall be

held in trust and administered by the City. The proceeds of the sale of the Series 2025 Bonds shall be deposited in the Series 2025 Bond Proceeds Special Account and applied as follows:

(i) Accrued interest received on the Series 2025 Bonds, if any, from their date to the date of delivery of and payment for the Series 2025 Bonds shall be deposited into the Senior Lien Interest Subaccount of the Revenue Fund to be applied to the payment of interest on the Series 2025 Bonds on the initial interest payment date.

(ii) An amount equal to the Series 2025 Debt Service Reserve Requirement, if any, or such lesser amount required to be credited to the Senior Lien Debt Service Reserve Subaccount in the Senior Lien Bond Account of the Revenue Fund such that there shall be credited thereto an amount equal to the Debt Service Reserve Requirement on all Outstanding Bonds, including the Series 2025 Bonds.

(iii) The balance of the proceeds shall be deposited in the Series 2025 Bond Project Subaccount of the Construction Fund created by subsection (b) of this Section 8.

(iv) The Chief Financial Officer shall be authorized to amend the budget of the Revenue Fund to account for any changes made in compliance with this section and Section 5.

(b) There shall be established in the Construction Fund established under the Amended and Restated Master Resolution, a Series 2025 Bond Project Subaccount.

The Series 2025 Bond Project Subaccount shall be drawn upon for the sole purpose of paying (i) costs of improvements, additions and extensions to the System and (ii) fees and expenses in connection with the sale and issuance of the Series 2025 Bonds, including but not limited to the reimbursements authorized by subsection (a)(iii) of this Section 8 to the extent not applied pursuant to said subsection.

Moneys in the Series 2025 Bond Project Subaccount not required for immediate disbursement for the purposes for which the Series 2025 Bond Project Subaccount is created shall, to the fullest extent practicable and reasonable, be invested and reinvested by the City solely in, and obligations deposited in the Series 2025 Bond Project Subaccount shall be, Investment Securities maturing, or subject to redemption at the option of the holder thereof, at or prior to the estimated time for the disbursement of such moneys. Notwithstanding the foregoing, the City may invest moneys set aside in the Series 2025 Bond Project Subaccount in accordance with the provisions of this Section 8 and with the comprehensive investment program of the City.

All income resulting from the investment or reinvestment of the moneys in the Series 2025 Bond Project Subaccount shall accrue to and be deposited in the Series 2025 Bond Project Subaccount.

All moneys held or set aside by the City in the Series 2025 Bond Project Subaccount shall, until otherwise invested or applied as provided in this Section 8, be deposited by the City in its name, for the account of the Series 2025 Bond Project Subaccount, in such banks, trust companies, national banking associations or savings and loan associations as the City shall at any

time or from time to time appoint for the purpose, and which are eligible under the laws of the State of Tennessee to receive deposits of state and municipal funds. Such deposits shall at all times be secured in accordance with the laws of the State of Tennessee and the Charter of the City.

(c) All income resulting from the investment or reinvestment of moneys on deposit in the Senior Lien Bond Reserve Subaccount shall accrue to and be deposited in the Revenue Fund.

SECTION 9. Federal Tax Covenant. The City hereby covenants with the registered owners from time to time of the Series 2025 Bonds that (i) throughout the term of such Series 2025 Bonds and (ii) through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code it will comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on such Series 2025 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103. As such, the City agrees that it shall take no action which may cause the interest on any of the Series 2025 Bonds to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the City Council that the proceeds of the Series 2025 Bonds will not be used in a manner which will cause the Series 2025 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series 2025 Bonds and other related funds established for the purposes herein set out shall be used and promptly expended for the purposes described herein.

SECTION 10. CUSIP Identification Numbers. CUSIP Identification Numbers, at the sole option of the City, may be placed on the Series 2025 Bonds. Notwithstanding the foregoing, neither the failure to place any such number on any Series 2025 Bond nor any inaccuracy, error or omission with respect thereto shall constitute cause for failure or refusal by the purchasers to accept delivery of and pay for the Series 2025 Bonds. No such CUSIP Identification Number shall constitute a part of the contract evidenced by the particular Series 2025 Bond upon which it is imprinted and no liability shall attach to the City or any officer or agent thereof, including any registrar or paying agent for the Series 2025 Bonds, by reason of such numbers or any use made thereof, including any use thereof made by the City, any such officer or any such agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use.

SECTION 11. Sale of the Series 2025 Bonds; Preliminary Official Statement; Final Official Statement; Continuing Disclosure Agreement. The Series 2025 Bonds of each series may be sold either through a competitive public sale or a negotiated sale, at the discretion of the Mayor or the Chief Financial Officer.

If the City elects to hold a competitive public sale after consultation with counsel, then the Series 2025 Bonds shall be sold in such a manner as required by applicable law, particularly Section 12-4-119, Tennessee Code Annotated, on such day and at such time as set forth in the Notice of Sale that will be published for the Series 2025 Bonds or on such other date and at such other time as may be determined by the City. The City is hereby authorized to cause the Notice of Sale to be distributed to prospective purchasers of the Series 2025 Bonds and is further authorized to use any internet platform as a communication medium to receive bids for the

purchase of the Series 2025 Bonds. The City, pursuant to and in accordance with the Notice of Sale relating to the Series 2025 Bonds, will accept electronic bids for the purchase of all, but not less than all, of the Series 2025 Bonds. All electronic bids must be submitted timely and appropriately in accordance with the terms and provisions set forth in the Notice of Sale. Prior to accepting bids, the City reserves the right to change the aggregate and annual principal amounts of the Series 2025 Bonds being offered or other terms of the Series 2025 Bonds, to postpone the sale to a later date, to modify the Notice of Sale in any other respect or to cancel the sale as provided therein. The City also expressly reserves the right: (a) to waive or reject any informalities in any bid; (b) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth therein; (c) to solicit new bids or proposals for the sale of the Series 2025 Bonds; and (d) to otherwise provide for the public competitive sale of the Series 2025 Bonds if all bids are rejected or the winning bidder defaults. The Mayor or the Chief Financial Officer shall award the Series 2025 Bonds, through execution and delivery of an award certificate to the successful bidder whose electronic bid results in the lowest true interest cost to the City. The award of the Series 2025 Bonds to the successful bidder shall be binding on the City, and no further action of the City Council with respect thereto shall be required.

If the City elects to hold a negotiated sale after consultation with counsel, then the Series 2025 Bonds shall be sold at negotiated sale to one or more underwriters (the "**Underwriter**") pursuant to a Bond Purchase Agreement on a date to be selected by the City and at a price of not less than 98% of the total principal amount of the Series 2025 Bonds. The Bond Purchase Agreement will provide that the Underwriter's obligations are subject to certain conditions precedent but that the Underwriter will be obligated to purchase all of the Series 2025 Bonds if any Series 2025 Bonds are purchased. The Bond Purchase Agreement shall provide that the obligations of the Underwriter to accept delivery of each of the Series 2025 Bonds are subject to various conditions set forth and more fully described in the Bond Purchase Agreement. The Underwriter will have the right to join with dealers and other underwriters in offering the Series 2025 Bonds to the public. The prices and other terms with respect to the offering and sale of the Series 2025 Bonds may be changed from time to time by the Underwriter after such Series 2025 Bonds are released for sale. The Series 2025 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2025 Bonds into investment trusts) at prices lower than the public offering prices. Public offering prices may be changed from time to time by the Underwriter.

Whether the election of the sale of the Series 2025 Bonds is competitive or negotiated, the City is hereby authorized to cause the Series 2025 Bonds to be authenticated and delivered by the Paying and Registration Agent to the original purchaser of the Series 2025 Bonds, and the Authorized Officers are authorized to execute, publish, and deliver all certificates and documents, including the Official Statement (as defined below), notices of sale for the Series 2025 Bonds and closing certificates and documents, as they shall deem necessary in connection with the issuance, sale and delivery of the Series 2025 Bonds. The form of Bond set forth in **EXHIBIT A** attached hereto shall be conformed to reflect the changes, if any, described above.

The Chief Financial Officer is also hereby authorized to distribute to purchasers of and investors in the Series 2025 Bonds a Preliminary Official Statement of the City relating to the Series 2025 Bonds substantially in the form previously delivered to the City Council members,

with such changes as shall be approved by the Chief Financial Officer, upon the advice of counsel (including the Chief Legal Officer/City Attorney, Co-Bond Counsel and Co-Disclosure Counsel) and the City's Co-Financial Advisors, which approval shall be conclusively evidenced by its publication and distribution, as applicable. As so changed, the Preliminary Official Statement may recite, or the Chief Financial Officer may separately certify, that it is in a form which is "deemed final" as of its date as described in, and with such omissions as are permitted by, Rule 15c2-12(b)(1) of the United States Securities and Exchange Commission (the "SEC"), but is subject to revision, amendment and completion of a final Official Statement as defined in Rule 15c2-12(e)(3) of the SEC, and the Chief Financial Officer is authorized to separately so certify. The Chief Financial Officer also is hereby authorized to prepare or cause to be prepared, and distribute or cause to be distributed, and the Mayor or Chief Financial Officer is hereby authorized to execute, an Official Statement, relating to the Series 2025 Bonds substantially in the form of the Preliminary Official Statement as so modified, after the same has been completed by the insertion of the maturities, interest rates, and other details of the Series 2025 Bonds and by making such other insertions, changes or corrections as the Chief Financial Officer, based on the advice of counsel (including the Chief Legal Officer/City Attorney, Co-Bond Counsel and Co-Disclosure Counsel) and the City's Co-Financial Advisors, deem necessary or appropriate, such approval to be conclusively evidenced by the execution thereof; and the City Council hereby authorizes the Preliminary Official Statement and the Official Statement and the information contained therein to be used by the initial purchasers in connection with the sale of the Series 2025 Bonds.

A Continuing Disclosure Agreement between the City and Digital Assurance Disclosure, L.L.C., as disclosure dissemination agent ("DAC"), substantially in the form described in the Preliminary Official Statement (as the same may be amended pursuant to the terms thereof, the "**Continuing Disclosure Agreement**"), is hereby authorized to be executed and delivered by the Mayor, upon consultation with the Chief Financial Officer. The form of Continuing Disclosure Agreement as executed and delivered may include such changes as shall be approved by such officers, upon the advice of counsel (including the Chief Legal Officer/City Attorney, Co-Bond Counsel and Co-Disclosure Counsel), which approval shall be conclusively evidenced by the execution thereof.

Upon any termination of DAC's services as disclosure dissemination agent under the Continuing Disclosure Agreement, the City agrees to appoint a successor disclosure dissemination agent under a successor continuing disclosure agreement, the execution and delivery of which by the Mayor, upon consultation with the Chief Financial Officer and advice of counsel (including the Chief Legal Officer/City Attorney, Co-Bond Counsel And Co-Disclosure Counsel), is hereby authorized, to assume substantially the same responsibilities or, alternately, agrees to assume all disclosure responsibilities of DAC or the entity then serving as disclosure dissemination agent under such Continuing Disclosure Agreement. For purposes of the next paragraph, any such successor agreement or assumption of responsibilities by the City also shall be deemed to be a "Continuing Disclosure Agreement."

The City covenants with the holders from time to time of the Series 2025 Bonds that it will, and hereby authorizes the appropriate officers and employees of the City to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing

Disclosure Agreement as amended from time to time. Notwithstanding any other provision of this resolution, failure of the City to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default under this resolution and the Continuing Disclosure Agreement may be enforced only as provided therein.

The appropriate officers and employees of the City are hereby authorized to take all such actions and execute such documents (upon advice of counsel, including the Chief Legal Officer/City Attorney, Co-Bond Counsel and Co-Disclosure Counsel) and the City's Co-Financial Advisors, as shall be necessary to effect the delivery of and payment for the Series 2025 Bonds and as may be reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including the purchase, if deemed to the City's financial advantage, of a bond insurance policy guaranteeing payment of principal of and interest on the Series 2025 Bonds and to provide for the payment of the premium cost thereof.

SECTION 12. Additional Findings and Determinations; Authority for this Series Resolution; the Series 2025 Bonds are "Bonds" and "Senior Lien Bonds" under the Bond Resolution; Further Authorizations.

(a) The City hereby finds and determines that: (i) the Series 2025 Bonds to be issued are authorized under Articles II and III of the Amended and Restated Master Resolution; (ii) no default exists in the payment of the principal of or interest and premium (if any) on any Bond, including the Outstanding Bonds, and (iii) all provisions and conditions of the Amended and Restated Master Resolution required to and including the date of adoption of this Series Resolution have been complied with in anticipation of the issuance of the Series 2025 Bonds under the Bond Resolution.

(b) This Series Resolution (i) supplements the Amended and Restated Master Resolution; (ii) is hereby found, determined and declared to constitute and to be a "Series Resolution" within the meaning of the quoted words as defined and used in the Amended and Restated Master Resolution; and (iii) is adopted pursuant to and under the authority of the Amended and Restated Master Resolution.

(c) The Series 2025 Bonds are hereby found, determined and declared to be issued under the Bond Resolution and to constitute and be "Bonds" and "Senior Lien Bonds" within the meaning of the quoted words as defined and used in the Bond Resolution. As more fully set forth in the Bond Resolution, the Series 2025 Bonds shall be: (i) entitled to the benefits, security and protection of the Bond Resolution, equally and ratably with one another, with the Outstanding Bonds and with any other Senior Lien Bonds hereafter issued thereunder; (ii) payable as provided in the Bond Resolution subject to the prior payment of the Operation and Maintenance Expenses; and (iii) equally and ratably secured under the Bond Resolution with one another, with the Outstanding Bonds and with all Senior Lien Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the Series Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery or otherwise, by the liens, pledges, charges and assignments created by the Bond Resolution.

(d) The Authorized Officers are hereby authorized to take all such actions and execute such documents (upon advice of counsel, including the Chief Legal Officer/City

Attorney, bond counsel and co-disclosure counsel) and the City's financial advisors, as shall be necessary to effect the delivery of and payment for the Series 2025 Bonds and as may be reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including the purchase, if deemed to the City's financial advantage, of a bond insurance policy guaranteeing payment of principal of and interest on the Series 2025 Bonds and to provide for the payment of the premium cost thereof.

SECTION 13. Declaration of Official Intent - Reimbursement. It is reasonably expected that the City will reimburse itself for certain expenditures advanced by the City for the System prior to the issuance of the Series 2025 Bonds from the City's Sewer Collection and Treatment Fund to finance improvements to the System. This Series Resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2, and the City will be reimbursed from proceeds of the Series 2025 Bonds as determined by the Chief Financial Officer of the City.

SECTION 14. Economic Life. The reasonably expected remaining economic life of the improvements, additions and extensions to the System to be financed from the proceeds of the Series 2025 Bonds is greater than the term of the Series 2025 Bonds financing said projects.

SECTION 15. Effect of Section Headings. The heading or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Series Resolution.

SECTION 16. Repeal of Inconsistent Resolutions. Any resolution of the City, or any portion thereof, in conflict or inconsistent with this Series Resolution is hereby repealed to the extent of such conflict or inconsistency.

SECTION 17. Series Resolution a Contract. The provisions of this Series Resolution shall constitute a contract between the City and the Bondholders.

SECTION 18. Effective Date. This Series Resolution shall not become effective unless and until the Initial Resolution shall have been adopted and published, as set forth in Tennessee Code Annotated, Section 9-21-304.

EXHIBIT A

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE PAYING AND REGISTRATION AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF MEMPHIS
SANITARY SEWERAGE SYSTEM REVENUE BONDS
SERIES 2025**

No. R - _____ \$ _____

INTEREST RATE	DATED DATE	MATURITY DATE	CUSIP NO.
	_____, 2025	_____, 20__	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Memphis, Tennessee (hereinafter referred to as the "City"), for value received, hereby promises to pay the Registered Owner (named above), or registered assigns, on the Maturity Date (specified above), [unless this Bond is subject to redemption prior to maturity and shall have been called for previous redemption and payment of the redemption price shall have been duly made or provided for], the Principal Amount (specified above), and to pay interest on such Principal Amount—semiannually on each _____ and _____ thereafter until the payment of such Principal Amount at the Interest Rate (specified above) per annum, calculated on the basis of a [30-day month and a 360-day] year, by wire transfer or by check or draft mailed by the Paying and Registration Agent hereinafter named to the Registered Owner in whose name this Bond is registered on the books of registry kept and maintained by the Paying and Registration Agent as of the close of business on the fifteenth (15th) day of the calendar month preceding the month in which interest is payable to the address of the Registered Owner as it appears on such books of registry.

The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Regions Bank, Nashville, Tennessee (the "Paying and Registration Agent") or such other office of the Paying and Registration Agent as may be designated for such purpose. The principal of and premium, if any, and interest on this Bond are payable in such coin or currency of the United States of America as at the respective dates of payment is legal tender for public and private debts.

This Bond is one of a duly authorized series of Bonds of like designation herewith (the "Series 2025 Bonds"), issued in the principal amount of \$ _____ pursuant to an Amended and Restated Master Resolution duly adopted by the City Council on September 1, 2020, (the "Amended and Restated Master Resolution"); an Initial Resolution (the "Initial Resolution") and a series resolution duly adopted by said City Council on December 17, 2024 (the "Series Resolution", and collectively with the Amended and Restated Master Resolution, and the Initial Resolution, the "Bond Resolution"), and pursuant to the provisions of Chapter 21 of Title 9, Tennessee Code Annotated, as amended, and the Charter of the City, as amended, for the purpose of financing the costs of improvements, additions and extensions to the City's Sanitary Sewerage System.

The Series 2025 Bonds constitute part of a duly authorized issue of Bonds (herein referred to as the "Bonds") issued, or to be issued, under the Resolution in one or more series in various principal amounts and of varying denominations, dates, maturities, interest rates and other provisions as provided in the Resolution for the purpose of financing the cost of the acquisition, construction, reconstruction, improvement, extension, enlargement and betterment of the City's Sanitary Sewerage System or for the refunding of Bonds issued therefor.

The Bonds, including the Series 2025 Bonds, are payable solely from and equally and ratably secured solely by the net revenues derived by the City through the ownership and operation of the Sanitary Sewerage System of the City which, by the terms of the Resolution, are pledged to the payment thereof, subject to the provisions of the Resolution permitting the application of such revenues to the purposes and on the terms and conditions set forth in the Resolution.

[The Series 2025 Bonds maturing on or before _____ shall not be subject to redemption prior to maturity. The Series 2025 Bonds maturing on and after _____ (or portions thereof in authorized denominations) are subject to optional redemption by the City on and after, _____, in whole or in part at any time in such order as determined by the City and by lot within a maturity (if less than a full maturity is to be redeemed),] [at a redemption price equal to the principal amount of the Series 2025 Bonds or portion thereof to be redeemed, together with the interest accrued on such principal amount to the date fixed for redemption.] [at the prices and dates set forth below, in each case together with the interest accrued on the principal amount of the Series 2025 Bonds or portion thereof to be redeemed]

[insert other applicable redemption provisions, if any]

[If this 2025 Bond or any portion of the principal amount hereof shall be called for redemption, notice of the redemption hereof, specifying the date and number of this 2025 Bond, the date and place or places fixed for its redemption, the premium, if any, payable upon such redemption, and if less than the entire principal amount of this 2025 Bond is to be redeemed, that this 2025 Bond must be surrendered in exchange for the principal amount hereof to be redeemed and the issuance of a new 2025 Bond equaling in principal amount that portion of the principal amount hereof not redeemed, shall be mailed not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption by first class mail, postage prepaid, to the Registered Owner of this 2025 Bond at such owner's address as it appears on the books of

registry kept by the Paying and Registration Agent as of the close of business on the forty-fifth (45th) day preceding the date fixed for redemption; provided, however, that any notice of redemption may state that it is conditional upon the receipt by the Paying and Registration Agent of sufficient moneys to pay the redemption price, plus interest accrued and unpaid to the redemption date, or upon satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any other such event occurs. Notice of such rescission shall be given by the Paying and Registration Agent to affected registered owners of Series 2025 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event and shall be given in the same manner as the notice of redemption was given. If notice of redemption shall have been given as aforesaid, and payment of the principal amount of this 2025 Bond (or portion of the principal amount hereof to be redeemed) and of the accrued interest and premium, if any, payable upon such redemption shall have been made or provided for, interest hereon shall cease to accrue from and after the date so specified for the redemption hereof. The failure of the Registered Owner to receive any such mailed notice shall not affect the sufficiency or validity of proceedings for the redemption of this Series 2025 Bond.]

Notwithstanding the foregoing, so long as the Series 2025 Bonds are registered in the name of a securities depository for purchase in book-entry only form, (i) any notice of redemption or of rescission of conditional notice of redemption will be given only to the securities depository or its nominee, notice of redemption given to the securities depository may be given at such time and in such manner as is required by their operational procedures, (ii) the selection of beneficial ownership interests in the Series 2025 Bonds to be redeemed within a maturity may be determined in accordance with such procedures, and (iii) the City shall not be responsible for providing any beneficial owner of the Series 2025 Bonds with any such notice.

[Insert provisions for purchase in lieu of redemption, if any.]

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Series 2025 Bonds, this Series 2025 Bond may be exchanged at the principal office of the Paying and Registration Agent, or such other office of the Paying and Registration Agent as may be designated for such purpose for a like aggregate principal amount of Series 2025 Bonds of other authorized principal amounts and of the issue of which this Series 2025 Bond is one. This Series 2025 Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the office of the Registrar but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Series 2025 Bonds of the issue of which this Series 2025 Bond is one, and upon the surrender hereof for cancellation. Upon such transfer, a new Series 2025 Bond or Series 2025 Bonds of authorized denominations and of the same aggregate principal amount of the series of which this Series 2025 Bond is one will be issued to the transferee in exchange herefor.

This Series 2025 Bond shall not be deemed to constitute a general obligation of the City or a debt of the City within the meaning of any constitutional, Charter or statutory limitation, and no Holder of this Bond shall ever have the right to compel any exercise of the taxing powers of

the City to pay this Bond or the interest hereon, but this Bond shall be payable solely from the revenues of the Sanitary Sewerage System as herein set forth.

This Series 2025 Bond is transferable only upon the registration books at the above mentioned office of the Paying and Registration Agent by the registered owner hereof, or by his duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer satisfactory in form to the Paying and Registration Agent duly executed by the registered owner or his duly authorized attorney, which may be in the form endorsed hereon, and subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and thereupon a new bond or bonds, in the same aggregate principal amount in authorized denominations and of the same series, interest rate and maturity as the bond surrendered, shall be issued to the transferee in exchange therefor as provided in the Resolution.

Reference is hereby made to the Resolution, certified copies of which are on file in the principal office of the Interim City Comptroller, and to all of the provisions of which any Holder of this Series 2025 Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Series 2025 Bonds issued under the Resolution, including this Series 2025 Bond; the properties constituting the Sanitary Sewerage System; the revenues and other moneys pledged to the payment of the principal of and interest on the Series 2025 Bonds issued thereunder; the nature and extent and manner of enforcement of the pledge; the terms and conditions upon which this Series 2025 Bond and the series of which it is one are issued and upon which other Bonds may hereafter be issued thereunder, and certain reimbursement obligations under support facilities or interest rate exchange agreements may be incurred, payable on a parity from such revenues and equally and ratably secured therewith; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the holders of the Bonds; the rights and remedies of the Holder hereof with respect thereto, including the limitations therein contained upon the right of a Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the City and the Bondholders thereunder; the terms and provisions upon which the liens, pledges, charges, trusts, assignments and covenants made therein may be discharged at or prior to the maturity or redemption of this Series 2025 Bond, and this Series 2025 Bond thereafter will no longer be secured by the Resolution or be deemed to be outstanding thereunder, if moneys or certain specified securities shall have been deposited with a Paying Agent sufficient and held in trust solely for the payment hereof; and for the other terms and provisions hereof.

It is hereby certified, recited and declared that all actions, conditions and things required to be done, exist, happen and be performed precedent to, and in the issuance of this Series 2025 Bond, have been done, have existed, have happened, and have been performed in regular and due form and manner as required by the Constitution and statutes of the State of Tennessee and the Charter of the City, and that this Series 2025 Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution and statutes of such State and the Charter of the City.

This Series 2025 Bond shall not be valid or become obligatory for any purpose until this Series 2025 Bond shall have been authenticated by the execution by the Paying and Registration Agent, as authenticating agent, of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Memphis has caused this Series 2025 Bond to be executed by the manual or facsimile signature of its Mayor and the seal of the City to be affixed hereto or impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Interim City Comptroller, neither of which signatures are required to be manual.

CITY OF MEMPHIS, TENNESSEE

Mayor

ATTEST:

Interim City Comptroller

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Series 2025 Bond is one of the Series 2025 Bonds described in the within mentioned Series Resolution.

REGIONS BANK, Nashville, Tennessee
As Paying and Registration Agent

By: _____
Authorized Officer

Date of Authentication:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name, Address and Taxpayer Identification No. of Assignee) the within bond and does hereby irrevocably constitute and appoint _____ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guarantee: _____

Note: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever

OFFICIAL NOTICE OF SALE

\$[_____]*
CITY OF MEMPHIS, TENNESSEE,
SANITARY SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2025

Electronic Bids, as Described Herein
Will Be Accepted Until
[9:30 a.m.], Central Time, _____ day, _____, 2025*
_____, 2025

* Preliminary; subject to change.

CONTACTS

City of Memphis, Tennessee
125 North Main Street, Room 368
Memphis, Tennessee 38103
Fax: (901) 576-6193

Walter O. Person Chief Financial Officer	walter.person@memphistn.gov	(901) 636-6151
André D. Walker Deputy Chief Financial Officer	andre.walker@memphistn.gov	(901) 636-6324
Carol Ward Debt Coordinator	carol.ward@memphistn.gov	(901) 636-7303
Cherrell Hawkins Debt Analyst	cherrell.hawkins@memphistn.gov	(901) 636-7919

Ahmad Zaffarese LLC, Co-Bond Counsel
254 Court Avenue, Suite 214
Memphis, Tennessee 38103

Miska L. Shaw, Esquire	mshaw@azlawllc.com	(901) 424-9550
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Bass, Berry & Sims PLC, Co-Disclosure Counsel
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Fax: (615) 742-6293

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Memphis, Tennessee 38119

T. Kevin Bruce, Esquire	tkbruce@brucelawmemphis.net	(901) 207-1182
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CLB Porter, LLC, Co-Financial Advisor
2339 Red Vintage Lane N.
Memphis, Tennessee 38016

Kyle Wright, Director	kwright@clbporter.com	(504) 253-9535
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PFM Financial Advisors LLC, Co-Financial Advisor
530 Oak Court Drive, Suite 160
Memphis, Tennessee 38117
Fax: (901) 682-8386

Lauren S. Lowe, Managing Director	lowel@pfm.com	(901) 481-3259
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PARITY®

Customer Service		(212) 849-5021
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ImageMaster, LLC

Customer Service		(734) 821-2525
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OFFICIAL NOTICE OF SALE

\$[_____] * CITY OF MEMPHIS, TENNESSEE, SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2025

NOTICE IS HEREBY GIVEN that electronic bids will be received on the date and up to the time specified below:

SALE DATE: _____ day, _____, 2025*

SALE TIME: **[9:30]** a.m. Central Time*

ELECTRONIC BIDS: Must be submitted through PARITY® as described below.
No other form of bid or provider of electronic bidding services will be accepted.

Bids will be received for the purchase of all, but not less than all, of the \$[_____] * Sanitary Sewerage System Revenue Bonds, Series 2025 (the "Series 2025 Bonds"), of the City of Memphis, Tennessee (the "City") on the Sale Date set forth in the Bidding Parameters table herein. The Series 2025 Bonds are more particularly described in the Preliminary Official Statement dated _____, 2025, relating to the Series 2025 Bonds (the "Preliminary Official Statement"), available at the ImageMaster website, www.munios.com. At any time prior to accepting bids, the City reserves the right to cancel or postpone the sale of the Series 2025 Bonds. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least eighteen (18) hours' notice via the website address www.tm3.com of Thomson Municipal Market Monitor. The City further reserves the right to change the aggregate and annual principal amounts of the Series 2025 Bonds being offered or other terms of the Series 2025 Bonds. Any such change may be announced via Thomson Municipal Market Monitor at the website address www.tm3.com not later than eighteen (18) hours preceding the bid opening. Consideration of the bids and the award will be made by the City not later than 5:00 p.m. Central Time on the Sale Date. The City also reserves the right to adjust the aggregate and annual principal amounts of the Series 2025 Bonds or to cancel the sale of the Series 2025 Bonds after the bids are opened, as further described herein. See "ADJUSTMENT OF AMOUNTS AND MATURITY" herein. All capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in the Preliminary Official Statement.

* Preliminary; subject to change.

THE BIDDING PROCESS, CURRENTLY SCHEDULED FOR THE SALE DATE, MAY BE CANCELLED OR POSTPONED AT ANY TIME PRIOR TO THE RECEIPT OF BIDS. IF A POSTPONEMENT OCCURS, A LATER PUBLIC SALE MAY BE HELD AT THE TIME AND DATE COMMUNICATED THROUGH THOMSON MUNICIPAL MONITOR UPON NO LESS THAN 18 HOURS NOTICE. THE AGGREGATE PRINCIPAL AMOUNT AND AMORTIZATION OF THE SERIES 2025 BONDS MAY BE CHANGED OR ANY OTHER PROVISION OF THIS OFFICIAL NOTICE OF SALE MAY BE AMENDED BY THE CITY UPON NO LESS THAN 18 HOURS PRIOR NOTICE COMMUNICATED THROUGH THOMSON MUNICIPAL MONITOR. IF SUCH A CHANGE OR AMENDMENT OCCURS, BIDS WILL BE RECEIVED IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE, AS MODIFIED BY SUCH NOTICE.

[Remainder of Page Intentionally Left Blank]

BIDDING PARAMETERS TABLE*

INTEREST		PRICING	
Dated Date:	Delivery Date	Maximum Aggregate Bid:	N/A
Delivery Date:	On or around _____, 2025	Minimum Aggregate Bid:	101%
Interest Payment Dates:	June 1 and December 1	Maximum Price Per Maturity:	N/A
First Interest Payment Date:	June 1, 2025	Minimum Price Per Maturity:	98.5%
Coupon Multiples:	1/8 or 1/20 of 1%		
Maximum Allowable Coupon:	6.00%		
PROCEDURAL			
Minimum Allowable Coupon:	5.00% for Bonds maturing [December] 1, 203_, and thereafter	Sale Date and Time:	_____, 2025. Bid must be received by [9:30] a.m. Central Time on the Sale Date.
Maximum TIC:	N/A	Bid Submission:	PARITY® only.
		All or None:	Yes
PRINCIPAL		Bid Award Method:	Lowest True Interest Cost
Optional Redemption:	On or after [December] 1, 203_, at a price equal to the principal together with accrued interest.	Bid Confirmation:	Fax or e-mail signed PARITY® screen.
Aggregate Principal Increase / Decrease:	+ / - 25%	Awarding of Bid:	Mayor or his designee, not later than 5:00 p.m. Central Time on Sale Date
Per Maturity Increase / Decrease:	N/A	Good Faith Deposit:	\$ _____
Maximum Aggregate Principal:	Cannot exceed \$ _____		
Term Bonds:	Bidders may specify that the principal amount coming due in any two or more consecutive years may be combined into one or more term bonds. No term bond may include non-callable and callable maturities.		

* Bidding parameters or any other provision of this Official Notice of Sale may be amended by the City upon no less than eighteen (18) hours prior notice and communicated through Thomson Municipal Market Monitor. If such a change or amendment occurs, bids will be received in accordance with this Official Notice of Sale, as modified by such notice. If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the body of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

MATURITY SCHEDULE FOR THE SERIES 2025 BONDS*

<u>Maturity</u>	<u>Principal Amount</u>
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* Preliminary, subject to change.

THE SERIES 2025 BONDS

The Series 2025 Bonds will be dated their date of delivery and will bear interest at the annual rate or rates specified by the successful bidder. Interest on the Series 2025 Bonds will be payable semiannually until paid in full and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025, through December 1, 2034, and is thereafter payable annually on December 1 of each year. The Series 2025 Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table.

The Series 2025 Bonds will be issued only in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2025 Bonds. For more information regarding the form of the Series 2025 Bonds, see "FORM AND PAYMENT" herein.

The Series 2025 Bonds will mature on the dates and in the principal amounts shown on the Maturity Schedule, subject to change before the sale and after award of the Series 2025 Bonds as provided herein.

The proceeds of the Series 2025 Bonds will be used for the purposes of: (a) financing various improvements, additions and extensions to the City's sanitary sewerage system (the "System") and (b) paying the costs of issuance of the Series 2025 Bonds.

SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2025 BONDS

The Series 2025 Bonds are issued as Senior Lien Bonds under the Bond Resolution and are payable solely from and equally and ratably secured by a pledge of the Net Revenues of the System on a parity and equality of lien with all of the Outstanding Senior Lien Bonds and any additional Senior Lien Bonds hereafter issued. **[The Series 2025 Bonds will/will not be secured by a Senior Lien Debt Service Reserve Subaccount.]**

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE CITY OR A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY LIMITATION, AND NO HOLDER OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWERS OF THE CITY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, BUT THE SERIES 2025 BONDS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM AS SET FORTH IN THE BOND RESOLUTION.

REDEMPTION OF THE SERIES 2025 BONDS

Optional Redemption. The Series 2025 Bonds maturing on or before **[December]** 1, 203_, are not subject to optional redemption prior to maturity. The Series 2025 Bonds maturing on or after **[December]** 1, 203_, (or portions thereof in authorized denominations of \$5,000 and integral multiples thereof) are subject to optional redemption by the City on and after **[December]** 1, 203_,

in whole or in part, at any time, in such order as determined by the City (except as provided below), at a redemption price equal to the principal amount of the Series 2025 Bonds or portion thereof to be redeemed, plus interest accrued thereon to the redemption date.

Term Bond Option. Bidders, in their bids for purchase of the Series 2025 Bonds, may designate the principal amounts of the Series 2025 Bonds set forth in the initial Maturity Schedule set forth in this Official Notice of Sale for any two or more consecutive years as a single term maturity which will mature in the latest of the years designated, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Bidders may designate no more than four term maturities in such manner, and only one term maturity may be subject to mandatory sinking fund redemption in any year. No term bond may include non-callable and callable maturities. Upon such designation, the Series 2025 Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on June 1 or December 1, as applicable and set forth in the initial Maturity Schedule, in the principal amounts which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

ADJUSTMENT OF AMOUNTS AND MATURITY

Prior to the Sale Date, the City may adjust the aggregate and annual principal amounts of the Series 2025 Bonds. Notice of any such adjustment will be announced via Thomson Municipal Market Monitor at the website address www.tm3.com not later than eighteen (18) hours preceding the bid opening.

After the receipt and opening of the bids for the purchase of the Series 2025 Bonds, the City may cancel the sale of the Series 2025 Bonds or adjust the aggregate principal amount, or the principal amount of any maturity, of the Series 2025 Bonds, provided such adjustments are within the limitations set forth in the Bidding Parameters Table and calculated based on the applicable bid amount. The City will consult with the successful bidder before adjusting the aggregate principal amount of the Series 2025 Bonds or canceling the sale of the Series 2025 Bonds. However, the City reserves the sole right to make adjustments, within the limits described above, and to cancel the sale of the Series 2025 Bonds. Any adjustments made after the opening of the bids will be communicated to the successful bidder no later than 2:00 p.m. Central Time on the Sale Date. Adjustment of the aggregate or annual principal amounts of the Series 2025 Bonds within the limits described in the Bidding Parameters Table will not relieve the successful bidder from its obligation to purchase all of the Series 2025 Bonds, assuming the City has satisfied all other conditions of this Official Notice of Sale.

In the event that the aggregate principal amount of the Series 2025 Bonds is revised after the award, the interest rates and reoffering prices of each maturity and Underwriter's Discount on the Series 2025 Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2025 Bonds submitted by the bidder and the price at which the Series 2025 Bonds will be issued to the public, as calculated from information provided by the bidder, divided by the par amount of the bid.

FORM AND PAYMENT

The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of the Series 2025 Bonds as set forth in the Maturity Schedule herein, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through DTC and its participants ("DTC Participants"), who will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond (a "Beneficial Owner") is in turn to be recorded on the DTC Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners.

Payments of principal of and premium, if any, and interest on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. Neither the City nor Regions Bank, Nashville, Tennessee, who will act as the paying agent and registrar for the Series 2025 Bonds, will have any responsibility or obligation to DTC Participants, Beneficial Owners or other nominees of any Beneficial Owner for: (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) distribution of any certificate representing an ownership interest, or other confirmation of beneficial ownership interest, in the Series 2025 Bonds; (c) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any of the Series 2025 Bonds; (d) the delivery of any notice by DTC or any DTC Participant; (e) the election of the DTC Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2025 Bonds; or (f) any consent given or any other action taken by DTC or any DTC Participant.

The successful bidder will be required to furnish to DTC within seven (7) days after the sale the customary underwriter's questionnaire and information as to each DTC Participant and the Series 2025 Bonds to be held for it, all in accordance with DTC procedures.

PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT

The City has authorized the preparation and distribution of the Preliminary Official Statement, which it has "deemed final" (except for permitted omissions) for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC"), as promulgated pursuant to the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). On the date of closing, the City will furnish to the successful bidder a certificate, in its usual form, as to the completeness and accuracy of the Official Statement.

The Preliminary Official Statement and this Official Notice of Sale will be available electronically at www.munios.com. Assistance in obtaining the documents will be available from ImageMaster or from one of the City's Co-Financial Advisors, Kyle Wright, Director of CLB

Porter, LLC, or Lauren S. Lowe, Managing Director of PFM Financial Advisors LLC. For their contact information, see "CONTACTS" herein.

This Official Notice of Sale is not intended to be a disclosure document and, although being delivered to investors simultaneously with the Preliminary Official Statement, shall not be deemed to be part of the Preliminary Official Statement. All bidders must review the Preliminary Official Statement and will be deemed to have acknowledged that they have done so prior to participating in the bidding. In the event of any conflict between the statements contained in the Preliminary Official Statement and in this Official Notice of Sale, the statements contained in the Preliminary Official Statement shall prevail.

The Preliminary Official Statement, when amended to reflect the results of the sale of the Series 2025 Bonds and other information, will constitute a "Final Official Statement" with respect to the Series 2025 Bonds, as that term is defined in Rule 15c2-12. Not more than seven (7) business days after the date of the sale of the Series 2025 Bonds, the City will provide, without cost to the successful bidder, up to 50 copies of the Final Official Statement. The successful bidder shall be responsible for distributing copies of the Final Official Statement to the other underwriters in its underwriting syndicate, if any, and agrees that delivery of the Final Official Statements to it as aforesaid satisfies the City's obligations under Rule 15c2-12 to deliver Final Official Statements with respect to the Series 2025 Bonds.

RATINGS

Moody's Investors Service, Inc., and S&P Global Ratings (together, the "Rating Agencies"), have assigned ratings of "____" (____ outlook) and "____" (____ outlook), respectively, to the Series 2025 Bonds. The rating reports of the Rating Agencies will be made available upon request to the Deputy Chief Financial Officer, André D. Walker, or to one of the City's Co-Financial Advisors, Kyle Wright, Director of CLB Porter, LLC, or Lauren S. Lowe, Managing Director of PFM Financial Advisors LLC. For their contact information, see "CONTACTS" herein.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and explanations of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies or any of them, may have an adverse effect on the liquidity or market price of the affected Series 2025 Bonds. The City has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

CONTINUING DISCLOSURE

In order to assist the successful bidder in complying with Rule 15c2-12, simultaneously with the issuance of the Series 2025 Bonds, the City will enter into a Continuing Disclosure

Agreement with Digital Assurance Certification, L.L.C. ("DAC"), as initial dissemination agent, under which the City will provide continuing disclosure with respect to the Series 2025 Bonds.

Bidders shall perform their own due diligence regarding the City's past compliance with its continuing disclosure undertakings and must contact the City prior to bidding on the Series 2025 Bonds to the extent of any questions about, or proposed revisions to, the disclosure under the heading "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

DAC has been engaged by the City to review and prepare a report on its compliance with its continuing disclosure undertakings with respect to its bonds during the last five years. Prospective bidders may obtain access to DAC's report on its website by sending a written request via email to support@dacbond.com, referencing Series 2025 Bonds in the email subject line, by no later than 12:00 noon Central Time on _____, 2025. DAC will then provide those bidders access to its online report. The City can give no assurance as to the timeliness with which DAC will provide access to the report online or that the procedures performed by DAC in developing the report are sufficient for any purpose.

LEGAL OPINION AND CLOSING CERTIFICATES

At the time of delivery of the Series 2025 Bonds, the City will deliver to the successful bidder, the approving opinions of Co-Bond Counsel, in substantially the form attached to the Preliminary Official Statement as Appendix D, a no-litigation certificate of the City and other customary closing certificates relating to the issuance of the Series 2025 Bonds. For a further discussion of certain federal income tax matters relating to the Series 2025 Bonds, see the information under the caption "TAX MATTERS" in the Preliminary Official Statement. The opinions of Co-Bond Counsel will be furnished to the successful bidder, without charge, together with the closing documents customarily delivered by the City for the issuance of its sanitary sewerage system revenue bonds.

At the time of delivery of the Series 2025 Bonds, the City will deliver to the successful bidder, at the expense of the City, the opinions of Co-Disclosure Counsel to the City, which counsel have advised the City on various matters relating to disclosure for the issuance of the Series 2025 Bonds and in connection with the preparation of the Preliminary Official Statement and the Final Official Statement. The opinions of Co-Disclosure Counsel will be furnished to the successful bidder, without charge, in substantially the form customarily delivered to the City for the issuance of its sanitary sewerage system revenue bonds.

BIDDING PROCEDURE; OFFICIAL BID FORMS

Only electronic bids submitted via PARITY® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile will be accepted. Bidders are permitted to submit bids for the Series 2025 Bonds during the bidding time period, provided they are eligible to bid as described under the heading "ELIGIBILITY TO BID" herein.

Each bid must be unconditional and received by PARITY® before the Sale Date and time deadline for receiving bids as set forth in the Bidding Parameters Table. No proposal to purchase the Series 2025 Bonds may be withdrawn after the deadline set for receiving bids. Prior to the

deadline set for receiving bids, an eligible prospective bidder may, subject to the limitation which may be imposed by PARITY®, modify the proposed terms of its bid, in which event the proposed terms as last modified will constitute its bid for the Series 2025 Bonds. At the deadline stated above for receiving bids, the bidding process will close and each bid shall then constitute an irrevocable offer to purchase the Series 2025 Bonds on the terms provided in the bid and this Official Notice of Sale.

The use of PARITY® electronic bidding shall be at the bidder's risk and expense and the City shall have no liability with respect thereto. The City is using electronic bidding as a communications medium and PARITY® is not acting as the City's agent.

If any provision of this Official Notice of Sale conflicts with information provided by PARITY®, this Official Notice of Sale shall control. The City is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Official Notice of Sale. The time maintained by PARITY® shall constitute the official time with respect to all bids submitted.

Each electronic bid submitted via PARITY® shall be deemed an offer in response to this Official Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The successful bidder must confirm such bid by a signed PARITY® bid form and a signed statement of reoffering price, both delivered by fax or e-mail to the City (at the number or e-mail address specified under the heading "CONTACTS" herein) no later than one hour after being notified by the City of being the winning bidder, the original of each of which must be received by André D. Walker, Deputy Chief Financial Officer, on the following business day at his address, as shown under the heading "CONTACTS" herein. Failure to deliver this written confirmation does not relieve the bidder of the obligation to purchase the Series 2025 Bonds.

ELIGIBILITY TO BID

The City does not have a registration requirement for prospective bidders. However, bidders submitting electronic bids must be contracted customers of the BidCOMP Competitive Bidding System and should promptly contact PARITY® directly at (212) 849-5021 for information about PARITY®, including its rules and fees and becoming a contracted customer. In the event any bidder desires to submit a bid and is not a contracted customer of the BidCOMP Competitive Bidding System, such bidder should contact one of the City's Co-Financial Advisors, Kyle Wright, Director of CLB Porter, LLC, or Lauren S. Lowe, Managing Director of PFM Financial Advisors LLC, to arrange to participate in the bidding process. For their contact information, see "CONTACTS" herein.

By submitting a bid for the Series 2025 Bonds, each underwriter certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The City will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

In connection with Tennessee Code Annotated Section 12-4-119, if and as applicable, by submitting a bid, each bidder certifies that it is not currently engaged in nor will it engage in a

boycott of Israel through the issue date of the Series 2025 Bonds. For this purpose, a “boycott of Israel” shall mean engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (i) in compliance with, or adherence to, calls for a boycott of Israel, or (ii) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason.

While Tennessee law requires that the Series 2025 Bonds be awarded to the bidder whose bid results in the lowest true interest cost to the City (see “Award of Bid” below), it is the intent of the City that bidders give appropriate consideration to firms that reflect the racial and ethnic diversity of the City of Memphis. In accordance with City Ordinance #5662, the City encourages bidders to include Minority and Women-Owned Business Enterprises ("MWBE") in their management group or syndicate. To be considered an MWBE, at least 51% of ownership should be secured by one or more minority persons or women.

FORM OF BID, INTEREST RATE AND BID PRICE

All bids must conform to the requirements of this Official Notice of Sale. No bid will be considered which does not offer to purchase all of the Series 2025 Bonds. Each bid must specify: (a) an annual rate of interest for each maturity of the Series 2025 Bonds; (b) the reoffering price or yield for each maturity of the Series 2025 Bonds; and (c) a dollar purchase price for each maturity of the Series 2025 Bonds.

Each bidder must specify the rate of interest per annum (and no more than one rate of interest) which each maturity of the Series 2025 Bonds is to bear, to be expressed in the coupon rate multiples set forth in the Bidding Parameters Table.

Each bid for the Series 2025 Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table.

The City will notify the successful bidder that it is the apparent winner as promptly as reasonably possible after bids are received.

AWARD OF BID

The City expects to award the Series 2025 Bonds to the winning bidder no later than 5:00 p.m. Central Time on the Sale Date. Bids may not be withdrawn prior to the award. Unless all bids are rejected, the Series 2025 Bonds will be awarded by the City on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost to the City. The lowest true interest cost will be determined in accordance with the True Interest Cost ("TIC") method by doubling the semi-annual interest rate, compounded semi-annually, as necessary to discount the debt service payments from the payment dates to the Dated Date (as defined in the Bidding Parameters Table) of the Series 2025 Bonds. If two or more bidders offer to purchase the Series 2025 Bonds at the same lowest TIC, the Series 2025 Bonds may be apportioned between such bidders if it is agreeable to each of the bidders who have offered the price producing the same lowest TIC. However, if apportionment is not acceptable to such bidders,

the City, in its own discretion, will have the right to award the Series 2025 Bonds to one of such bidders. There will be no auction.

RIGHT OF REJECTION

The City expressly reserves the right: (a) to waive or reject any informalities in any bid; (b) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein; (c) to solicit new bids or proposals for the sale of the Series 2025 Bonds; and (d) to otherwise provide for the public sale of the Series 2025 Bonds if all bids are rejected or the winning bidder defaults.

DELIVERY AND PAYMENT

Delivery of the Series 2025 Bonds will be made by the City to DTC in book-entry-only form on or about the Delivery Date shown in the Bidding Parameters Table or a later date: (a) within 60 days from the date of sale, as selected by the City in its sole discretion; or (b) thereafter, if agreed upon by the City and the successful bidder. The cost of printing the Series 2025 Bonds will be borne by the City.

Payment of the balance of the purchase price for the Series 2025 Bonds, after application of the Good Faith Deposit (hereinafter defined), must be made in federal funds or other legal tender immediately available to the City at the time of delivery of the Series 2025 Bonds and in accordance with instructions to be given to the purchaser by the City. Any expenses incurred in providing immediate funds, whether by transfer of federal funds or otherwise, will be borne by the purchaser.

RIGHT OF CANCELLATION

The successful bidder will have the right, at its option, to cancel its obligation to purchase the Series 2025 Bonds if the City and the Paying Agent fail to execute the Series 2025 Bonds and tender the same for delivery within 60 days from the date of sale thereof or by such later date as the City and the successful bidder may agree upon. In such event, the successful bidder will be entitled to the return of the Good Faith Deposit accompanying its bid.

GOOD FAITH DEPOSIT

The successful bidder for the Series 2025 Bonds is required to submit the good faith amount of \$_____ (the "Good Faith Deposit") to the City in the form of a federal funds wire transfer not later than two hours after the verbal award is made. The City's Co-Financial Advisors will provide the successful bidder with the banking information associated with the Good Faith Deposit.

If such wire transfer deposit is not received by the City by that time, the bid of such apparent winning bidder may be rejected and the City, in its sole discretion, may direct the next lowest bidder, in ascending order, to submit a Good Faith Deposit and, thereafter, may award the sale of the Series 2025 Bonds to the next lowest bidder. In the event that the original apparent winning bidder does not comply with the Good Faith Deposit requirements and another bidder complies with the Good Faith Deposit requirements as described herein, or in the event no bidder

complies with the Good Faith Deposit requirements as described herein, the original apparent winning bidder is obligated to promptly pay to the City, as liquidated damages for its failure to timely comply with the terms of this Official Notice of Sale and of its bid, a sum equal to the greater of: (a) the difference between the TIC of the original apparent winner and the TIC of the ultimate winner; and (b) the amount of the Good Faith Deposit. ***Submission of a bid to purchase the Series 2025 Bonds shall constitute acknowledgement and acceptance of the terms of the Good Faith Deposit requirements, including the payment of liquidated damages, as provided herein.***

The Good Faith Deposit so wired will be retained by the City until the delivery of the Series 2025 Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Series 2025 Bonds or the Good Faith Deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to pay for the Series 2025 Bonds in compliance with the terms of this Official Notice of Sale and its bid. No interest on the Good Faith Deposit will be paid by the City.

CUSIP NUMBERS

A CUSIP number may be printed on each of the Series 2025 Bonds, but neither failure to print such number on any Series 2025 Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Series 2025 Bonds. The policies of the CUSIP Service Bureau will govern the assignment of the specific numbers to the Series 2025 Bonds.

All expenses in relation to the printing of the CUSIP numbers on the Series 2025 Bonds will be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said number will be the responsibility of, and will be paid for by, the successful bidder.

COMPLIANCE WITH SEC AND MSRB RULES

The successful bidder agrees to take any and all other actions necessary to comply with applicable rules of the SEC and the Municipal Securities Rulemaking Board (the "MSRB") governing the offering, sale and delivery of the Series 2025 Bonds, including without limitation the payment of any fees or charges required to be paid by the MSRB or the Securities Industry and Financial Market Association in connection with the purchase or sale of the Series 2025 Bonds.

BLUE SKY

The City has not taken any action relating to the requirements of the securities or "blue sky" laws of any jurisdiction with respect to the offer and sale of the Series 2025 Bonds. Certain jurisdictions may have filing requirements which must be satisfied prior to any offer or sale of the Series 2025 Bonds to the public within that jurisdiction.

ESTABLISHMENT OF ISSUE PRICE

The successful bidder shall assist the City in establishing the issue price of the Series 2025 Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate

setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form of Exhibit A attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the City and Co-Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Series 2025 Bonds may be taken on behalf of the City by the City's Co-Financial Advisors identified herein, and any notice or report to be provided to the City may be provided to the Co-Financial Advisors.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2025 Bonds) will apply to the initial sale of the Series 2025 Bonds (the "competitive sale requirements") because:

- (a) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (b) all bidders shall have an equal opportunity to bid;
- (c) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (d) the City anticipates awarding the sale of the Series 2025 Bonds to the bidder who submits a firm offer to purchase the Series 2025 Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2025 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the successful bidder and shall treat the initial offering price to the public as of the sale date of any maturity of the Series 2025 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that the Series 2025 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2025 Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Series 2025 Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2025 Bonds, that the underwriters will neither offer nor sell unsold Series 2025 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (a) the close of the fifth (5th) business day after the sale date; or

(b) the date on which the underwriters have sold at least 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public.

In the event the hold-the-offering-price rule applies, the successful bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A) (1) report the prices at which it sells to the public any unsold Series 2025 Bonds of each maturity allocated to it to which the hold-the-offering-price rule applies until the close of the fifth (5th) business day after the sale date; and (2) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires;

(B) promptly notify the successful bidder of any sales of the Series 2025 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public; and

(C) acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2025 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allocated to it to which the hold-the-offering-price rule applies until the close of the fifth (5th) business day after the sale date and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

Sales of any Series 2025 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(a) “public” means any person other than an underwriter or a related party,

(b) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2025 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the public),

(c) a purchaser of any of the Series 2025 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(d) “sale date” means the date that the Series 2025 Bonds are awarded by the City to the successful bidder.

CERTIFICATE AS TO FINAL OFFICIAL STATEMENT

The City will deliver to the purchaser of the Series 2025 Bonds a certificate of an official of the City, dated the date of delivery of said Series 2025 Bonds, stating that as of the date thereof,

to the best of the knowledge and belief of said official, the Final Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

The Preliminary Official Statement and this Official Notice of Sale may be obtained in electronic format from www.munios.com. Additional information may be obtained from André D. Walker, Deputy Chief Financial Officer of the City, or one of the City's Co-Financial Advisors, Kyle Wright, Director of CLB Porter, LLC, and Lauren S. Lowe, Managing Director of PFM Financial Advisors LLC. For contact information for each of these individuals, see "CONTACTS" herein.

[signature page follows]

Dated: _____, 2025

CITY OF MEMPHIS, TENNESSEE

By: */s/ Walter O. Person*
Walter Person
Its: Chief Financial Officer

EXHIBIT A
FORM OF ISSUE PRICE CERTIFICATE

\$[_____] *
CITY OF MEMPHIS, TENNESSEE,
SANITARY SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2025

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), [on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"),] hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Series 2025 Bonds”).

[WHEN HOLD-THE-OFFERING-PRICE RULE DOES NOT APPLY]

[1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2025 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Series 2025 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2025 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2025 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2025 Bonds.]

[WHEN HOLD-THE-OFFERING-PRICE RULE APPLIES]

[1. **Initial Offering Price.**

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered each Maturity of the Series 2025 Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2025 Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Series 2025 Bonds, [it][they] would neither offer nor sell any of the Series 2025 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the

* Preliminary; subject to change.

agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Series 2025 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2025 Bonds during the Holding Period.]

2. ***Defined Terms.***

(a) *City* means the City of Memphis, Tennessee.

[WHEN HOLD-THE-OFFERING-PRICE RULE APPLIES][(b) *Holding Period* means, for each Maturity of the Series 2025 Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5th) business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF THE UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Maturity of the Series 2025 Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.]

[(b)][(c)] *Maturity* means Series 2025 Bonds with the same credit and payment terms. Series 2025 Bonds with different maturity dates, or Series 2025 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

[(c)][(d)] *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

[(d)][(e)] *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2025 Bonds. The Sale Date of the Series 2025 Bonds is [DATE].

[(e)][(f)] *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2025 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the Public).

3. ***Yield.***

The yield on the Series 2025 Bonds has been calculated to be not less than [____] %.

4. ***Weighted Average Maturity.***

The weighted average maturity of the Series 2025 Bonds has been calculated to be [____] years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting

the Series 2025 Bonds, and by Ahmad Zaffarese LLC and Carpenter Law, PLLC, in connection with rendering an opinion that the interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Series 2025 Bonds.

[UNDERWRITER]

By: _____
Name: _____
Title: _____

Dated: [ISSUE DATE]

SCHEDULE A
[EXPECTED OFFERING PRICES][INITIAL OFFERING PRICES]
(Attached)

SCHEDULE B
[COPY OF UNDERWRITER'S BID][PRICING WIRE OR EQUIVALENT
COMMUNICATION]
(Attached)

[~~\$70,000,000~~]
**CITY OF MEMPHIS, TENNESSEE,
SANITARY SEWERAGE SYSTEM
REVENUE AND REVENUE REFUNDING BONDS,
SERIES 2025**

BOND PURCHASE AGREEMENT

_____, 2025
City of Memphis, Tennessee
125 North Main Street Room 368
Memphis, Tennessee 38103

Dear Mayor Young:

The undersigned, _____ (the “Representative”), acting on its own behalf and on behalf of the other underwriters listed on Schedule I attached hereto (the Representative and such other underwriters being collectively called the “Underwriters”), and not acting as a fiduciary or agent for the Issuer (as defined herein), offers to enter into the following agreement (this “Agreement”) with the City of Memphis, Tennessee (the “Issuer”), which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance hereof on or before 10:00 a.m., Central Time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Bonds. (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer’s Sanitary Sewerage System Revenue Bonds, Series 2025 (the “Series 2025 Bonds”). The Issuer acknowledges that in connection with the purchase and sale of the Series 2025 Bonds pursuant to this Agreement and the offering of the Series 2025 Bonds for sale and the discussions and negotiations relating to the terms of the Series 2025 Bonds set forth in this Agreement: (i) the primary role of the Underwriters, as underwriters, is to purchase securities for resale to investors in an arms-length commercial transaction between the Issuer and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Issuer, (ii) the Underwriters are not acting as advisors or fiduciaries to the Issuer and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the offering of the Series 2025 Bonds and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters), (iii) the only obligations the Underwriters have to the Issuer with respect to the offering of the Series

2025 Bonds are set forth expressly in this Agreement, (iv) the Issuer has consulted its own legal, accounting, tax, financial, municipal, and other advisors, as applicable, to the extent it has deemed appropriate in connection with the offering of the Series 2025 Bonds, and (v) the Underwriters have provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB"), which have been received by the Issuer. The Representative represents and warrants to the Issuer that it has been duly authorized to act on behalf of itself and the other Underwriters to enter into this Agreement and to take all actions, on behalf of the Underwriters, required or contemplated to be performed by the Underwriters under this Agreement. The Series 2025 Bonds will be dated _____, 2025. Interest on the Series 2025 Bonds will accrue from their date of delivery and will be payable June 1 and December 1 of each year, commencing June 1, 2025, and will be calculated on the basis of a 360-day year of twelve 30-day months.

(b) The principal amount of the Series 2025 Bonds to be issued, the maturities, sinking fund (to the extent applicable) and optional redemption provisions, date of delivery, and interest rates per annum are set forth in Schedule II attached hereto. The Series 2025 Bonds shall be as described in, and shall be issued and secured under and pursuant to an Amended and Restated Master Bond Resolution adopted by the City Council of the Issuer (the "City Council") on September 1, 2020 (the "Master Resolution"), as supplemented by a Series Resolution adopted by the City Council on _____, 2025 (the "2025 Series Resolution" and, together with the Master Resolution, the "Bond Resolution").

(c) Bass Berry & Sims PLC and Bruce Turner, PLLC, Co-Disclosure ("Co-Disclosure Counsel"), have prepared a Continuing Disclosure Agreement for execution by the Issuer, to be dated on or before the hereinafter defined Closing (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12, as amended (the "Rule"), promulgated by the United States Securities and Exchange Commission ("SEC"), (i) on or prior to the Annual Filing Date (as defined in the Continuing Disclosure Agreement) certain annual financial information and operating data pertaining to the Issuer, including audited financial statements of the Issuer for the most recently ended fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement, and (ii) timely notice of the occurrence of certain material events with respect to the Series 2025 Bonds.

(d) The purchase price for the Series 2025 Bonds shall be \$ _____ (representing \$70,000,000.00* original principal amount of the Series 2025 Bonds[, plus a premium of \$ _____], [less an underwriting discount of \$ _____]). The Issuer has determined, based upon the advice of the Issuer's municipal advisor, that acceptance of the purchase price for the Series 2025 Bonds is in the best interests of the Issuer, as evidenced by the execution of this Agreement.

2. **Public Offering.** The Underwriters intend to make an initial public offering of all the Series 2025 Bonds at a price not in excess of the initial offering price or prices set forth in the Official Statement; provided, however, that the Underwriters may change such initial offering price or prices as they deem necessary in connection with the offering of the Series 2025 Bonds without any requirement of prior notice, and may offer and sell the Series 2025 Bonds to certain institutions (including dealers depositing the Series 2025 Bonds into investment trusts) at prices lower than those stated in the Official Statement. The Underwriters also reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of any series of the Series 2025 Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

3. ***Establishment of Issue Price of Series 2025 Bonds.*** (a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Series 2025 Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Ahmad Zaffarese LLC and Carpenter Law, PLLC, Co-Bond Counsel (“Co-Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2025 Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Series 2025 Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) Except as otherwise set forth in Schedule II attached hereto, the Issuer will treat the first price at which at least 10% of each maturity of the Series 2025 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of Series 2025 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2025 Bonds, the Representative agrees to promptly report to the Issuer the prices at which Series 2025 Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2025 Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2025 Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Issuer, or Co-Bond Counsel. For purposes of this Section, if Series 2025 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2025 Bonds.

(c) The Representative confirms that the Underwriters have offered the Series 2025 Bonds to the public on or before the date of this Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. Schedule II also sets forth, as of the date of this Agreement, the maturities, if any, of the Series 2025 Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2025 Bonds, the Underwriters will neither offer nor sell unsold Series 2025 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2025 Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2025 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Series 2025 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2025 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2025 Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2025 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the

event a selling group has been created in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds.

(f) The Underwriters acknowledge that sales of any Series 2025 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2025 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the public),
- (iii) a purchaser of any of the Series 2025 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Agreement by all parties.

4. ***The Official Statement.*** (a) The Issuer previously has delivered, or caused to be delivered, copies (in an electronic format) of the Preliminary Official Statement for the Series 2025 Bonds dated _____, 2025 (the “Preliminary Official Statement”), to the Underwriters in a “designated electronic format,” as defined in the MSRB’s Rule G-32 (“Rule G-32”). The Issuer will prepare or cause to be prepared a final Official Statement relating to the Series 2025 Bonds (the “Official Statement”), which will be:

(1) dated the date of this Agreement, (2) complete within the meaning of the Rule, (3) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Representative before the execution hereof with only such changes permitted by the Rule and (4) in both a “designated electronic format” consistent with the requirements of Rule G-32 and a printed format. Such final Official Statement, including the cover pages thereto, all exhibits, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Series 2025 Bonds, is herein referred to as the “Official Statement.” Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide to the Underwriters sufficient quantities of the Preliminary Official Statement (which may be in an electronic format) as the Representative reasonably deems necessary to satisfy the obligation of the Underwriters under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriters in connection with the public offering, sale and distribution of the Series 2025 Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was “deemed final” by the Issuer as of its date for purposes of the Rule and for the purpose of enabling the Underwriters to comply with the requirements of paragraph (b)(1) of the Rule, except for the omission of such information as is permitted by paragraph (b)(1) of the Rule.

(c) The Issuer represents that officials of the Issuer have reviewed and approved the information in the Official Statement, and the Issuer hereby authorizes the distribution and use of the Official Statement, and the information therein contained, by the Underwriters in connection with the public offering and the sale of the Series 2025 Bonds. The Issuer ratifies and consents to the distribution and use by the Underwriters prior to the date hereof, of the Preliminary Official Statement in connection with the public offering and sale of the Series 2025 Bonds. The Issuer shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven (7) business days after the Issuer’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which are complete as of the date of their delivery to the Underwriters (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB. The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement or the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in

Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Series 2025 Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer’s own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any representation, warranty, or covenant made herein, or any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) The Representative hereby agrees to timely file, or cause to be filed, the Official Statement, along with any amendment or supplement to the Official Statement prepared in accordance with Section 4(d) above, with (i) the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access System) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filing referred to in clause (i) above). Unless otherwise notified in writing by the Representative, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

(f) Each of the Preliminary Official Statement and the Official Statement contain information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Series 2025 Bonds. Except as disclosed in the Preliminary Official Statement and the Official Statement, during the last five years the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

5. ***Representations, Warranties, and Covenants of the Issuer.*** The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a political subdivision and a municipal corporation of the State of Tennessee (the “State”) and a body politic and corporate duly created, organized, and existing under the Constitution and general laws of the State and has full legal right, power, and authority under the

Constitution and general laws of the State, including the Local Government Public Obligations Act of 1986, constituting Chapter 21 of Title 9, Tennessee Code Annotated, as amended (the “Act”), to (i) to adopt the Bond Resolution and the Prospective Bond Resolution and to enter into, execute, deliver, and perform its obligations under this Agreement and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Bond Resolution, and the other documents referred to in this clause (i) are hereinafter referred to as the “Issuer Documents”), (ii) to issue, sell, execute and deliver the Series 2025 Bonds to the Underwriters as provided in this Agreement, (iii) to carry out and consummate all actions required to be taken by it in connection with the transactions contemplated by the Issuer Documents and the Official Statement; and (iv) to utilize the proceeds from the sale of the Series 2025 Bonds for the purposes as described in the Official Statement.

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Series 2025 Bonds on the terms set forth herein, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Series 2025 Bonds and the Issuer Documents, (iii) the approval, distribution, and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement by the Underwriters in connection with the public offering of the Series 2025 Bonds, and (iv) the consummation by it of all other transactions described in the Official Statement, the Issuer Documents, and any and all such other agreements and documents as may be required to be executed, delivered, and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(c) This Agreement constitutes a legal, valid, and binding obligation of the Issuer, enforceable in accordance with its terms; the other Issuer Documents, when duly executed and delivered, will constitute legal, valid, and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; the Series 2025 Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Agreement, will constitute legal, valid, and binding obligations of the Issuer entitled to the benefits of the Bond Resolution, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; upon the issuance, authentication and delivery of the Series 2025 Bonds as aforesaid, the Bond Resolution will provide, for the benefit of the holders, from time to time, of the Series 2025 Bonds, the legally valid and binding pledge of the Revenues as set forth in the Bond Resolution.

(d) The Issuer is not in breach of or in default in any material respect under any applicable constitutional provision, law, or administrative regulation of the State or the United States relating to the issuance of the Series 2025 Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the business or financial condition of the Issuer has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Series 2025 Bonds and the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer’s part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative

regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Series 2025 Bonds or under the terms of any such law, regulation, or instrument, except as provided by the Series 2025 Bonds and the Bond Resolution.

(e) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Issuer Documents, the issuance of the Series 2025 Bonds or the due performance by the Issuer of its obligations under the Issuer Documents and the Series 2025 Bonds have been duly obtained, except for the orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Series 2025 Bonds.

(f) The Series 2025 Bonds, the Bond Resolution, conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions “THE SERIES 2025 BONDS”, “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION”. The proceeds of the sale of the Series 2025 Bonds will be applied generally as described in the Official Statement under the caption “ESTIMATED SOURCES AND USES OF FUNDS”. The Continuing Disclosure Agreement substantially conforms to the description thereof and form thereof contained in the Preliminary Official Statement and the Official Statement under the captions “CONTINUING DISCLOSURE” and “APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT”, respectively.

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer: (i) affecting the existence of the Issuer or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance, or delivery of the Series 2025 Bonds or the charge, collection, or payment of Revenues pledged to the payment of principal of and interest on the Series 2025 Bonds pursuant to the Bond Resolution, (iii) in any way contesting or affecting the validity or enforceability of the Series 2025 Bonds or the Issuer Documents, (iv) contesting the exclusion from gross income of interest on the Series 2025 Bonds for federal income tax purposes, (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, (vi) contesting the powers of the Issuer or any authority for the issuance of the Series 2025 Bonds or the adoption of the Bond Resolution, or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, or (vii) wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Series 2025 Bonds or the Issuer Documents; provided, however, that for all purposes of this Agreement, including, without limitation, for purposes subparagraphs (h), (i) and (j) below, and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of DTC, or its book- entry-only system.

(h) As of the date thereof and as of the date hereof, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material

fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(k) The Issuer has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Series 2025 Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2025 Bonds.

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request, (A) to (i) qualify the Series 2025 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (ii) determine the eligibility of the Series 2025 Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Series 2025 Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any written notification with respect to the suspension of the qualification of the Series 2025 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(m) The financial statements of, and other financial information regarding the Issuer, in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the Closing, the Issuer will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. Except as described in the Preliminary Official Statement and the Official Statement, the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, could reasonably be expected to have a materially adverse effect on the financial condition of the Issuer.

(n) Prior to the Closing, the Issuer will not offer or issue any bonds, notes, or other Series 2025 Bonds for borrowed money or incur any material liabilities (except in the ordinary course

of business), direct or contingent, payable from or secured by a pledge of the Revenues, which will secure the Series 2025 Bonds, without the prior approval of the Representative.

(o) Any certificate signed by any official of the Issuer authorized to do so in connection with the transactions described in this Agreement (the “Authorized Officer”) shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

(p) The Issuer covenants that between the date hereof and the Closing it will take no actions which will cause the representations and warranties made in this Section 5 to be untrue as of Closing.

(q) The Issuer has delivered to the Representative true, correct, complete, and legible copies of all information, applications, reports, or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Series 2025 Bonds.

(r) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certificates may not be relied upon.

(s) The Issuer will timely file Form 8038-G, Information Return for Tax Exempt Governmental Obligations, with the Internal Revenue Service in order to maintain the tax exemption for the Series 2025 Bonds.

6. **Closing.** (a) By 1:00 p.m., Central time, on _____, 2025, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative, the Issuer will, subject to the terms and conditions hereof, deliver or cause to be delivered to the Underwriters the Series 2025 Bonds, in definitive form, duly executed and authenticated, and will deliver or cause to be delivered to the Representative, on behalf of the Underwriters, the documents mentioned in Section 10(j) hereof. The Representative, on behalf of the Underwriters, will accept such Series 2025 Bonds and will pay the purchase price of the Series 2025 Bonds, as set forth in Section 1 of this Agreement, in immediately available funds by federal funds wire transfer to or for the account of the Issuer (such delivery of and payment for the Series 2025 Bonds is herein called the “Closing”).

(b) Unless otherwise specified by the Representative, the Series 2025 Bonds shall be issued in form to meet the requirements of The Depository Trust Company (“DTC”) book-entry-only system and shall be prepared and delivered in such authorized denominations and registered in such names as the Underwriters may request, and shall be made available to the Representative at least one business day before the Closing for purposes of inspection. Unless otherwise agreed to by the Representative, the Series 2025 Bonds will be delivered under DTC’s Fast Automated Securities Transfer (FAST) Program.

7. **Closing Conditions.** The Underwriters have entered into this Agreement in reliance upon the representations, warranties, and agreements of the Issuer contained herein, and in reliance upon the accuracy of the representations, warranties, and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters’ obligations under this Agreement to purchase, to accept delivery of and to pay for the Series 2025 Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed

hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete, and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing.

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

(c) At the time of the Closing, (i) the Issuer Documents and the Series 2025 Bonds shall have been duly executed, delivered, and authenticated, as applicable, shall be in full force and effect and shall not have been amended, modified, or supplemented, and the Official Statement shall have been duly executed and delivered and shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Co-Bond Counsel and _____, Counsel to the Underwriters (“Counsel to the Underwriters”) to deliver their respective opinions referred to hereafter.

(d) At the time of the Closing, all official action of the Issuer relating to the Series 2025 Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified, or supplemented.

(e) At or prior to the Closing, the Bond Resolution shall have been duly adopted by the Issuer and the Paying Agent and Registrar shall have duly authenticated the definitive Series 2025 Bonds.

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the Revenues or operations of the System by the Issuer, from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Series 2025 Bonds on the terms and in the manner described in the Official Statement.

(g) The Issuer shall not currently be in default in the payment of principal or interest when due on any of its outstanding obligations for borrowed money.

(h) No suit, action, investigation, or legal or administrative proceeding shall be threatened or pending before any court or governmental agency which is likely to result in the restraint, prohibition, or the obtaining of damages or other relief in connection with the issuance of the Series 2025 Bonds or the consummation of the transactions described herein, or which, in the reasonable judgment of the Representative, would have a materially adverse effect on the transactions described herein.

(i) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Representative, Co-

Bond Counsel and Counsel to the Underwriters.

(j) At or prior to the Closing, the Representative shall have received one copy of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, in (i) a “designated electronic format” that meets the requirements of Rule G-32 and (ii) a printed format;

(2) The Master Resolution and the Series Resolution certified by the Comptroller under the Issuer’s seal as having been duly adopted by the Issuer and as being in effect, each with such supplements or amendments as may have been agreed to by the Representative;

(3) The approving opinion of Co-Bond Counsel with the respect to the Series 2025 Bonds, in substantially the form attached to the Official Statement;

(4) The Supplemental opinion of Co-Bond Counsel addressed to the Issuer and the Underwriters, substantially to the effect that:

(i) The Underwriters may rely on the approving opinion of Co-Bond Counsel;

(ii) the Issuer has duly adopted and enacted the Master Resolution, and the Master Resolution is in full force and effect;

(iii) the Issuer has duly adopted and enacted the Series Resolution;

(iv) the Series 2025 Bonds are exempted securities under the Securities Act of 1933, as amended (the “1933 Act”), and the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) and it is not necessary, in connection with the offering and sale of the Series 2025 Bonds, to register the Series 2025 Bonds under the 1933 Act or to qualify the Bond Resolution or the Prospective Bond Resolution under the Trust Indenture Act; and

(v) said firm has reviewed the statements and information contained in the Official Statement and such firm is of the opinion that the information relating to the Series 2025 Bonds and legal matters is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Series 2025 Bonds, such information conforms to the provisions of the Bond Resolution;

(5) An opinion, dated the date of the Closing and addressed to the Underwriters, of Counsel for the Underwriters in substantially the form set forth in Exhibit B attached hereto;

(6) A certificate, dated the date of Closing, signed by an Authorized Officer to the effect that (i) the representations and warranties of the Issuer contained herein or in any certificate or document delivered by the Issuer pursuant to the provisions hereof

are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation, action, suit or proceeding against the Issuer is pending or, to such person's knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the Mayor, City Council, or other officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization, and execution of the Series 2025 Bonds or the Issuer Documents or (d) attempt to limit, enjoin, or otherwise restrict or prevent the Issuer from functioning, operating the System, and collecting Revenues or pledging the Revenues to the payment of the Series 2025 Bonds, pursuant to the Bond Resolution; (iii) the official actions of the Issuer authorizing the execution, delivery, and/or performance of the Official Statement, the Series 2025 Bonds, and Issuer Documents have been duly adopted by the Issuer, are in full force and effect, and have not been modified, amended, or repealed, (iv) to such person's knowledge, no event affecting the Issuer has occurred since the dates of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (v) insofar as the descriptions and statements including financial data, of or pertaining to entities, other than the Issuer, and their activities contained in the Preliminary Official Statement and the Official Statement are concerned, such statements and data have been obtained from sources which the Issuer believes to be reliable and the Issuer has no reason to believe that they are untrue in any material respect; and (vi) there has not been any materially adverse change in the financial condition of the Issuer since June 30, 2019, the latest date as of which audited financial information is available;

(7) A certificate of the Issuer in form and substance satisfactory to Co-Bond Counsel and Counsel to the Underwriters setting forth the facts, estimates, and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Series 2025 Bonds will be used in a manner that would cause the Series 2025 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary, or proposed) issued pursuant to the Code;

(8) Evidence in a form acceptable to the Representative that Standard & Poor's Global Ratings and Moody's Investor's Service, have assigned ratings of "____" and "____" respectively, to the Series 2025 Bonds and that such ratings are in effect as of the date of Closing;

(9) A letter from the Issuer's auditors consenting to the inclusion of the auditors' letter with the audited financial statements of the Issuer included as an appendix to the Official Statement;

(10) A specimen Series 2025 Bond;

(11) An executed counterpart of the Continuing Disclosure Agreement;
and

(12) An opinion, dated the date of the Closing and addressed to the Underwriters, of Co-Disclosure Counsel in a form acceptable to the Representative and Counsel for the Underwriters;

(13) An opinion, dated the date of the Closing and addressed to the Underwriters, of the Chief Legal Officer/City Attorney of the Issuer in a form acceptable to the Representative and Counsel for the Underwriters;

(14) Certificates, dated the date of the Closing, of the Co-Financial Advisors of Issuer in a form acceptable to the Representative and Counsel for the Underwriters;

(15) Verification that the Issuer's Blanket Letter of Representation to the Depository Trust Company is in effect with respect to the Series 2025 Bonds; and

(16) Such additional legal opinions, certificates, instruments, and other documents as the Representative, Co-Bond Counsel or Counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2025 Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2025 Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 4, 8, and 9 hereof shall continue in full force and effect.

8. ***Termination.*** The Representative shall have the right to cancel the Underwriters' obligation to purchase (as evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Series 2025 Bonds) the Series 2025 Bonds and terminate this Agreement if, in the sole judgment of the Representative, reasonably exercised, between the date of this Agreement and the Closing, the market price of the Series 2025 Bonds, the marketability of the applicable series of the Series 2025 Bonds, or the ability of the Underwriters to sell the Series 2025 Bonds or to enforce contracts for the sale of the Series 2025 Bonds at the contemplated offering prices, shall be materially adversely affected.

9. ***Expenses.*** (a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Series 2025 Bonds; (ii) the fees and disbursements of Co-Bond Counsel and the municipal advisors to the Issuer; (iii) the fees and

disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for bond ratings; (v) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement; (vi) advertising expenses (except any advertising expenses of the Underwriters as set forth below); (vii) the out- of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and trustees of the Issuer; (viii) the fees of the Refunding Trustee pursuant to the Refunding Trust Agreement; and (ix) any other expenses reasonably considered expenses of the Issuer which are incident to the transactions described herein. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2025 Bonds.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement and the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Series 2025 Bonds; and (iii) all other expenses incurred by it in connection with the public offering of the Series 2025 Bonds, including the fees and disbursements of counsel retained by the Underwriters. The Issuer acknowledges that the Underwriters will pay certain fees from the underwriter's expense allocation of the underwriting discount.

10. **Notices.** Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at the address of the Issuer listed above, Attention: Chief Financial Officer, and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing by Federal Express and email to _____, Attn: _____, Email: _____.

11. **Parties in Interest.** This Agreement is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Series 2025 Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

12. **Effectiveness.** This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

13. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

14. **Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative, or unenforceable to any extent whatsoever.

15. **Business Day.** For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

16. ***Section Headings.*** Section headings have been inserted in this Agreement for convenience of reference only, and it is agreed that such Section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. ***Counterparts.*** This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (PDF), or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

18. ***Entire Agreement.*** This Agreement represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Series 2025 Bonds.

[Signature page follows.]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

_____,
as Representative of the Underwriters listed in
Schedule I

By: _____

APPROVED AND ACCEPTED as of the date hereof:

CITY OF MEMPHIS, TENNESSEE

By: _____
Paul Young
Mayor

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

_____,
as Representative of the Underwriters listed in
Schedule I

By: _____

APPROVED AND ACCEPTED as of the date hereof:

CITY OF MEMPHIS, TENNESSEE

By: _____

SCHEDULE I

UNDERWRITERS

SCHEDULE II
SERIES 2025 BONDS

SERIAL BONDS

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				

TERM BOND

*Final Maturity

Optional Redemption. The Series 2025 Bonds maturing on or before June 1, 20__, shall not be subject to redemption prior to maturity. The Series 2025 Bonds maturing on or after June 1, 20__ (or portions thereof in authorized denominations of \$5,000 and integral multiples thereof) are subject to optional redemption by the City, on and after June 1, 20__, in whole or in part, at any time in such order as determined by the City at a redemption price equal to the principal amount of the Series 2025 Bonds or portion thereof to be redeemed together with interest accrued thereon to the date fixed for redemption.

C Priced to June 1, 20__ par call.

EXHIBIT A
[\$70,000,000]
CITY OF MEMPHIS, TENNESSEE,
SANITARY SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2025

ISSUE PRICE CERTIFICATE

EXHIBIT B

FORM OF OPINION OF COUNSEL TO THE UNDERWRITERS



PRELIMINARY OFFICIAL STATEMENT DATED [_____] , 2025

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein.

This cover page contains limited information for quick reference only. It is not a summary of the matters relating to the Series 2025 Bonds (as defined herein). Potential investors must read the entire Official Statement (including the cover page and all appendices attached hereto) to obtain information essential to the making of an informed investment decision.

\$[_____] *
**CITY OF MEMPHIS, TENNESSEE,
SANITARY SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2025**

Dated: Date of Delivery

Due: On the dates shown on the inside front cover page *

Tax Treatment:

[In the opinion of Co-Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2025 Bonds (as defined herein) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2025 Bonds (the "Code"). Interest on the Series 2025 Bonds is not a separate tax preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. Co-Bond Counsel is further of the opinion that, under existing law, the Series 2025 Bonds and the income therefrom shall be free from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. For a more complete description, see "TAX MATTERS" herein.]

Authority for Issuance:

The \$[_____] * City of Memphis, Tennessee, Sanitary Sewerage System Revenue Bonds, Series 2025 (the "Series 2025 Bonds") are being issued by the City of Memphis, Tennessee (the "City") pursuant to, among other things, that certain Master Resolution for Sanitary Sewerage System Revenue Bonds adopted by the City Council on September 1, 2020 (the "Master Resolution"), as supplemented with respect to the Series

* Preliminary, subject to change.

2025 Bonds by that certain series resolution adopted by the City Council on **[December 17, 2024]** (the "Series Resolution" and, together with the Master Resolution, hereinafter collectively referred to as the "Bond Resolution"). See "APPENDIX A – THE BOND RESOLUTION" attached hereto for a complete copy of the Bond Resolution.

Unless otherwise provided herein, all capitalized terms used in this Official Statement will have the meanings ascribed to such terms in the Bond Resolution.

Purpose:

The Series 2025 Bonds are being issued by the City for the purposes of: (a) financing various improvements, additions and extensions to the City's sanitary sewerage system (the "System") and (b) paying the costs of issuance of the Series 2025 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Book-Entry Only System:

The Series 2025 Bonds will be issued only in fully registered form, without coupons, in authorized denominations of \$5,000 or any integral multiple thereof equal to the principal amounts shown on the inside front cover page of this Official Statement and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2025 Bonds. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form only, and purchasers will not receive physical delivery of certificates representing the beneficial ownership interests in the Series 2025 Bonds unless the book-entry only system is discontinued. See "BOOK-ENTRY ONLY SYSTEM" herein.

Payment Dates:

The Series 2025 Bonds will bear interest and mature on the dates set forth on the inside front cover page of this Official Statement. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025. **[Principal of the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025, through December 1, 2034, and is thereafter payable annually on December 1 of each year, as set forth on the inside cover page of this Official Statement].** Payments of principal of and interest on the Series 2025 Bonds will be made to purchasers of beneficial interests in the Series 2025 Bonds by DTC Participants (as defined herein). See "THE SERIES 2025 BONDS" herein.

Security and Sources of Payment: The Series 2025 Bonds are issued as Senior Lien Bonds (as defined herein) under the Bond Resolution and are payable solely from and equally and ratably secured by a pledge of the Net Revenues (as defined herein) on a parity and equality of lien with all of the Outstanding Senior Lien Bonds (as defined herein) and any additional Senior Lien Bonds hereafter issued. **[The Series 2025 Bonds will/will not be secured by a Senior Lien Debt Service Reserve Subaccount.]** See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE CITY OR A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY LIMITATION, AND NO HOLDER OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWERS OF THE CITY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, BUT THE SERIES 2025 BONDS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM AS SET FORTH IN THE BOND RESOLUTION.

Redemption: The Series 2025 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2025 BONDS – Redemption Provisions" herein.

Competitive Bids: Electronic proposals for the purchase of the Series 2025 Bonds will be received via PARITY® on **[January 15, 2025, at __:__ a.m.]** Central Time, or on such other date or time as may be determined by the City with notice provided through Thomson Municipal Market Monitor, all as provided in the Official Notice of Sale relating to the Series 2025 Bonds.

The Series 2025 Bonds are being offered when, as and if issued by the City and received by the Underwriter (as defined herein), subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinions of Ahmad Zaffarese LLC, Memphis, Tennessee, and Carpenter Law, PLLC, Memphis, Tennessee, as Co-Bond Counsel to the City. Certain legal matters will be passed upon for the City by Tannera Gibson, Chief Legal Officer / City Attorney. Certain legal matters will be passed upon for the City by Bass, Berry & Sims PLC, Nashville, Tennessee, and Bruce Law, PLLC, Memphis, Tennessee, as Co-Disclosure Counsel. PFM Financial Advisors LLC, Memphis, Tennessee, and CLB Porter LLC, Memphis, Tennessee, are serving as Co-Financial Advisors to the City for the issuance of the Series 2025 Bonds. The Series 2025 Bonds are expected to be delivered through the book entry-only system of DTC on or about _____, 2025.

_____, 2025

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES OR YIELDS AND CUSIPS[†]**

\$[_____] ^{*}

City of Memphis, Tennessee

Sanitary Sewerage System Revenue Bonds, Series 2025

Maturity ([December] 1) [*]	Principal Amount [*]	Interest Rate	Price	Yield	Initial CUSIP No. [†]
2026	\$				
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					

\$[_____] - ____% Term Bond, Due [December] 1, 20____,
Price ____ Yield ____%, Initial CUSIP No. _____[†]

[†] Copyright, American Bankers Association (the “ABA”). Initial CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of purchasers of the Series 2025 Bonds only at the time of issuance of the Series 2025 Bonds and the City makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025 Bonds.

^{*} Preliminary, subject to change.

**CITY OF MEMPHIS, TENNESSEE
ELECTED OFFICIALS**

Mayor

Paul A. Young

City Council

JB Smiley, Jr., Chair

J. Ford Canale, Vice Chair

Chase Carlisle

Yolanda Cooper-Sutton

Michalyn Easter-Thomas

Edmond, Ford, Sr.

Jerri Green

Rhonda Logan

Philip Spinosa

Jana Swearengen-Washington

Pearl Eva Walker

Dr. Jeff Warren

Janika White

CHIEF EXECUTIVES

Walter O. Person..... Chief Financial Officer

Antonio Adams Chief Operating Officer

Cerelyn C.J. Davis Interim Chief of Police Services

Penelope Huston Chief Communications Officer

Tannera Gibson Chief Legal Officer/City Attorney

Fonda Fouché..... Chief Human Resources Officer

DIRECTORS

Melvin Jamerson..... Interim Director of General Services

Manny Belen, P.E. Director of Engineering

Ashley Cash Director of Housing and Community Development

Eric Keane..... Chief Information Officer

Joy Toulaitos Interim Director of Public Works

Keenon McCloy Director of Libraries

Philip Davis..... Director of Solid Waste

Gina Y. Sweat Director of Fire Services

Nick Walker..... Director of Parks and Neighborhoods

John Zeanah Director of Planning and Development

CONSULTANTS TO THE CITY

Co-Bond Counsel

Ahmad Zaffarese, LLC
Memphis, Tennessee

Carpenter Law, PLLC
Memphis, Tennessee

Co-Disclosure Counsel

Bruce Law, PLLC
Memphis, Tennessee

Bass Berry & Sims PLC
Nashville, Tennessee

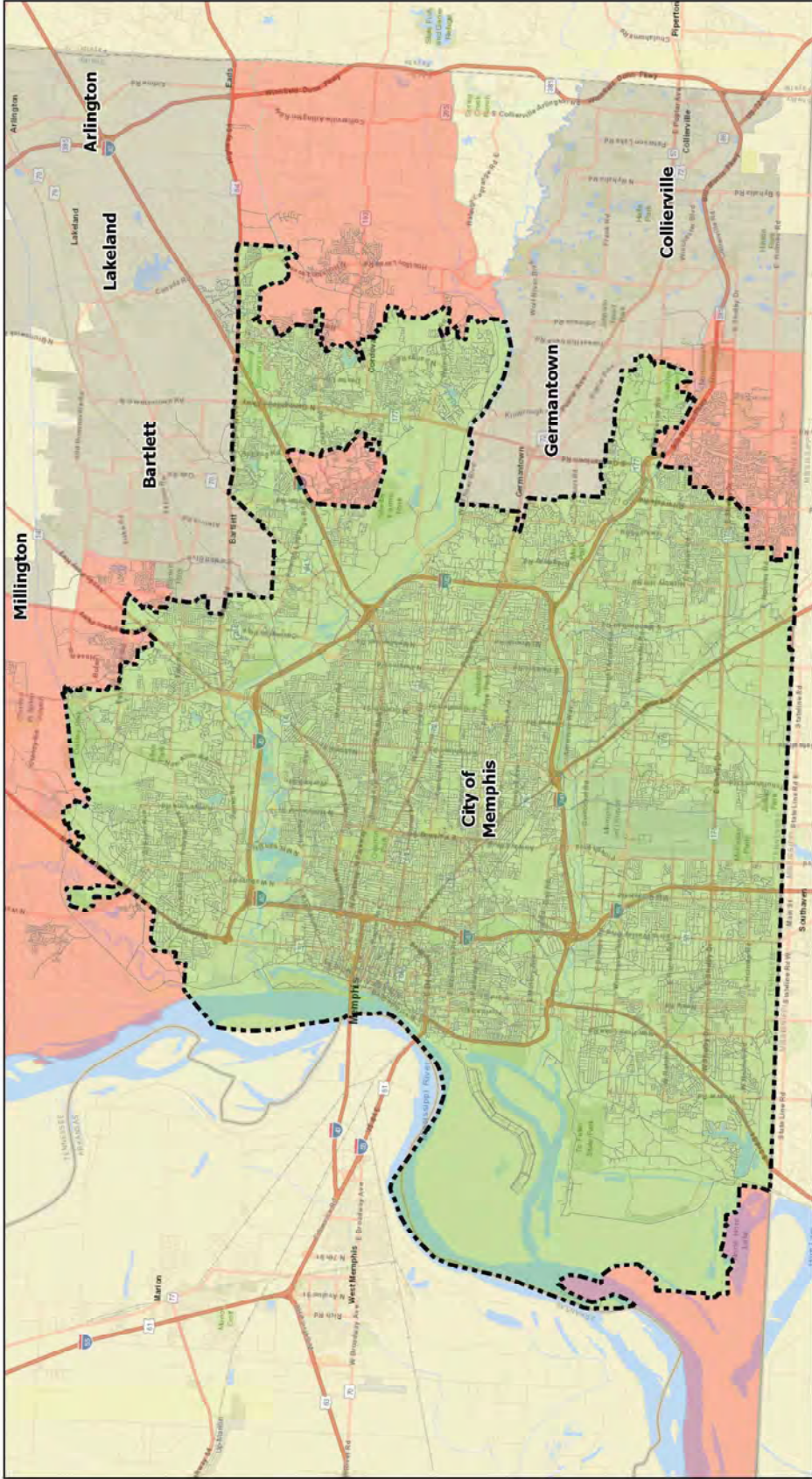
Co-Financial Advisors

PFM Financial Advisors LLC
Memphis, Tennessee

CLB Porter LLC
Memphis, Tennessee

External Auditors

Banks, Finley, White & Co.
Memphis, Tennessee



Memphis Municipality

- Memphis
- Memphis City Limit
- Memphis Reserve
- Memphis Suburb
- Gravity Mains
- Waste Water Treatment Plant

City of Memphis
SEWER AREA
City of Memphis, TN WWCTS Study

0 6,000 12,000
Feet
1 inch equals 12,000 feet

N
W E
S

SRPP
SOLID ROLLER PAVING PROGRAM

SEWERAGE DISTRICT

BLACK & VEATCH
Building a world of difference.

This Official Statement does not constitute a contract between the City or the Underwriter and any one or more owners of the Series 2025 Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2025 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

No dealer, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2025 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. Except as otherwise indicated, the information contained in this Official Statement, including in the appendices attached hereto, has been obtained from representatives of the City and from public documents, records and other sources considered to be reliable.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

IN CONNECTION WITH THE OFFERING OF THE SERIES 2025 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2025 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2025 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2025 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the City and the System (as defined herein), and the terms of the offering, including the merits and risks involved. The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose, including for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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APPENDIX A	–	THE BOND RESOLUTION
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APPENDIX E	–	FORM OF CONTINUING DISCLOSURE AGREEMENT

OFFICIAL STATEMENT

relating to

\$[_____]*

CITY OF MEMPHIS, TENNESSEE SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2025

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page and the appendices attached hereto, is to provide certain information concerning the issuance and sale by the City of Memphis, Tennessee (the "City") of its \$[_____] * Sanitary Sewerage System Revenue Bonds, Series 2025 (the "Series 2025 Bonds"). See "INTRODUCTION – Authority for Issuance" herein.

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. No person is authorized to detach this Introduction from- this Official Statement or to otherwise use it without the entire Official Statement, including the appendices attached hereto.

Unless otherwise provided herein, all capitalized terms used shall have the meanings assigned thereto in the Bond Resolution (as defined herein).

The City

The City is a municipal corporation organized under the laws of the State of Tennessee (the "State"). The City is located on the east bank of the Mississippi River in the southwest corner of the State. The City is the State's largest city not having a metropolitan form of government and is the county seat of Shelby County, Tennessee (the "County"). See "THE CITY" herein and "APPENDIX C – GENERAL INFORMATION REGARDING THE CITY OF MEMPHIS, TENNESSEE" attached hereto.

Authority for Issuance

The Series 2025 Bonds are being issued by the City pursuant to, among other things, that certain Master Resolution for Sanitary Sewerage System Revenue Bonds adopted by the City

* Preliminary, subject to change.

Council on September 1, 2020 (the "Master Resolution"), as supplemented with respect to the Series 2025 Bonds by that certain series resolution adopted by the City Council on **[December 17, 2024]** (the "Series Resolution" and, together with the Master Resolution, hereinafter collectively referred to as the "Bond Resolution"). See "THE SERIES 2025 BONDS – Authority for Issuance" herein and "APPENDIX A – THE BOND RESOLUTION" attached hereto.

Purpose of the Series 2025 Bonds

The Series 2025 Bonds are being issued by the City for the purposes of: (a) financing various improvements, additions and extensions to the City's sanitary sewerage system (the "System") and (b) paying the costs of issuance of the Series 2025 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Description of the Series 2025 Bonds

The Series 2025 Bonds will bear interest and mature on the dates set forth on the inside front cover page of this Official Statement. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025. **[Principal of the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025, through December 1, 2034, and is thereafter payable annually on December 1 of each year, as set forth on the inside cover page of this Official Statement].*** Payments of principal of and interest on the Series 2025 Bonds will be made to purchasers of beneficial interests in the Series 2025 Bonds by DTC Participants (as defined herein).

The Series 2025 Bonds are subject to redemption prior to maturity as more fully described herein. See "THE SERIES 2025 BONDS - Redemption Provisions" herein.

The Series 2025 Bonds will be issued only in fully registered form, without coupons, in authorized denominations of \$5,000 or any integral multiple thereof equal to the principal amounts shown on the inside front cover page of this Official Statement and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2025 Bonds. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form only and purchasers will not receive physical delivery of certificates representing the beneficial ownership interests in the Series 2025 Bonds unless the book-entry only system is discontinued. See "BOOK-ENTRY ONLY SYSTEM" herein.

For a more complete description of the Series 2025 Bonds, see "THE SERIES 2025 BONDS" herein.

Security and Sources of Payment for the Series 2025 Bonds

The Series 2025 Bonds are issued as Senior Lien Bonds (as defined herein) under the Bond Resolution and are payable solely from and equally and ratably secured by a pledge of the Net Revenues (as defined herein) on a parity and equality of lien with all of the Outstanding Senior Lien Bonds (as defined herein) and any additional Senior Lien Bonds hereafter issued. **[The Series**

* Preliminary, subject to change.

2025 Bonds will/will not be secured by a Senior Lien Debt Service Reserve Subaccount.] See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein and "APPENDIX A – THE BOND RESOLUTION" attached hereto.

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE CITY OR A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY LIMITATION, AND NO HOLDER OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWERS OF THE CITY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, BUT THE SERIES 2025 BONDS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM AS SET FORTH IN THE BOND RESOLUTION.

Paying Agent and Bond Registrar

Regions Bank, Nashville, Tennessee, will act as initial paying agent and bond registrar for the Series 2025 Bonds (in that capacity, the "Paying Agent and Registrar").

Continuing Disclosure

In order to assist the Underwriter (as defined herein) in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2025 Bonds, the City will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC") for the benefit of the Beneficial Owners (as defined herein), under which the City will provide continuing disclosure with respect to the Series 2025 Bonds. The City has designated DAC as the initial disclosure dissemination agent in the Disclosure Agreement. The annual continuing disclosure report and notices of certain enumerated events (as described in the Disclosure Agreement) will be filed by DAC, on behalf of the City, with the repository designated by the SEC, presently the Municipal Securities Rulemaking Board (the "MSRB"), through the Electronic Municipal Market Access system ("EMMA") in an electronic format prescribed by the MSRB. See "CONTINUING DISCLOSURE" herein and "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement and the Appendices attached hereto contain brief descriptions of, among other matters, the City, the Series 2025 Bonds, the security and sources of payment for the Series 2025 Bonds, the Bond Resolution, and the Disclosure Agreement. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Series 2025 Bonds, the Disclosure Agreement and other documents are intended as summaries only and are qualified in their entirety by reference to such documents. References herein to the Series 2025 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the

Disclosure Agreement and other relevant documents and information are available, upon written request and payment of a charge for copying, mailing and handling, from Mr. André D. Walker, Deputy Chief Financial Officer, 125 North Main Street, Room 368, Memphis, Tennessee 38103, (901) 636-6324. See also "APPENDIX A – THE BOND RESOLUTION" attached hereto for a complete copy of the Bond Resolution.

PLAN OF FINANCING

A portion of the proceeds of the Series 2025 Bonds will be used to finance the capital improvements of the System as further described under the heading "CAPITAL IMPROVEMENT PROGRAM" herein. To facilitate that purpose, the Series Resolution has created a Project Account within the Construction Fund (the "Series 2025 Project Account") into which the Series 2025 Bond proceeds will be deposited for the purposes of (i) financing various improvements, additions and extensions to the System and (ii) paying the costs of issuance of the Series 2025 Bonds. Funds deposited into the Series 2025 Project Account will be used exclusively for those purposes. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

THE SERIES 2025 BONDS

Authority for Issuance

The Series 2025 Bonds are being issued by the City pursuant to, among other things, the Bond Resolution. See "APPENDIX A – THE BOND RESOLUTION" attached hereto. Additional Bonds, including the Series 2025 Bonds, can be issued under the Bond Resolution only if certain requirements are met, including passage of the Additional Bonds Test (as defined herein). For a description of the Additional Bonds Test and other requirements for issuance of additional Bonds under the Bond Resolution, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS – Additional Series of Bonds" herein. As shown in the following table, the Net Revenues for the last full Fiscal Year are at least equal to 120% of the Maximum Debt Service Requirement in any future Fiscal Year for all Outstanding Senior Lien Bonds and the Series 2025 Bonds. Consequently, the Series 2025 Bonds comply with the Additional Bonds Test and are qualified to be issued under the Bond Resolution.

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**City of Memphis Sanitary Sewerage System
Additional Bonds Test for the Series 2025 Bonds**
(In Thousands of Dollars)

<u>Revenues</u>	Fiscal Year <u>2024</u>
Operating Revenues	
Non-Operating Revenues	
Undesignated, Unreserved Surplus	
Total Revenues	_____
Less: Operating Expenses	_____
Net Revenues	_____

Coverage Calculation

Maximum Debt Service Requirement for Senior Lien
Bonds⁽¹⁾

Net Revenue Senior Lien Bond Debt Service
Coverage

⁽¹⁾ Includes estimated debt service on the Series 2025 Bonds.

Source: City of Memphis, Tennessee.

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Description of the Series 2025 Bonds

The Series 2025 Bonds will be dated their date of delivery and will bear interest and, subject to redemptions as described below, mature on the dates set forth on the inside front cover page of this Official Statement. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025, until paid in full (each such date, an "Interest Payment Date"), to the registered owners in whose names the Series 2025 Bonds are registered on the books of registry kept and maintained by the Paying Agent and Registrar as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month preceding the month in which such interest is payable. Interest on the Series 2025 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. **[Principal on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025, through December 1, 2034, and is thereafter payable annually on December 1 of each year, as set forth on the inside cover page of this Official Statement].*** For a discussion of applicable redemption provisions, see "THE SERIES 2025 BONDS – Redemption Provisions" herein.

The Series 2025 Bonds will be issued only in fully registered form, without coupons, in authorized denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2025 Bonds. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form only and purchasers will not receive physical delivery of certificates representing the beneficial ownership interests in the Series 2025 Bonds unless the book-entry only system is discontinued. Transfers of ownership interests in the Series 2025 Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC Participants who act on behalf of the indirect participants of DTC and the Beneficial Owners (as defined herein) of the Series 2025 Bonds.

Unless the City and the Paying Agent and Registrar agree otherwise, so long as DTC or its nominee is the registered owner of the Series 2025 Bonds at such securities depository, payments of principal, premium, if any, and interest on the Series 2025 Bonds will be made by wire transfer to DTC or its nominee, Cede & Co., as registered owner of the Series 2025 Bonds, which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Series 2025 Bonds. Transfers of such payments to DTC Participants will be the responsibility of DTC. Transfers of such payments to Beneficial Owners of the Series 2025 Bonds by DTC Participants will be the responsibility of such participants and other nominees of such Beneficial Owners. If the book-entry only system is discontinued, the Series 2025 Bonds will be delivered as described in the Bond Resolution, the Beneficial Owners or their nominees will become the registered owners of the Series 2025 Bonds and interest on the Series 2025 Bonds will be payable and ownership of the Series 2025 Bonds may be transferred as described in the Bond Resolution. See "BOOK-ENTRY ONLY SYSTEM" herein.

* Preliminary, subject to change.

Redemption Provisions*

Optional Redemption. The Series 2025 Bonds maturing on or before **[December]** 1, 20__, are not subject to optional redemption prior to maturity. The Series 2025 Bonds maturing on or after **[December]** 1, 20__, (or portions thereof in authorized denominations of \$5,000 and integral multiples thereof) are subject to optional redemption by the City on and after **[December]** 1, 20__, in whole or in part, at any time, in such order as determined by the City (except as provided below), at a redemption price equal to the principal amount of the Series 2025 Bonds or portion thereof to be redeemed, plus interest accrued thereon to the redemption date.

If less than all of the Series 2025 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2025 Bonds are being held under a Book-Entry System by DTC, or a successor depository, the Series 2025 Bonds to be redeemed shall be determined by DTC, or such successor depository, by lot or such other manner as DTC, or such successor depository, shall determine; or

(ii) if the Series 2025 Bonds are not being held under a Book-Entry System by DTC, or a successor depository, the Series 2025 Bonds within the maturity to be redeemed shall be selected by the Paying Agent and Registrar by lot or such other random manner as the Paying Agent and Registrar in its discretion shall determine.

Mandatory Redemption. The City shall redeem the Series 2025 Bonds maturing **[December]**1, 20__, on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The dates of redemption and principal amount of Series 2025 Bonds to be redeemed on said dates are as follows:

Series 2025 Bonds Maturing **[December]**1, 20__

Redemption Dates

(____ 1)

Principal Amount

*Final Maturity.

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may (a) deliver to the Paying Agent and Registrar for cancellation the Series 2025 Bonds to be redeemed, in any aggregate principal amount desired, and (b) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2025 Bonds of the maturity to be redeemed which, prior to said date, have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Paying Agent and Registrar and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2025

Bond so delivered or previously purchased or redeemed shall be credited by the Paying Agent and Registrar at 100% of the principal amount thereof toward the obligation of the City on such payment date, and any excess shall be credited toward future redemption obligations in chronological order, and the principal amount of Series 2025 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City shall on or before the 45th day next preceding each payment date furnish the Paying Agent and Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (a) and (b) of this paragraph are to be availed with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of Redemption

Notice of any redemption of Series 2025 Bonds shall either (a) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2025 Bond to be redeemed, or (b) be sent only if sufficient money to pay the full redemption price of the Series 2025 Bonds to be redeemed is on deposit in the applicable fund or accounts.

Notice of call for redemption shall be given by the Paying Agent and Registrar on behalf of the City not less than 30 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2025 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2025 Bond registration records of the Paying Agent and Registrar as of the date of the notice. Neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series 2025 Bonds for which proper notice was given. As long as DTC, or a successor depository, is the registered owner of the Series 2025 Bonds, all redemption notices shall be mailed by the Paying Agent and Registrar to DTC, or such successor depository, as the registered owner of the Series 2025 Bonds, as and when provided, and neither the City nor the Paying Agent and Registrar shall be responsible for mailing notices of redemption to DTC Participants (as defined herein) or Beneficial Owners (as defined herein). Failure of DTC, or any successor depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Paying Agent and Registrar shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, if any, notices of which shall be given on the dates provided in the final Official Statement) given at least 45 days prior to the redemption date, unless a shorter notice period shall be satisfactory to the Paying Agent and Registrar. From and after the redemption date, all Series 2025 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Paying Agent and Registrar for the payment thereof and if notice has been duly provided as set forth in the Bond Resolution.

Registration Provisions

The Series 2025 Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the designated corporate trust office of the Paying Agent and Registrar. The Paying Agent and Registrar shall make all interest payments with respect to the Series 2025 Bonds on each interest payment date directly to the registered owners as shown on the

Series 2025 Bond registration records maintained by the Paying Agent and Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing such payment in the United States mail, postage prepaid, addressed to such owners at such owners' addresses shown on said Series 2025 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2025 Bonds. All such payments shall discharge the obligations of the City in respect of such Series 2025 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2025 Bonds shall be made upon presentation and surrender of such Series 2025 Bonds to the Paying Agent and Registrar as the same shall become due and payable. In the event the Series 2025 Bonds are no longer registered in the name of DTC, or a successor depository, if requested by the owner of at least \$1,000,000.00 in aggregate principal amount of the Series 2025 Bonds, payment of interest on such Series 2025 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Paying Agent and Registrar and written notice of any such election and designated account is given to the Paying Agent and Registrar prior to the Regular Record Date.

Transfer and Exchange

The Series 2025 Bonds are transferable only by presentation to the Paying Agent and Registrar by the registered owner, or the legal representative of the registered owner duly authorized in writing, of the registered Series 2025 Bond to be transferred with the form of assignment on the reverse side thereof (or attached thereto) completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2025 Bond accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2025 Bond in such form and with such documentation, if any, the Paying Agent and Registrar shall issue a new Series 2025 Bond to the assignee in authorized denominations, as requested by the registered owner requesting transfer. No charge shall be made to any registered owner for the privilege of transferring any Series 2025 Bond, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name any Series 2025 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice to the contrary, including but not limited to any previous transfer request not accompanied by acceptable documentation.

The Paying Agent and Registrar is authorized to authenticate and deliver the Series 2025 Bonds from time to time to the original purchasers thereof, or as an original purchaser may designate, upon receipt by the City of the proceeds of the sale thereof, together with any necessary documentation, and to authenticate and deliver the Series 2025 Bonds in exchange for Series 2025 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2025 Bond to be transferred in proper form with proper documentation as described in the Bond Resolution. The Series 2025 Bonds shall not be valid for any purpose unless authenticated by the Paying Agent and Registrar by the manual signature of an officer thereof on the certificate set forth on the Series 2025 Bond form.

In case any Series 2025 Bond shall become mutilated, or be lost, stolen, or destroyed, the City, in its discretion, shall issue, and the Paying Agent and Registrar shall authenticate and deliver, a new Series 2025 Bond of like tenor, amount, maturity and date, in exchange and

substitution for and, upon the cancellation of, the mutilated Series 2025 Bond or, in lieu of and substitution for such lost, stolen or destroyed Series 2025 Bond, or if any such Series 2025 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2025 Bond, the City may pay or authorize payment of such Series 2025 Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the City and the Paying Agent and Registrar of the mutilation, destruction, theft or loss of such Series 2025 Bond and indemnity satisfactory to the City and the Paying Agent and Registrar and the City may charge the applicant for the issue of such new Series 2025 Bond an amount sufficient to reimburse the City for the expense incurred in the issue thereof.

Any interest on any Series 2025 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date. In lieu thereof, such Defaulted Interest shall be paid by the City to the person or entity in whose names the Series 2025 Bonds are registered at the close of business on a date for the payment of such Defaulted Interest (the "Special Record Date"), which date shall be fixed in the following manner: the City shall notify the Paying Agent and Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Series 2025 Bond and the date of the proposed payment and, concurrently, either deposit with the Paying Agent and Registrar an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or make arrangements satisfactory to the Paying Agent and Registrar for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the person or entity entitled to such Defaulted Interest. Thereupon, not less than ten days after receipt by the Paying Agent and Registrar of the notice of the proposed payment, the Paying Agent and Registrar shall fix a Special Record Date for the payment of such Defaulted Interest, which date shall be not more than 15 nor less than ten days prior to the date of the proposed payment to the registered owners. The Paying Agent and Registrar shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof appearing in the Series 2025 Bond registration records maintained by the Paying Agent and Registrar as of the date of such notice. Nothing contained in the Bond Resolution or in the Series 2025 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2025 Bonds when due.

The Paying Agent and Registrar shall not be required to transfer or exchange any Series 2025 Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Series 2025 Bond, nor to transfer or exchange any Series 2025 Bond after the publication of notice calling such Series 2025 Bond for redemption has been made, nor to transfer or exchange any Series 2025 Bond during the period following the receipt of instructions from the City to call such Series 2025 Bond for redemption; provided, the Paying Agent and Registrar, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2025 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting the transfer. The person in whose name any Series 2025 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City

nor the Paying Agent and Registrar shall be affected by any notice to the contrary. The Series 2025 Bonds, upon surrender to the Paying Agent and Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2025 Bonds of the same maturity in any authorized denomination or denominations.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and the City does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of the Series 2025 Bonds as set forth on the inside front cover page of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between accounts of Direct Participants. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). The DTC rules applicable to DTC Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic

statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry only system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements which may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within a maturity of the Series 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date, as identified in a listing attached to the Omnibus Proxy.

Principal, premium, if any, and interest payments on the Series 2025 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent and Registrar on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer

form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Paying Agent and Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2025 Bonds, as applicable, to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the City or the Paying Agent and Registrar. Disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the City or the Paying Agent and Registrar. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bonds certificates are required to be printed and delivered to holders of Series 2025 Bonds.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2025 Bonds certificates will be printed and delivered to the holders of the Series 2025 Bonds.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE PAYING AGENT AND REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (B) DISTRIBUTION OF CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2025 BONDS; (C) THE PAYMENT BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, OR INTEREST ON, ANY SERIES 2025 BONDS; (D) THE DELIVERY OF ANY NOTICE BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (E) THE ELECTION OF THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2025 BONDS; OR (F) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2025 Bonds, references herein to the registered owners of the Series 2025 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2025 Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2025 Bonds are expected to be applied as follows:

Sources:

Par Amount of Series 2025 Bonds

Net Original Issue Discount/Bond Premium

Total Sources:

Uses:

Deposit to Series 2025 Project Account

[Deposit to Senior Lien Debt Service Reserve Subaccount]

Costs of Issuance⁽¹⁾

Total Uses:

⁽¹⁾ Includes, without limitation, the Underwriter's discount, legal and advisory fees, printing costs and other costs associated with the issuance of the Series 2025 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

The Series 2025 Bonds will be issued as Senior Lien Bonds under the Bond Resolution. The information provided in this section is based on the Bond Resolution, though this discussion is not intended to be an exhaustive review of the Bond Resolution. Purchasers of the Series 2025 Bonds should review the Bond Resolution, which is presented in its entirety in "APPENDIX A – THE BOND RESOLUTION" attached hereto.

Pledge of Revenues and Funds

Pursuant to the Bond Resolution, the Net Revenues (as defined below), including the amounts and deposits in the Funds and Accounts funded with same (except amounts on deposit in the Debt Service Reserve Subaccounts, the Tax Credit Payment Subaccounts, the Rebate Subaccounts and any Investment Earnings, to the extent they are excluded from Revenues) are pledged to the prompt payment of the principal of, interest on and any premium upon the redemption of the Series 2025 Bonds. The Bond Resolution creates a pledge of the Net Revenues that entitles the Series 2025 Bonds, and all Bonds on parity therewith, to have a claim on the Net Revenues prior to any other Person and ahead of the use of such Net Revenues for any purpose other than payment of Operation and Maintenance Expenses (a "Senior Lien"). All Bonds with a Senior Lien on Net Revenues pursuant to the terms of the Bond Resolution shall be referred to herein as "Senior Lien Bonds."

Accordingly, the Series 2025 Bonds are issued as Senior Lien Bonds payable solely from and equally and ratably secured by a pledge of the Net Revenues on a parity and equality of lien with all of the Outstanding Senior Lien Bonds and any additional Senior Lien Bonds hereafter issued. Any Bonds secured by a pledge of Net Revenues subordinate to a Senior Lien shall be issued as "Junior Lien Bonds" under the Bond Resolution, and the payment of the principal of, interest on and any premium upon the redemption of such Junior Lien Bonds shall be made only after payment in full of the same for the Senior Lien Bonds. Any indebtedness, other than Bonds, that is secured

by a pledge of Net Revenues (the "Other Subordinated Indebtedness") shall be secured by such pledge of Net Revenues on a basis subordinate to both the Senior Lien Bonds and Junior Lien Bonds, and the payment of the principal of, interest on and any premium upon the redemption of such Other Subordinated Indebtedness shall be made only after payment in full of the same for the Senior Lien Bonds and Junior Lien Bonds. For more detailed information regarding the security and sources of payment for the Bonds and Other Subordinated Indebtedness, see "APPENDIX A – THE BOND RESOLUTION" attached hereto.

For information regarding the Outstanding Senior Lien Bonds, including principal amounts outstanding, see the section entitled "OUTSTANDING SYSTEM OBLIGATIONS – Outstanding Senior Lien Bonds" herein. **[As of the date hereof, there are no Junior Lien Bonds that are Outstanding, and the SRF Loans (as defined herein) comprise all of the Other Subordinated Indebtedness.]** See the section entitled "OUTSTANDING SYSTEM OBLIGATIONS – Subordinate Debt" herein.

"Net Revenues," "Revenues" and "Operation and Maintenance Expenses" are defined in the Bond Resolution as follows:

"Net Revenues" means, for any period, Revenues less Operation and Maintenance Expenses.

"Revenues" means (a) all revenues, fees, rentals, income, receipts, accounts receivable and money derived from the ownership and operation of the System received by the City, Investment Earnings and all other income earned and accreted from, and deferred gain from, securities and other investments and amounts earned on amounts deposited in Funds and Accounts under the Bond Resolution or otherwise maintained with respect to the System, computed in accordance with generally accepted accounting principles; with the exception of (i) moneys held in the Construction Fund or any account thereof, (ii) moneys held in a Debt Service Reserve Subaccount during any period in which the investment earnings thereon are directed by Series Resolution to the Construction Fund or an account thereof and (iii) moneys held in any Fund or Account created to refund any outstanding Bonds payable from Revenues of the System; and (b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the benefit of the System which are (i) not restricted by law or the payor to application for a particular purpose, and (ii) otherwise lawfully available for payment of Bonds or Contracts. The term "Revenues" does not include (A) proceeds of insurance so long as such proceeds are to be paid to a party separate from the City in respect of a liability or are to be used to repair or replace portions of the System; (B) extraordinary gains from the sale of assets or similar one-time sources of income; (C) Tax Credit Payments; or (D) grant proceeds. In addition, at the election of the City, excluded from the definition of Revenues are any revenues, rentals, earnings or other income received by the City from the separate operation of an Acquired System, and any bonds or other obligations issued in connection with such separately operated Acquired System shall not be payable from or secured by Net Revenues.

"Operation and Maintenance Expenses" means expenses incurred by the City in the operation, maintenance and repair of the System and which are properly allocable to the

System (including the System's share of common administrative costs of the City), determined in accordance with generally accepted accounting principles, as well as any extraordinary, one-time expenses as determined by the Chief Financial Officer, in consultation with a Consultant that are properly treated as operation and maintenance rather than capital expenses under generally accepted accounting principles; provided however that the following shall be excluded from the definition of Operation and Maintenance Expenses: (i) depreciation, amortization and interest on any bonds, notes or other obligations of the City; (ii) any reserve for renewals or replacements; and (iii) all transfers to the general fund of the City (including payments in lieu of taxes and dividend payments).

Flow of Funds

Under the Bond Resolution, all Funds and Accounts will be held in trust and administered by the City. Except as otherwise provided in the Bond Resolution, all Revenues collected by the City are required to be deposited into the Revenue Fund for the uses and purposes provided in the Bond Resolution. Subject to the provisions in the Bond Resolution providing otherwise, monies and securities in the Revenue Fund must be paid out and applied in the order and amounts set forth below.

FIRST: From the moneys in the Revenue Fund, the City shall first pay the Operation and Maintenance Expenses as they become due and payable.

SECOND: A Senior Lien Bond Account is established within the Revenue Fund, to be used solely for (i) paying the principal of, premium, if any, and interest on Senior Lien Bonds issued under the Bond Resolution with a lien on or pledge of the Net Revenues that entitles beneficiaries thereof to a claim on the Net Revenues prior to any other person and ahead of the use of the Net Revenues for any purpose other than the payment of Operation and Maintenance Expenses; (ii) making payments under contracts related to Senior Lien Bonds; (iii) retiring the Senior Lien Bonds; (iv) funding any Debt Service Reserve Requirement with respect to Senior Lien Bonds for which a Debt Service Requirement is required; and (v) funding any required rebate amounts due in connection with the Senior Lien Bonds. After the payment of Operation and Maintenance Expenses, sufficient moneys shall be deposited into the following subaccounts of the Senior Lien Bond Account in the following order.

Senior Lien Interest Subaccount. On or before each Interest Payment Date for a series of Senior Lien Bonds, the City shall deposit into the Senior Lien Interest Subaccount amounts which, together with available moneys already on deposit therein, are not less than the interest coming due on such Senior Lien Bonds on such interest payment date.

Senior Lien Hedge Payments Subaccount. On or before each payment date for Hedge Payments under a Qualified Hedge Agreement related to Senior Lien Bonds, the City shall deposit into the Senior Lien Hedge Payments Subaccount an amount which, together with any Hedge Receipts and other moneys already on deposit therein and available to make such payment, are not less than such Hedge Payments coming due on such payment date.

Senior Lien Contract Payments Subaccount. On or before each payment date for amounts due on Contracts related to Senior Lien Bonds, the City shall deposit into the Senior Lien Contract

Payments Subaccount an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the amount coming due on such payment date.

Senior Lien Principal Subaccount. On or before each Principal Installment payment date for a series of Senior Lien Bonds, the City shall deposit into the Senior Lien Principal Subaccount an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the principal payable on such Senior Lien Bonds on such Principal Installment payment date other than principal to be paid from a source other than Revenues.

Senior Lien Debt Service Reserve Subaccount. Deposits required to be made into the Senior Lien Debt Service Reserve Subaccount shall be determined as set forth in a series resolution authorizing an additional series of Senior Lien Bonds. **[As provided herein, the City has/has not established a Senior Lien Debt Service Reserve Subaccount for the Series 2025 Bonds.]**

Senior Lien Tax Credit Payment Subaccount. The City shall establish within the Senior Lien Bond Account a Senior Lien Tax Credit Payment Subaccount, and subaccounts thereunder, for each series of Senior Lien Bonds that are also Tax Credit Bonds. Tax Credit Payments received by the City shall be deposited directly into the applicable series-specific subaccount of the Senior Lien Tax Credit Payment Subaccount and such amounts shall be applied solely to the payment of debt service on the applicable series of Tax Credit Bonds. The Series 2025 Bonds are not Tax Credit Bonds.

Senior Lien Rebate Subaccount. Deposits required to be made into the Senior Lien Rebate Subaccount shall be determined as set forth in a series resolution authorizing an additional series of Senior Lien Bonds. **[The City has/has not established a Senior Lien Rebate Subaccount for the Series 2025 Bonds.]**

THIRD: A Junior Lien Bond Account is established within the Revenue Fund to be used solely for: (i) paying the principal of, premium, if any, and interest on Junior Lien Bonds issued under the Bond Resolution with a lien or pledge of Net Revenues that is subordinate to a Senior Lien; (ii) making payments under contracts related to the Junior Lien Bonds; (iii) retiring the Junior Lien Bonds; (iv) funding any Debt Service Reserve Requirement with respect to any Junior Lien Bonds for which a Debt Service Requirement is required; and (v) funding any required rebate amounts due in connection with the Junior Lien Bonds. After the payment of Operation and Maintenance Expenses and the payment of all funds due and owing into the Senior Lien Bond Account, sufficient moneys shall first be deposited into following subaccounts of the Junior Lien Bond Account in the following order.

Junior Lien Interest Subaccount. On or before each Interest Payment Date for a series of Junior Lien Bonds, the City shall deposit into the Junior Lien Interest Subaccount amounts which, together with available moneys already on deposit therein, are not less than the interest coming due on such Junior Lien Bonds on such Interest Payment Date.

Junior Lien Hedge Payment Subaccount. On or before each payment date for Hedge Payments under a Qualified Hedge Agreement related to Junior Lien Bonds, the City shall deposit into the Junior Lien Hedge Payments Subaccount an amount which, together with any Hedge

Receipts and other moneys already on deposit therein and available to make such payment, are not less than such Hedge Payments coming due on such payment date.

Junior Lien Contract Payments Subaccount. On or before each payment date for amounts due on Contracts related to Junior Lien Bonds (other than for Reimbursement Obligations and Qualified Hedge Agreements), the City shall deposit into the Junior Lien Contract Payments Subaccount an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the amount coming due on such payment date.

Junior Lien Principal Subaccount. On or before each Principal Installment payment date for a series of Junior Lien Bonds, the City shall deposit into the Junior Lien Principal Subaccount an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the principal payable on such Junior Lien Bonds on such Principal Installment payment date other than principal to be paid from a source other than Revenues.

Junior Lien Debt Service Reserve Subaccount. Deposits required to be made into the Junior Lien Debt Service Reserve Subaccount shall be determined as set forth in a series resolution authorizing an additional series of Junior Lien Bonds.

Junior Lien Tax Credit Payment Subaccount. The City shall establish within the Junior Lien Bond Account a Junior Lien Tax Credit Payment Subaccount, and subaccounts thereunder, for each series of Junior Lien Bonds that are also Tax Credit Bonds. Tax Credit Payments received by the City shall be deposited directly into the applicable series-specific subaccount of the Junior Lien Tax Credit Payment Subaccount and such amounts shall be applied solely to the payment of debt service on the applicable series of Tax Credit Bonds.

Junior Lien Rebate Subaccount. Deposits required to be made into the Junior Lien Rebate Subaccount shall be determined as set forth in a series resolution authorizing an additional series of Junior Lien Bonds.

FOURTH: In order to provide for the payment of principal of, premium, if any, and interest on bonds and other indebtedness secured by a lien on Net Revenues that is subordinate in relation to any bonds issued under the Bond Resolution (as used in this section, "Other Subordinated Indebtedness"), the City is obligated to deposit into the Other Subordinated Indebtedness Account, out of the moneys remaining in the Revenue Fund after the payment of Operation and Maintenance Expenses, requisite payments into the Senior Lien Bond Account and requisite payments into the Junior Lien Bond Account, amounts sufficient to make the payments due with respect to the Other Subordinated Indebtedness.

FIFTH: The City shall deposit the balance of any remaining amounts in the Revenue Fund into the Surplus Account. Amounts in the Surplus Account shall be applied first, to remedy any deficiencies in the amounts required to be withdrawn from the Revenue Fund for the payment of Operation and Maintenance Expenses or for deposit into the Senior Lien Bond Account or the Junior Lien Bond Account; second, to remedy any deficiencies in the amounts required to be withdrawn from the Revenue Fund for deposit into the Other Subordinated Indebtedness Account; and third, to any transfers to the General Fund of the City required to be made by the System. Any remaining amounts at any time not needed for such purposes may be applied to the payment of the

costs of capital improvements to the System, the purchase, redemption, payment or provision for payment of any bonds or other obligation or evidence of indebtedness which are authorized, authenticated and Outstanding under the Bond Resolution (as used herein and as may be used elsewhere when referring to bonds or other indebtedness issued pursuant to the Bond Resolution, as the context so indicates, "Bonds"), the payment of Contracts and any other legal expenditure of System funds for costs.

Debt Service Reserve Subaccount

Except as hereinafter described in connection with the Outstanding Senior Lien Bonds, all Bonds will only be secured by a series-specific reserve account if the City determines to establish one at the time of issuance of such Bonds. **[The City has/has not established a Senior Lien Debt Service Reserve Subaccount for the Series 2025 Bonds, and the Series 2025 Bonds will/will not be secured by any Senior Lien Debt Service Reserve Subaccount.]**

All Outstanding Senior Lien Bonds were issued pursuant to a prior resolution of the City, which prior resolution has since been amended, restated and replaced in its entirety with the Bond Resolution. Pursuant to the terms of the Bond Resolution, the Outstanding Senior Lien Bonds issued pursuant to said prior resolution are secured in the aggregate by a single reserve account in an amount equal to the Debt Service Reserve Requirement for such Outstanding Senior Lien Bonds. As of [____], 2025, the amount on deposit in said reserve account for the Outstanding Senior Lien Bonds was \$[_____]. **[The Series 2025 Bonds are not secured by such single reserve account for the Outstanding Senior Lien Bonds], and the Series 2025 Bonds are not payable from monies in said reserve account unless all Outstanding Senior Lien Bonds secured by said reserve account are paid in full in accordance with the terms of the Bond Resolution.]**

Rate Covenant

The Bond Resolution requires the City to prescribe, fix, maintain and collect rates, fees and other charges for the services and facilities furnished by the System sufficient to: (i) pay 100% of the Operation and Maintenance Expenses and for the accumulation in the Revenue Fund of a reasonable reserve therefor in an amount, if any, as shall be determined from time to time by the City's Chief Financial Officer; and (ii) cause Net Revenues in each Fiscal Year (as defined herein) to: (A) equal at least 120% of the Debt Service Requirement on all Senior Lien Bonds then Outstanding and 100% of the Debt Service Requirement on all Bonds then Outstanding; (B) enable the City to make all required payments, if any, into any Debt Service Reserve Subaccount and under any Contract; (C) enable the City to accumulate an amount which, in the judgment of the Chief Financial Officer, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments and improvements to the System necessary to keep the System in good operating condition or as required by any governmental agency having jurisdiction over the System; and (D) remedy any deficiencies in required payments into any of the Funds and Accounts from prior Fiscal Years.

Notwithstanding the above, the City shall not have failed the rate covenant set forth above for any Fiscal Year if the Chief Financial Officer certifies in writing that Net Revenues for Fiscal Year would have been sufficient to meet the requirements set forth above if the Net Revenues for

that Fiscal Year were determined by giving effect, for the entirety of the Fiscal Year, to any increase or decrease in rates, fees, rentals or other charges already authorized by the City to be implemented on a date within 180 days after the end of the Fiscal Year.

If Net Revenues in any Fiscal Year equal at least 100% of the Debt Service Requirement on any Bonds then Outstanding, but do not equal at least 120% of the Debt Service Requirement on all Senior Lien Bonds then Outstanding, the City shall have a grace period extending from the last day of such Fiscal Year through the last day of the following Fiscal Year in order to take all necessary actions, as determined by the Chief Financial Officer, to fully satisfy the rate covenant by the end of the following Fiscal Year. During the grace period, there shall be no Event of Default as a result of any failure to comply with the rate covenant until at least the end of the following Fiscal Year and no Event of Default shall later be deemed to have occurred as long as Net Revenues in the following Fiscal Year satisfy the amount required by the rate covenant. In no event shall this provision afford the City more than one consecutive grace period spanning a Fiscal Year.

If Net Revenues in any Fiscal Year do not equal at least 100% of the Debt Service Requirement on any Bonds then Outstanding, the City shall have a grace period extending from the last day of such Fiscal Year through the last day of the following Fiscal Year in order to promptly take all necessary actions, as advised by a Consultant retained by the City to review the operations of the System, to fully satisfy the rate covenant by the end of the following Fiscal Year. During the grace period, there shall be no Event of Default as a result of any failure to comply with the rate covenant until at least the end of the following Fiscal Year and no Event of Default shall later be deemed to have occurred as long as Net Revenues for the following Fiscal Year satisfy the amount required by the rate covenant. In no event shall this provision afford the City more than one consecutive grace period spanning a Fiscal Year.

Additional Series of Bonds

The City may issue additional series of Bonds pursuant to a series resolution for the purpose of financing the Costs of the System or refunding any Outstanding Bond or Bonds. Any series of Bonds issued under the Bond Resolution must be designated in a series resolution authorizing the issuance thereof as either Senior Lien Bonds or Junior Lien Bonds. All Senior Lien Bonds shall be on parity with all other Senior Lien Bonds, including the Series 2025 Bonds.

An additional series of Bonds may be issued only if certain conditions are met, including:

(a) execution by the Chief Financial Officer of a certificate stating that, upon the issuance of such series of Bonds, the City will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bond Resolution; and

(b) execution by the Chief Executive Officer of a certificate (with the requirements hereinafter provided in this subsection (b) collectively referred to herein as the "Additional Bonds Test"):

(i) setting forth the amounts of Net Revenues for either (i) the last full Fiscal Year, or (ii) any consecutive twelve (12) month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the series of Bonds with respect to which such certificate is being given; and

(ii) if Senior Lien Bonds are to be issued, stating that the Net Revenues for such twelve (12) month period were at least equal to 120% of the Maximum Debt Service Requirement in any future Fiscal Year (calculated with respect to the Senior Lien Bonds of all series then Outstanding and the series of Senior Lien Bonds with respect to which such certificate is given); or if Junior Lien Bonds are issued, stating that the Net Revenues for such twelve (12) month period were at least equal to 100% of the Maximum Debt Service Requirement in any future Fiscal Year (calculated with respect to all Bonds then Outstanding and the series of Junior Lien Bonds with respect to which such certificate is given); provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for certain specified purposes allowed under the Bond Resolution.

In addition, the City may issue Bonds for the refunding of any Bonds then Outstanding without meeting the requirements of paragraph (b) above, if: (i) the refunding will constitute a refunding of all the Bonds then Outstanding, or upon the execution by the Chief Financial Officer of a certificate stating that the Debt Service Requirement with respect to such refunding bonds is less in each Fiscal Year than the Debt Service Requirement with respect to the Bonds being refunded for the period commencing with the Fiscal Year next following the incurrence or issuance of such refunding bonds and ending with the Fiscal Year which includes the latest maturity or payment date of the Bonds being refunded; and (ii) the debt obligations being refunded include only Bonds issued under the Bond Resolution and do not include Other Subordinated Indebtedness or Other System Obligations.

Limited Obligations

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE CITY OR A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY LIMITATION, AND NO HOLDER OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWERS OF THE CITY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, BUT THE SERIES 2025 BONDS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM AS SET FORTH IN THE BOND RESOLUTION.

Enforceability of Remedies

The realization of the value from the pledge of the Net Revenues upon any default in the payment of the principal of or interest on the Series 2025 Bonds will depend upon the exercise of various remedies specified under the laws of the State. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of rights or remedies with respect to the Series 2025 Bonds by bankruptcy, insolvency and other laws affecting creditors' rights generally and the application of equitable principles. See "APPENDIX A – THE BOND RESOLUTION" attached hereto.

OUTSTANDING SYSTEM OBLIGATIONS

Outstanding Senior Lien Bonds

The following table presents the outstanding Senior Lien Bonds as of January 2, 2025 (the "Outstanding Senior Lien Bonds").

OUTSTANDING SANITARY SEWERAGE SYSTEM BONDS

Bond Name	Outstanding Par Amount	Final Maturity Date
Sanitary Sewerage System Revenue Refunding Bonds, Series 2014	\$2,210,000	July 1, 2025
Sanitary Sewerage System Revenue & Revenue Refunding Bonds, Series 2018	52,060,000	October 1, 2043
[Sanitary Sewerage System Revenue Bond, Series 2020A (WIFIA Project) (Federally Taxable)]	[____ ⁽¹⁾]	April 1, 2056
Sanitary Sewerage System Revenue and Revenue Refunding Bonds, Series 2020B	104,105,000	October 1, 2045
Total Sanitary Sewerage System Revenue Bonds Outstanding	<u>\$[____]</u>	

⁽¹⁾ Amount reflects the principal amount drawn down under the 2020 WIFIA Financing (as hereinafter defined) as of **[January 2, 2025]**. A maximum principal amount of \$156,000,000 may be drawn down under the 2020 WIFIA Financing. See "OUTSTANDING SYSTEM OBLIGATIONS – Outstanding Senior Lien Bonds – WIFIA Financings" herein.

Source: City of Memphis, Tennessee.

WIFIA Financings. In addition to using public market bond financing, the City plans to finance certain of its System infrastructure needs with one or more loans from the United States Environmental Protection Agency (the "EPA") pursuant to The Water Infrastructure Finance and Innovation Act of 2014, as amended (the "WIFIA Financing"). On September 16, 2020, the City closed its first WIFIA financing (the "2020 WIFIA Financing") through the issuance of the City's Sanitary Sewerage System Revenue Bond, Series 2020A (WIFIA Project) (Federally Taxable) (the "Series 2020A Bond"). The Series 2020A Bond is structured as a draw-down bond with a maximum available principal amount of \$156,000,000. As illustrated in the table above, the Series 2020A Bond is a Senior Lien Bond under the Bond Resolution and is secured by Net Revenues on a parity and equality of lien with the Series 2025 Bonds and all other Outstanding Senior Lien Bonds. The sole holder of the Series 2020A Bond is the EPA.

The Series 2020A Bond is payable at an interest rate of 1.39%, with principal repayments commencing April 1, 2041, and continuing through April 1, 2056, subject to earlier prepayment. (Pursuant to the terms of the 2020 WIFIA Financing, the interest rate may increase to 3.39% upon the occurrence of a default). Only interest shall be due and payable for the first twenty years of the Series 2020A Bond. As of **[January 2, 2025]**, the City has drawn down **[\$86,577,339]** under the Series 2020A Bond. **[The City expects to make draws under the Series 2020A Bond up to the maximum principal amount of \$156,000,000, though circumstances and timing may change the ultimate amount borrowed as well as the commencement date for principal repayment.]** As provided above, the Series 2020A Bond is secured by and payable from Net Revenues on a parity and equality of lien with the Series 2025 Bonds and the Outstanding Senior Lien Bonds. It is possible that the City may continue using additional WIFIA Financings as a

strategic part of its financing strategy for the System in the future. Future WIFIA Financings, if any, may be issued on parity with or subordinate to the lien position of the Series 2025 Bonds. **[The City is currently applying to the EPA for another WIFIA Financing in an approximate principal amount of \$[] for the purpose of financing [], though circumstances may change. Such WIFIA Financing has not been approved by resolution of the City Council, and no WIFIA Financing may be issued prior to such approval.]**

Capital Leases. As of the date of this Official Statement, the City does not have any outstanding capital lease obligations relating to the System.

Subordinate Debt

The City also uses SRF Loans to finance its System infrastructure needs. "SRF Loans" are loans made by the Tennessee Department of Environment and Conservation ("TDEC") from its Revolving Loan Fund under the State's Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs. In compliance with the provisions of the Bond Resolution, all SRF Loans are considered Other Subordinated Indebtedness and will be subordinate to the Series 2025 Bonds and all Senior Lien Bonds and Junior Lien Bonds. The City's outstanding SRF Loans are described below.

In November 2007, the City entered into a loan agreement with the TDEC to fund two SRF Loans in the amounts of \$7.0 million and \$2.55 million, each with a term of 20 years and at an interest rate of 2.59%. The TDEC loan proceeds were intended to be used to fund a portion of the construction costs related to: (a) the Loosahatchie Interceptor and (b) phases one and two of the Mary's Creek Interceptor. The Loosahatchie Interceptor was completed in the Fiscal Year 2010 at a cost of approximately \$4.0 million. In April 2012, the City returned the \$2.55 million loan intended to be used to fund phase two of the Mary's Creek Interceptor to TDEC. In July 2013, the City also returned the remaining \$3.0 million of the \$7.0 million loan intended to be used to fund phase one of the Mary's Creek Interceptor to TDEC. At this time, the City has determined that further extension of the Mary's Creek Interceptor is not consistent with the City's future needs.

In June 2013, the City entered into two loan agreements with TDEC for SRF Loans. The City entered into a \$22 million loan agreement to fund projects at each of its two existing sewer treatment plants which include: (a) improvements to Lagoon #5 at the Maxson Plant (as defined herein) in the amount of \$19 million and (b) necessary modifications to the outfall structure at the Stiles Plant (as defined herein) in the amount of \$3 million. At this time, the City has determined that the improvements to Lagoon #5 at the Maxson Plan are not needed. As such, the loan was closed out at approximately \$11 million and the remainder returned to TDEC. Additionally, the City entered into a \$100 million loan agreement with TDEC to fund improvements to the System pursuant to the Consent Decree (as defined herein). The term for each loan will be 20 years with an interest rate of 0.75%. See "CAPITAL IMPROVEMENT PROGRAM – Environmental Considerations and – Consent Decree" herein.

In July 2017, the City entered into a \$25 million loan agreement with TDEC for an SRF Loan to fund project upgrades at the Maxson Plant. The term of the loan is 20 years with an interest rate of 0.75%.

In March 2018, the City entered into an \$11 million loan agreement with TDEC for an SRF Loan to fund project upgrades at the Maxson Plant. The term of the loan is 20 years with an interest rate of 0.81%.

In February 2019, the City entered into a \$6.5 million loan agreement with TDEC for an SRF Loan to fund infiltration and inflow correction projects within the collection system. The term of the loan is 20 years with an interest rate of 1.2%.

In January 2020, the City entered into a \$48 million loan agreement with TDEC for an SRF Loan to fund project upgrades at the Maxson Plant. The term of the loan is 20 years with an interest rate of 0.47%.

The City also entered into a \$15 million SRF Loan in 2020 to fund infiltration and inflow correction projects within the collection system. The term of the loan is 20 years with an interest rate of 0.61%.

In March 2024, the City entered into a \$42 million SRF Loan with \$2.5 million in principal forgiveness to fund infiltration and inflow correction projects within the collection system. Though approved, the SRF Loan has not yet closed. The City expects to begin borrowing under this latest SRF Loan in Fiscal Year 2025.

The City expects to continue using SRF Loans as a strategic part of its financing strategy for the System in the future.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table presents for each Fiscal Year (as defined herein) the total principal and interest payment requirements with respect to the Outstanding Senior Lien Bonds as of [____], 2025, prior to the issuance of the Series 2025 Bonds, the total principal and interest payment requirements with respect to the Series 2025 Bonds and the aggregate principal and interest payment requirements with respect to the Outstanding Senior Lien Bonds and the Series 2025 Bonds.

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LONG-TERM DEBT SCHEDULE
(In Thousands of Dollars)

Fiscal Year Ending June 30	Outstanding Senior Lien Bonds ⁽¹⁾⁽²⁾			Plus: Series 2025 Bonds ⁽¹⁾			Total Senior Lien Bond Debt Service Requirements Following Issuance of Series 2025 Bonds ⁽¹⁾		
	Principal	Interest ⁽³⁾	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest ⁽²⁾	Total Debt Service
2025	\$ 10,990	\$ 7,808	\$ 18,798						
2026	9,510	7,339	16,849						
2027	7,670	6,931	14,601						
2028	8,060	6,538	14,598						
2029	7,030	6,161	13,191						
2030	7,390	5,800	13,190						
2031	6,280	5,459	11,739						
2032	5,605	5,171	10,776						
2033	5,875	4,904	10,779						
2034	6,155	4,623	10,778						
2035	6,450	4,329	10,779						
2036	6,755	4,021	10,776						
2037	7,080	3,698	10,778						
2038	7,420	3,360	10,780						
2039	7,775	3,005	10,780						
2040	8,145	2,633	10,778						
2041	8,535	2,242	10,777						
2042	8,940	1,834	10,774						
2043	9,375	1,405	10,780						
2044	9,820	955	10,775						
2045	7,070	549	7,619						
2046	7,435	186	7,621						
Total	\$169,365	\$ 88,951	\$258,316						

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Does not include debt service on the 2020 WIFIA Financing, which is a drawdown loan that has a not to exceed amount of \$156,000,000. As of June 30, 2024, the amount outstanding is \$[_____].

⁽³⁾ Interest is not net of federal subsidy payments.

Source: City of Memphis, Tennessee.

THE CITY

The City is located on the east bank of the Mississippi River in the southwest corner of the State. The City is the State's largest city not having a metropolitan form of government and is the county seat of the County. The City currently occupies a land area of approximately 315 square miles and serves an estimated population of [____], according to the 2024 Annual Comprehensive Financial Report of the City (the "2024 Audited Financial Statements").

The City was incorporated as a city in 1826. The City operated under a commission form of government from 1909 until January 1, 1968. At that time, a mayor-council form of government was established. The City Council is composed of thirteen representative citizens who are elected for four-year terms with a limit of two terms. Six council members are elected at large in multi-member districts, the territorial boundaries of which are determined by dividing the City in half with each multi-member district having three council member numbered positions. Single member districts, numbered 1-7, elect the remaining seven council members. The City Council elects its own chairperson, exercises legislative powers, approves budgets and establishes the tax rate. The Mayor is elected to a four-year term with a limit of two terms. The Mayor carries out the policies of the City and, with City Council approval, appoints City board members, officers and division directors. The Mayor may veto an action of the City Council, but a simple majority can override any veto.

The current fiscal year of the City is the 12-month period beginning on July 1 and ending on June 30 (a "Fiscal Year").

See "APPENDIX C – GENERAL INFORMATION REGARDING THE CITY OF MEMPHIS, TENNESSEE" attached hereto.

THE SYSTEM

Background

The City owns and operates sanitary sewerage properties for the collection, treatment and disposal of sewage and sewage sludge, including the plants, buildings, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights of land, rights-of-way, contract rights, franchises, machinery, pipes, fixtures and equipment and any other property, real, personal or mixed, incidental to and included in such properties, or parts thereof, and any improvements, extensions and betterments, now or hereafter constructed, acquired, made or used by the City in connection with the System. Pursuant to Chapter 33 of the City Code, the City created and maintains a special fund known as the "Sewer Collection and Treatment Fund" (defined in the Bond Resolution and hereinabove as the "Revenue Fund") into which are deposited all funds received from sewer service charges to users of the System. The City's Division of Public Works (the "Division of Public Works") is responsible for the operation, maintenance, construction and design of the System, as well as the billing of and collections from industrial customers. The billing of residential and commercial customers is performed by the Memphis Light, Gas and Water Division ("MLGW") and outlying local utility districts. Administrative functions such as finance, personnel and purchasing are performed by the respective City departments generally responsible for similar functions.

Ground was broken for the original Memphis Sanitary Sewer System in 1878. Construction and placement of sewer pipelines has continued since that time, with large area annexations to the original City occurring in 1899 and 1920, and continuing through the more recent past. In the process of annexing adjoining areas, the City has absorbed a number of local utility districts and some collection sewers have been taken over by the City.

In 1969, a sewer agreement was entered into between the City and the County (the "Sewer Agreement"). Under the Sewer Agreement, as amended in 1970, the City agreed to take over construction of all extensions to the System within the County, to maintain all collector sewers within the System and to provide treatment for all wastewater coming into the System. To pay for these responsibilities, a sewer rate ordinance was passed and a monthly service fee was instituted in September 1969. Rates and the rate structure have been changed periodically. See "SYSTEM REVENUES – Rates, Fees and Charges" herein.

The current service area of the System includes the City, the County and a hybrid of incorporated areas which control collection sewers within their jurisdictions and with which the City maintains operating agreements. The City provides outfall or interceptor service to these various systems. The terminus of the City's interceptor sewers is one of two wastewater treatment facilities. These two plants are the T.E. Maxson (South) Wastewater Treatment Plant (hereinafter the "Maxson Plant") with a capacity of 90 million gallons per day (MGD), constructed in 1975, expanded in 1985, 1997 and 2004, and the M.C. Stiles (North) Wastewater Treatment Plant (hereinafter "Stiles Plant") with a capacity of 135 MGD, which became operational in 1977. **[For more information about upgrades to the Maxson Plant and the Stiles Plant, see "CAPITAL IMPROVEMENT PROGRAM" herein.]**

Under the terms of the Sewer Agreement, new extensions or outfalls of existing lines within the County are made at the discretion of the City. The costs of such work may be shared by the City and the developer. The remainder of the City's costs is recovered from development charges and sewer service fees. See "THE SYSTEM – Funding of Sewer Extensions" and "SYSTEM REVENUES – Rates, Fees and Charges" herein.

Management and Organization

The Division of Public Works is responsible for operation, construction, design and maintenance of the System. The Division of Public Works is managed by the Director of Public Works, who is appointed by the Mayor. The Director of Public Works has overall policy responsibility for the Division of Public Works and coordinates the activities and expenditures of the bureaus under his direction.

The Senior Environmental Administrator is responsible for sewer billing, safety and contract negotiations, coordination of construction, treatment plant operation and the collection system. He reports directly to the Director of Public Works.

Following are brief resumes of those individuals directly responsible for management of the System.

Joy Touliatos, Interim Director of Public Works. Joy assumed her role as Interim Director in July 2024. Prior to this, she served as Deputy Director of Public Works since 2021. Joy also

served as the Director for the Group Violence Intervention Program (GVIP), Director of Public Service Corps and Administrator of the Permits Office for the City of Memphis. She previously served in County Government as the Juvenile Court Clerk and other administrative roles in the Juvenile Court Clerk's Office and the General Sessions Court Clerk's Office. Joy has a Bachelor's of Arts Degree from the University of Memphis.

Scott Morgan, Senior Environmental Administrator. Mr. Morgan assumed his current role of Senior Environmental Administrator in 2018. Prior to his current position, he held the position of Administrator of Environmental Construction for eight years and has been employed by the City since 2006, specializing in storm water and sewer construction. Mr. Morgan holds a Bachelor of Science in Geological Engineering from the University of Mississippi and is a Registered Professional Engineer in the State of Tennessee.

Noah McClellan, Administrator of Environmental Construction. Mr. McClellan assumed his position as Administrator in June 2024. Prior to his current position, he served as an Environmental Engineer at the T.E. Maxson Wastewater Treatment Plant and Environmental Construction for two years. Mr. McClellan holds a Bachelor of Science in Chemical Engineering with a concentration in Bioprocess Engineering from Trine University and is a Registered Engineering Intern in the State of Tennessee.

Donald Hudgins, Administrator of Waste Treatment Facilities. Mr. Hudgins has served in his present position since 2007. Prior to his current position, he served as an Environmental Engineer in the Environmental Maintenance and Stormwater Departments since starting with the City in 2000. Mr. Hudgins holds both a Bachelor of Science and a Master of Science in Civil Engineering from the University of Memphis. He is a Certified Grade IV Wastewater Operator, a Grade II Collections System Operator and a Registered Professional Engineer in the State of Tennessee.

Robert Dodson, Administrator of Wastewater Collection Facilities. Mr. Dodson has served in his present position since 2022. He has worked in multiple positions contributing to successful design, installation, maintenance and operation of City infrastructure and has been employed by the City since 2009. Mr. Dodson possesses and maintains NASSCO Certifications and a Wastewater Collections System II Operators License.

Service Area

The System serves a total of **[442 square miles, of which 307 square miles are in the City and 135 square miles are in suburban areas]**. Service to suburban areas is provided under agreements with adjacent communities which require delivery of wastewater of the System. The adjacent areas with which the City has contracted to provide service are Bartlett, Tennessee, Germantown, Tennessee, Lakeland, Tennessee, Collierville, Tennessee, Horn Lake, Mississippi, and Shelby County, Tennessee. All municipal contracts are currently being modified as Inter-Jurisdictional Agreements ("IJAs") for compliance with the Consent Decree. In accordance with its IJA, the Town of Collierville has disconnected the Gallina Centro area from the System. The IJA is being amended to allow the Southwest Annex area to remain connected to the System.

The System is divided into six basins (Loosahatchie River, Wolf River, Front Street, President's Island, Nonconnah Creek, and Horn Lake Creek), each of which includes lateral and trunk sewers, interceptors and pumping stations. The collection system consists of approximately 2,804 miles of sewers within the city limits and 399 miles of sewers outside of the city limits. The System has 96 pumping stations. An interceptor is the main sewer line serving an entire basin, which is fed by a number of smaller outfall lines. The basins are served by two wastewater treatment plants. The Maxson Plant serves the Nonconnah Creek, Horn Lake Creek and President's Island Basins. The Stiles Plant serves the Wolf River, Front Street and Loosahatchie River Basins.

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Wastewater Flow

The following table presents the design capacity and average daily flow for the System's wastewater treatment plants for Fiscal Years 2020 through 2024.

City of Memphis Sanitary Sewerage System
T.E. Maxson (South) and M.C. Stiles (North) Wastewater Treatment Plants
Wastewater Flow⁽¹⁾
Fiscal Years 2020 through 2024
(MGD)

	Design Capacity	Average Daily Flow				
		2020	2021	2022	2023	2024
Maxson Plant	90	75	69	69	69	71
Stiles Plant	135	96	85	91	86	83
Total Flow	225	171	154	160	155	154

⁽¹⁾ Flows vary slightly due to rainfall and Mississippi River levels which cause extraneous water to enter the System.

Source: City of Memphis, Tennessee, Division of Public Works.

The following table presents the number of customers and annual wastewater treated in the System for Fiscal Years 2020 through 2024.

City of Memphis Sanitary Sewerage System
Customers and Treatment Volumes
2020-2024

Fiscal Year	Number of Customers	Annual Wastewater Treated (MG)
2020	264,795	62,233
2021	267,393	54,568
2022	266,694	51,940
2023	258,535	56,348
2024	276,180	55,918

Source: City of Memphis, Tennessee, Division of Public Works.

Existing Facilities

The System is composed of 3,203 miles of sewer pipelines and interceptors, 96 sewerage lift (pumping) stations, and two major wastewater treatment plants: the Maxson Plant, and the Stiles Plant. Each plant is currently a secondary activated sludge facility, with a combined design capacity of 225 MGD. Excess sludge is discharged to holding lagoons for storage before disposal. Disposal occurs daily.

The Maxson Plant, completed in 1975 at a cost of \$19 million, treats wastewater from the Nonconnah, President's Island and Horn Lake Sewer Basins. The plant has a design capacity of 90 MGD, with an average daily flow for Fiscal Year 2024 of 71 MGD. The Maxson Plant's present capacity is sufficient to process the anticipated wastewater flow projected in Fiscal Year 2025. The Maxson Plant generates secondary wastewater sludge which is discharged from the Maxson Plant into long term anaerobic storage lagoons. The stabilized sludge is then dewatered and land applied on a 650-acre site. Currently, the City is constructing various improvements for capacity, disinfection, odor control and electrical reliability at a projected cost of approximately \$325 million. **[Upon completion of such upgrades, the Maxson Plant is anticipated to have an expanded capacity of [] MGD.]**

The Stiles Plant, completed in 1977 at a cost of \$40 million, treats wastewater from the Wolf River, Loosahatchie River and Front Street Basins. The plant has a design capacity of **[135]** MGD, with an average daily flow for Fiscal Year 2024 of 83 MGD. The Stiles Plant's present capacity is sufficient to process the anticipated wastewater flow projected in Fiscal Year 2025. The Stiles Plant does not have primary clarifiers and as such only generates secondary sludge. Secondary sludge is transferred to anaerobic storage lagoons similar to those utilized by the Maxson Plant. The sludge is then pumped out of the storage lagoons through belt filter presses and is dewatered to an 18% dry solid cake. This dewatered sludge is then dried to approximately 50% solid utilizing an innovative drying bed approach and then placed in an on-site sludge only surface disposal site. In addition, the Stiles Plant has a beneficial reuse program for disposal of Class B biosolids at select sites. The City entered into a long-term supply and lease contract with Peroxychem (now Evonik) to supply peracetic acid for disinfection at both the Stiles and Maxson Plants.

Security of Existing Facilities

The City's two major wastewater treatment plants, the Maxson Plant and the Stiles Plant, are isolated facilities operated by City employees. The Maxson Plant and the Stiles Plant are protected by camera surveillance, burglar alarms, motion detectors, fencing, security gates, electronic access, guard housing and 24/7 armed security. Both plants are manned 24 hours per day.

Payment in Lieu of Taxes and General Fund Assessment

The City Council, by resolution, began assessing the Sewer Fund (as defined herein) a payment in lieu of ad valorem tax in Fiscal Year 1989. The authority for this assessment is contained in Tennessee Code Annotated Section 7-34-115(a)(9), which provides that such payment shall not exceed the amount of taxes payable on privately owned property of a similar nature.

Beginning in Fiscal Year 1990, the Sewer Fund has been assessed an annual payment, per Tennessee Code Annotated Section 7-34-115(a)(8), not to exceed a cumulative return of 6% per annum of any equity invested from the City's General Fund. The payment assessed in Fiscal Year 2024 was \$[_____]. Pursuant to the Bond Resolution, surplus revenues of the System may be used for any transfers to the general fund of the City required to be made by the System, including any payment in lieu of tax required to be paid by the System and any dividend.

Operating Budget

The System's operating budget (the "Operating Budget") is developed and incorporated as part of the City's operating budget. The annual Operating Budget is submitted to the City Council approximately 90 days prior to the end of each Fiscal Year. At least 15 days prior to the end of the Fiscal Year, the City Council is expected to approve the Operating Budget.

Funding of Sewer Extensions

The City Sewer Use Ordinance was most recently modified by the City Council in September 2021 to provide a system whereby the cost of sewer extensions is recovered in the most equitable fashion. The previous ordinance required developers to fund only one-third of the initial cost of a sewer extension. The current ordinance requires developers to pay no less than 50% of the initial cost of a sewer development located within the City limits and 100% of such cost for sewer developments located in unincorporated Shelby County.

Sewer development fees were also increased when the City Sewer Use Ordinance was modified in May 2021. See "SYSTEM REVENUES – Billing and Collection" herein.

Summary of Revenues, Expenses and Changes in Fund Net Position

The following table provides a historical, comparative summary of the revenues, expenses and changes in fund net position for Fiscal Years 2020 through 2024.

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Sewer Collection and Treatment Fund
Summary of Revenues, Expenses and Changes in Fund Net Position
Fiscal Years 2020 through 2024
(In Thousands of Dollars)⁽¹⁾

	2020	2021	2022	2023	2024
Operating Revenues – Sewer Services Fees	\$132,315	\$149,116	\$156,289	\$152,735	
Operating Expenses Other than Depreciation:					
Personnel Services	40,352	21,250	25,918	26,953	
Materials, Supplies and Services	47,373	52,917	70,225	72,245	
Capital Outlay	1,900	897	3,191	2,753	
Total Operating Expenses Other than Depreciation and Amortization	89,625	75,064	99,334	101,951	
Depreciation and Amortization	14,090	14,647	14,556	15,122	
Operating Income	28,600	59,405	42,399	35,662	
Non-Operating Revenues:					
Investment Income	1,424	1,002	(814)	3,329	
State/Federal Grants	258	127	-	188	
Other	-	6,648	3,578	-	
Total Non-Operating Revenues	1,682	7,777	2,764	3,517	
Non-Operating Expenses:					
Interest on State Loan	1,006	1,170	1,355	1,474	
Loss on Disposal of Assets	1,758	524	146	721	
[Death Benefits]					
[Pension Expense]					
Interest on Bonded Indebtedness	3,966	6,024	5,731	6,016	
Bond Sale Expense	-	1,130	-	-	
Other	16	4,171	34	57	
Total Non-Operating Expenses	6,746	13,019	7,266	8,268	
Income before Capital Contributions and Transfers	23,536	54,163	37,897	30,911	
Transfers In	329	2,794	864	[]	
Transfer Out to General Fund	(10,871)	(12,055)	(11,254)	(12,225)	
Capital Contributions	1,333	789	463	712	
Change in Fund Net Position	14,327	45,691	27,970	19,398	
Fund Net Position - Beginning of Year	442,066	456,393	502,084	530,054	
Prior Period Adjustment	-	-	-	[]	
Total Fund Net Position - End of Year	\$456,393	\$502,084	\$530,054	\$549,452	

⁽¹⁾ Totals may not add due to rounding.

Source: City of Memphis, Tennessee.

INVESTMENT CONSIDERATIONS

General

The purchase of the Series 2025 Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the City to pay the principal of and interest and premium, if any, on the Series 2025 Bonds and which could also affect the marketability of, or the market price for, the Series 2025 Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the front cover page, the inside cover page and the appendices attached hereto. Each prospective purchaser of any Series 2025 Bond should read this Official Statement, including the front cover page, the inside cover page and the appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Series 2025 Bonds.

Enforceability of Remedies

The remedies available to the Beneficial Owners of the Series 2025 Bonds upon any event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Series 2025 Bonds may be limited by State and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. However, there is currently no State law granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

Redemption Prior to Maturity

The Series 2025 Bonds are subject to optional redemption prior to maturity, as more fully described herein. See "THE SERIES 2025 BONDS - Redemption Provisions" herein. A prospective investor should consider these redemption rights when making any investment decision. Following redemption, the Beneficial Owners of the Series 2025 Bonds may not be able to reinvest their funds at a comparable interest rate.

Loss of Tax-Exemption

The interest on the Series 2025 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds because of a failure of the City to comply with certain provisions of the Internal Revenue Code of 1986, as amended. Should such an event of taxability occur, the Series 2025 Bonds are not subject to early redemption and may remain outstanding until maturity or until redeemed under the terms of the redemption provisions set forth and more particularly described hereinabove and in the Bond Resolution.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Series 2025 Bonds will be available and no assurance can be given that the initial offering prices for the Series 2025 Bonds will continue for any period of time.

The Series 2025 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2025 Bonds in the event a Beneficial Owner thereof determines to solicit purchasers of the Series 2025 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2025 Bonds may be sold. Such price may be lower than that paid by the current Beneficial Owner of the Series 2025 Bonds, depending on existing market conditions and other factors.

Recently Adopted and Pending Legislation

[CONFIRM NONE WITH CITY ATTORNEY]

Seismic Risks

The City is located adjacent to the New Madrid Seismic Zone, which is the most seismically active and well-studied region in the Central and Eastern United States. The last major earthquakes located within this seismic zone, believed to have ranged between 7.0 and 7.7 in magnitude, occurred in 1811 and 1812. According to the U.S. Geological Survey, there is a 7-10% chance that a repeat of earthquakes of similar scale to the 1811 and 1812 earthquakes will occur within the next 50 years and a 25-40% risk of a still dangerous earthquake in the low-6 magnitude. During the past 25 years, building codes in the City and the County have been gradually upgraded to require stricter seismic construction standards. However, many older buildings, particularly in the downtown area, are masonry structures built long before seismic requirements and are believed to be highly vulnerable to shaking from an earthquake.

In addition to the potential damage to buildings and facilities within the City and surrounding area (including those used by the System), due to the importance of the City as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake may cause significant temporary and possibly long-term harm to the City's economy, tax receipts and residential and business real property values.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The City's location in the southern United States and next to the Mississippi River increases its vulnerability to flooding and extreme heat, which could stress the System's facilities. In addition to flooding and extreme heat, the City and the System face other threats due to climate change, including both drought and damaging wind that could become more severe and frequent. The City and the County have collaborated to develop a Climate Action Plan, which is intended to measure and lessen the City's contributions to climate change. The City cannot predict the timing, extent or severity of climate change and its impact on the City's or System's operations and finances.

Cyber Security

The City utilizes various computer systems and network technology to perform many of its vital operations, including operations of the System. Such operations often include the storage and transmission of sensitive information. As a result, the City and the System may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt System services and operations and subject the City to legal action. The City has no knowledge of, nor historical record of, any successful material cyber security breach or related attack. Attempted cyber security attacks against organizations or entities similar to the City and the System, however, are increasingly common. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. To mitigate against such risks, the City has instituted various policies and procedures to protect its network infrastructure, including that of the System. Such policies and procedures include a cyber-security training requirement for certain departments, including System employees, as well as general cyber security training and awareness for all City employees. The City also maintains insurance against cyber security incidents. Despite the City's measures to safeguard the System's network infrastructure, there are no guarantees that such measures will be successful.

COVID-19 and Other Public Health Emergencies

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and continues to affect the entire world, including the City and the System. In March 2020, in response to the COVID-19 outbreak, the Governor of the State issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other "social distancing" measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The Governor of the State lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health

emergency in May 2023. The City is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the City or the System.

See herein and attached hereto for various financial data of the City reflecting periods both before and during the COVID-19 pandemic. Various types of information regarding employment, income trends, and business activity in the City are also detailed in Appendix C, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers in the City may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Appendix B and Appendix C to this Official Statement.

Ratings on the Series 2025 Bonds

The Rating Agencies (as hereinafter defined) have assigned credit ratings to the Series 2025 Bonds. The ratings of the Series 2025 Bonds are not a recommendation to purchase, hold or sell the Series 2025 Bonds, and the ratings do not comment on the market price or suitability of the Series 2025 Bonds for a particular investor. The ratings assigned to the Series 2025 Bonds may not remain the same for a given period of time and may be lowered or withdrawn depending on, among other things, the Rating Agencies' criterion of evaluation of the City's economy, financial strength and/or changes in the Rating Agencies' methodology in assigning a credit rating to the City and the Series 2025 Bonds. The City is not required to maintain a specified rating with respect to the Series 2025 Bonds. See "RATINGS" herein.

SYSTEM REVENUES

Rates, Fees and Charges

System rates and charges are established by the City Council under Chapter 33 of the City Code. Users are charged a sewer development charge and a sewer service fee.

Sewer Development Charges. The sewer development charge is established to defray part of the costs of sewer outfalls and extensions. It is paid by the developer of the site for which the extension or sewer service is being provided. The entire cost of lift station construction, if required, is paid by the developer. At the start of pump station operations, a deposit of five years' estimated operating expenses is also contributed by the developer. The sewer development charge is reflected in the Annual Report (as defined herein) as contributed capital.

Sewer development fees are calculated based upon the size of the water meter used for the connection, using a trended original cost method, which is defined as the historical cost of the City's assets in present day dollar amounts. Written confirmation of the applicable water meter size from MLGW must be provided by the applicant or developer prior to payment of the sewer development fee, as such payment is required in accordance with the City Code.

Set forth below is information concerning the sewer development charges pertaining to the System in effect as of June 30, 2024.

City of Memphis Sanitary Sewerage System
Sewer Development Charges
As of June 30, 2024

Meter Size (in inches)	Sewer Development Fee
5/8	\$ 2,255
3/4	3,383
1	5,638
1 ½	11,277
2	18,043
3	33,830
4	56,384
6	112,767
8	180,427
10	259,364
12	484,899

Source: City of Memphis, Tennessee, Division of Public Works, pursuant to City Code.

Sewer Service Fee. The City currently imposes a sewer service fee upon users of the System for the payment of expenses of the System, which fee is comprised of two types of charges: (a) a volumetric charge; and (b) an additional treatment surcharge for treating wastewater which has excess strength. The volumetric charge is based upon the proportionate flow from each customer, the strength of the sewage and a three-year average of debt service, operating and maintenance costs. **[Effective January 1, 2020, the volumetric charge is 332 cents per 1,000 gallons of flow, or 248.3 cents per hundred cubic feet of water. The maximum residential volumetric charge is \$75 per month for the months of October through May and \$50 per month for the months of June through September. There is no maximum fee for industrial or commercial users.]**

Commercial and industrial users who discharge wastewater with a biochemical oxygen demand exceeding 250 parts per million, a chemical oxygen demand exceeding 800 parts per million or a concentration of suspended solids exceeding 300 parts per million, are assessed an additional treatment surcharge based upon the additional costs for treating such wastewater. Users affected by this limitation who generate more than 25,000 gallons per day are required to enter into a discharge agreement with the City for measuring and monitoring the discharge. Currently, 97 discharge agreements are in effect.

[The City enacted an increase in the volumetric charge portion of the sewer service fee of 27% for Fiscal Year 2018 and 15% for Fiscal Year 2019. These increases were implemented based on the expected financial impact from: (a) the Consent Decree; (b) the pending National Pollutant Discharge Elimination System (the "NPDES") permits for both treatment plants; and (c) aging infrastructure and large investments needed to operate, maintain and increase capacity at both wastewater treatment facilities.]

The City has commissioned a utility rate study which will assist management in implementing future rate increases.

Municipal Contracts. The City has entered into municipal contracts with the Town of Collierville, Tennessee, the City of Lakeland, Tennessee, the City of Bartlett, Tennessee, and the City of Germantown, Tennessee. The City also has a contract with Horn Lake, Mississippi. The contract between the City and the Horn Lake Creek Basin Sewer District (the “Horn Lake Sewer District”), which had been in effect since 1975 and was supplemented in 1983 (the “Horn Lake Agreement”), expired on September 23, 2023. Prior to the expiration of the Horn Lake Agreement, the City and the Horn Lake Sewer District filed separate declaratory judgment actions against each other in federal courts in Tennessee and Mississippi, respectively, regarding the nonrenewal of the Expired Agreement. The litigation proceeded to trial in Tennessee federal court in April 2023. Ten days before trial, the Court issued a ruling that the Expired Agreement would expire on September 23, 2023. However, following trial, the Court ruled, among numerous other issues, that the Horn Lake Sewer District has eight years from October 1, 2023, to disconnect from the System and that the Horn Lake Sewer District is allowed to remain connected to the System during that eight-year period. The parties are proceeding in accordance with the court’s order. Other than the Horn Lake Agreement, all other municipal contracts are currently being modified as IJAs for compliance with the Consent Decree. See "SYSTEM REVENUES - Billing and Collection" herein.

Liquid Waste Revenues. Liquid Waste Revenues are received from commercial pumping contractors that provide pumping services for portable toilets and septic tanks which are not directly discharged into the City's Publicly Owned Treatment Works.

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The following table presents the number of customers, residential and commercial revenues, private billing revenues and total revenues of the System for Fiscal Years 2020 through 2024.

**City of Memphis Sanitary Sewerage System Revenues
Fiscal Years 2020 through 2024⁽¹⁾**

Fiscal Year	Number of Customers⁽²⁾	Residential & Commercial Revenues	Private Billing Revenues⁽³⁾	Total Revenues⁽³⁾
2020	264,795	\$85,509	\$46,806	\$132,315
2021	267,393	91,588	57,528	149,116
2022	266,694	91,937	64,352	156,289
2023	258,535	92,191	60,544	152,735
2024	276,180	96,424	61,869	158,293

⁽¹⁾ Amounts rounded to thousands except for number of customers.

⁽²⁾ Does not include Germantown and Bartlett, Tennessee, or Horn Lake, Mississippi, municipal contract customers.

⁽³⁾ Private billing charges include municipal revenue from Lakeland, Collierville, Bartlett and Germantown, Tennessee, and Horn Lake, Mississippi, municipal contracts, all industrial volumetric and surcharge revenues, miscellaneous revenue and liquid waste revenue.

Source: City of Memphis, Tennessee, Division of Public Works.

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Set forth below are the historic rates and charges of the System.

City of Memphis Sanitary Sewerage System
Sewer Service Fees
As of June 30, 2024

Fiscal Years⁽¹⁾	Minimum Monthly Charge⁽¹⁾	Volumetric Charge Per 100 Cubic Feet (Monthly)		Additional Treatment Surcharge (Monthly)		
		Dollars per 100 Cu. Ft.⁽¹⁾	Maximum Residential Charge⁽¹⁾	Dollars per Pound of BOD⁽¹⁾⁽²⁾	Dollars per Pound of Suspended Solids⁽¹⁾	Dollars per Pound of COD⁽¹⁾⁽³⁾
1981	\$1.50	\$0.2133	\$ 6.00	\$0.0170	\$0.0090	\$ -
1983	1.50	0.4389	12.00	0.0270	0.0460	-
2005	2.25	0.6545	18.00	0.0365	0.0596	-
2009	2.50	0.7166	18.00	0.0386	0.0621	-
2010	2.50	0.7876	18.00	0.0388	0.0661	-
2011 ⁽⁴⁾	2.50	1.6957	50.00 ⁽⁴⁾	0.0428	0.0716	-
2013 ⁽⁵⁾	2.50	1.6957	50.00 ⁽⁵⁾	0.0428	0.0716	-
2018 ⁽⁶⁾	7.50 ⁽⁶⁾	[2.1466]	65.00 ⁽⁶⁾	0.0428	0.0716	-
2020 ⁽⁷⁾	8.65 ⁽⁷⁾	[2.4834]	75.00 ⁽⁷⁾	0.0428	0.0716	0.03960
2021	8.65	2.4834	75.00	0.0428	0.0716	0.04821

⁽¹⁾ Effective as of July 1 of each Fiscal Year, unless otherwise noted.

⁽²⁾ "BOD" means biochemical oxygen demand.

⁽³⁾ "COD" means chemical oxygen demand. Pursuant to an ordinance adopted by the City in 2019, a chemical oxygen demand is applied as an additional treatment charge. The ordinance became effective January 1, 2020.

⁽⁴⁾ The volumetric rate increase for industrial customers was phased in over a two-year period.

⁽⁵⁾ Pursuant to an ordinance adopted by the City in 2013, the maximum residential volumetric charge was \$50.00 per month from October through May and \$35.00 per month from June through September.

⁽⁶⁾ Pursuant to an ordinance adopted by the City in 2017, the maximum residential volumetric charge was \$65.00 per month from October through May and \$45 per month from June through September. The minimum monthly charge was increased from \$2.50 to \$7.50 per month. This became effective January 1, 2018.

⁽⁷⁾ Pursuant to an ordinance adopted by the City in 2017, the maximum residential volumetric charge is \$75.00 per month from October through May and \$50.00 per month from June through September. The minimum monthly charge was increased from \$7.50 to \$8.65 per month. This became effective January 1, 2020.

Source: City of Memphis, Tennessee, Division of Public Works.

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Set forth below are the total sewer fees paid by the 15 largest industrial customers of the System, the amount of wastewater treated for each such customer and related information for the Fiscal Year ended June 30, 2024.

City of Memphis Sanitary Sewerage System
Fifteen Largest Industrial Customers
Fiscal Year 2024⁽¹⁾⁽²⁾

Name	Total Sewer Fee⁽³⁾⁽⁴⁾	Annual Flow (Millions of Gallons)⁽⁵⁾
Solae LLC	\$ 14,775	1,315
Covora Mining Solutions (Chemours)	5,087	1,532
Memphis Cellulose LLC	4,648	1,224
KTG Corp.	3,574	665
American Yeast Corp.	2,640	219
Valero Refinery	2,601	855
PMC Biogenix Inc.	2,437	487
Blues City Brewery	2,353	404
Riviana Foods Inc.	1,853	130
Fleischmann's Yeast Inc.	1,700	1,575
Kellogg Company	1,351	331
Runyon Industries	900	15
Richardson/Con Agra	707	208
Bioenergy Development Group	681	1,103
Penn A Kem	647	175
Total of 15 Largest Industrial Customers	\$ 45,953	10,240
Percent of Overall System Total	29.0%	18.3%
System Total ⁽⁶⁾	\$158,293	55,918

(1) Totals may not add due to rounding

(2) Ranked by total sewer fees.

(3) Total Sewer Fee includes charges for BOD, [Total Suspended Solids (or "TSS")], COD and flow.

(4) Amounts rounded to thousands.

(5) The reference to "Flow (Millions of Gallons)" in this table was amended from previous disclosure filings to "Annual Flow (Millions of Gallons)."

(6) Total sewer fee represents Operating Revenues which is consistent with historical data presented in previous years.

Source: City of Memphis, Tennessee, Division of Public Works.

Billing and Collection

Billing. The City uses the services of [MLGW, the Bartlett Utility District, the Collierville Utility District, the Germantown Utility District and the Horn Lake Sewer District] for billing sewer fees to residential and commercial customers. Industrial customers are billed directly by the Division of Public Works.

MLGW includes a sewer fee on utility bills for residential and commercial customers which are connected to the System. A charge of \$942,634 was paid to MLGW for this service in Fiscal Year 2024.

Certain customers in the City of Bartlett, Tennessee, the City of Germantown, Tennessee, the City of Horn Lake, Mississippi, City of Lakeland, Tennessee, and the Town of Collierville,

Tennessee, are connected to the System and these cities collect sanitary sewerage system fees from those customers and remit portions of the collection to the City under contracts between the City and each of such cities. The City of Bartlett currently remits to the City \$1.0303 per one thousand gallons of metered water usage. This charge is adjusted biannually to reflect actual wastewater treatment and collection costs. The City of Germantown currently remits to the City 42.79% of the City's previous monthly volumetric charge per one thousand gallons of metered water usage. This charge is adjusted biannually to reflect actual wastewater treatment and collection costs. The City of Horn Lake currently remits to the City \$0.951 per one hundred cubic feet of metered flow. This charge is adjusted annually to reflect actual wastewater treatment costs. In addition, the City serves certain commercial and residential accounts in the Town of Collierville, Tennessee, and the City of Lakeland, Tennessee, at current City rates. If City rates are adjusted by Ordinance, their rates are adjusted to match.

Industrial customers send monthly meter readings, which are subject to audit, to the Division of Public Works. These readings are used to determine the amount of water that they discharged into the System during that period. These readings include well water meters, effluent sewerage meters and deduct meters (for water used in process). Water purchased from MLGW may be used in arriving at the proper sewer fee to charge the industry.

Industrial rates for biochemical oxygen demand are \$0.0428 cents per pound. Charges for suspended solids are \$0.0716 cents per pound. Effective January 1, 2021, charges for chemical oxygen demand are \$0.04821 cents per pound.

Sewer revenues were paid by users in the following proportion in Fiscal Year 2024:

Residential and Commercial Customers	60.91%
Industrial Customers	35.05%
Wholesale Customers ⁽¹⁾	4.04%

⁽¹⁾ Includes customers in Bartlett, Germantown, Collierville and Lakeland, Tennessee, and Horn Lake, Mississippi.
Source: City of Memphis, Tennessee, Division of Public Works.

See the table above entitled "City of Memphis Sanitary Sewerage System Revenues" for a presentation of the number of customers, residential and commercial revenues, private billing revenues and total revenues of the System for Fiscal Years 2020 through 2024 and the table above entitled "City of Memphis Sanitary Sewerage System Sewer Service Fees" for a presentation of the historic sewer service fees of the System for the period from 1981 to present.

Collection. The sewer service charge is included each month on the bills rendered by MLGW, or other serving utility, in accordance with its standard billing practices. Billings separate from those made by MLGW, as determined by the Director of Public Works, are made to large commercial and industrial users. Failure to pay the sewer service charge within 30 days after the due date of the utility statement is grounds for terminating meter service by the serving utility. Collections for Fiscal Year 2024 averaged 99.55% of charges billed.

Each industry operates under an individual discharge agreement with the City through which the industry agrees on maximum amounts of discharge, biochemical oxygen demand,

suspended solids, chemical oxygen demand and acidic and alkaline levels. The City began an industrial monitoring program in 1984 pursuant to which it collects charges for 100% of the cost of pipe damage in the sewerage system caused by industrial discharge.

SYSTEM FINANCIAL INFORMATION

Accounting System and Policies

Pursuant to Chapter 33 of the City Code, the City created and maintains a special fund known as the "Sewer Collection and Treatment Fund" (the "Sewer Fund," which fund is also defined in the Bond Resolution as the "Revenue Fund") into which all Revenues of the System are deposited. The Sewer Fund operates as an enterprise fund. Enterprise funds are classified as proprietary funds by the Governmental Accounting Standards Board ("GASB") and are accounted for using a total economic resources measurement focus. The enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise. The financial statements are prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized as earned and expenses are recognized as incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Sewer Fund's policy to use restricted revenues first, then unrestricted revenues as they are needed.

The Sewer Fund has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Accounting," and elected not to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989.

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Five-Year Operating History

The following table sets forth historical operating results for the System for Fiscal Years 2020 through 2024, including average number of customers, volume, and the contribution to total operating revenues by type of revenue.

City of Memphis Sanitary Sewerage System Operating Revenue History Fiscal Years 2020 through 2024⁽¹⁾

	2020 ⁽²⁾	2021	2022	2023	2024
Number of Customers (Average)	264,795	267,393	266,694	258,535	276,180
Residential and Commercial Volume (MG)	27,975	27,838	27,880	27,910	30,343
Industrial Volume (MG)	13,831	14,603	15,459	16,726	16,660
Total Volume (MG) ⁽³⁾	41,806	42,441	43,339	44,636	47,003
Residential and Commercial Volumetric Revenue ⁽⁴⁾	\$ 85,509	\$ 91,588	\$ 91,937	\$ 92,191	\$ 96,424
Industrial Volumetric Revenue ⁽⁴⁾	26,984	29,424	31,596	31,570	32,145
Total Volumetric Revenue	\$112,493	\$121,012	\$123,533	\$123,761	\$128,569
Total Industrial Surcharge Revenue ⁽⁵⁾	\$ 15,764	\$ 23,703	\$ 27,078	\$ 22,020	\$22,999
Liquid Waste Revenue	406	315	67	90	330
Municipal Revenue ⁽⁶⁾	3,652	4,086	5,611	6,864	6,395
Total Operating Revenues	\$132,315	\$149,116	\$156,289	\$152,735	\$158,293

⁽¹⁾ Amounts rounded to thousands except for the numbers of customers (average).

⁽²⁾ Effective January 1, 2020, sewer fees increased pursuant to Ordinance 5651.

⁽³⁾ Total Volume varies from wastewater treated due to rainfall and Mississippi River levels, which cause extraneous water to enter the System.

⁽⁴⁾ Residential, Commercial and Industrial Volumetric Revenue reflects stable growth at the current rate structure with no projected increase.

⁽⁵⁾ Industrial Surcharge Revenue reflects current rate structure with chemical oxygen demand additional treatment charge (COD ATC) which began January 2020.

⁽⁶⁾ Includes municipal revenue from municipal contracts with Lakeland, Collierville, Millington, Germantown and Bartlett, Tennessee, and Horn Lake, Mississippi.

Source: City of Memphis, Tennessee, Division of Public Works.

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Historical Debt Service Coverage Ratios

The following table sets forth historical debt service coverage for the System for Fiscal Years 2020 through 2024.

City of Memphis Sanitary Sewerage System
Historical Debt Service Coverage
For Fiscal Years Ended June 30
(In Thousands of Dollars)

	2020 ⁽⁷⁾⁽⁸⁾	2021	2022	2023	2024
Operating Revenues	\$132,315	\$149,116	\$156,289	\$152,735	\$158,293
Other Revenue ⁽¹⁾	1,682	7,777	2,764	3,517	5,314
Undesignated, Unreserved Surplus ⁽²⁾	31,385	(30,469)	109,283	86,469	43,019
Total Revenue	\$165,382	\$126,424	\$268,336	\$242,721	\$206,626
Operating Expenses ⁽³⁾	(89,625)	(75,064)	(99,334)	(101,951)	(101,582)
Net Revenues	\$ 75,757	\$ 51,360	\$169,002	\$140,770	\$105,044
Debt Service on Senior Lien Bonds ⁽⁴⁾	\$ 14,217	\$ 16,598	\$ 21,402	\$ 19,472	\$ 19,779
Debt Service on Other Sewer Debt ⁽⁵⁾	8,037	8,549	8,752	8,983	10,672
Total Debt Service	\$ 22,254	\$ 25,147	\$ 30,154	\$ 28,455	\$ 30,451
Net Revenues to Senior Lien Bond Debt Service ⁽⁶⁾	5.33	3.09	7.90	7.23	5.31
Net Revenues to Total Sewer Debt Service ⁽⁶⁾	3.40	2.04	5.60	4.95	3.45

(1) Excludes capital contributions.

(2) Pursuant to the Bond Resolution, prior year surplus moneys in the Revenue Fund may be treated as revenues. Consistent therewith, amounts shown represent surplus moneys from the prior fiscal year. Amounts shown for Fiscal Year 2020 have been restated to show surplus moneys from the prior fiscal year instead of the current fiscal year to comport with instructions for calculation provided within the Bond Resolution.

(3) Pursuant to the Bond Resolution, excludes in lieu of tax payments and depreciation.

(4) Includes principal and interest on Outstanding Senior Lien Bonds.

(5) Includes principal and interest on the SRF Loans. There are no Outstanding Junior Lien Bonds.

(6) Includes Operating Revenues, developer fees and Other Revenue.

(7) An ordinance adopted by City Council in 2017 increased residential volumetric charges effective January 2018 and January 2020.

(8) Includes chemical oxygen demand additional treatment charge (COD ATC) which began January 2020.

Source: City of Memphis, Tennessee.

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Management Comments Concerning Trends in Revenues and Expenditures

The System and the City operate on a twelve-month fiscal year beginning July 1. See "THE SYSTEM – Summary of Revenues, Expenses, and Changes in Fund Net Position" herein for a historical, comparative summary of the revenues, expenses and changes in fund net position for the Fiscal Years 2020 through 2024.

Audited System revenues increased in Fiscal Year 2018 and Fiscal Year 2019 as a result of a mid-year fee increase in Fiscal Year 2019. Cash revenues are very stable and, with the recent sewer services fee increase, revenues are on a positive trend. See "SYSTEM REVENUES – Rates, Fees and Charges" herein.

Total operating expenses rose by 36.6% from Fiscal Year 2015 to Fiscal Year 2020, reflecting certain increased costs in personnel, energy and chemicals costs. The City has selected peracetic acid for disinfection of its effluent at both treatment plants. The City began disinfection at the MC Stiles WWTF in November 2018 and the effluent at the TE Maxson WWTF in July 2021, which resulted in increased operating costs. In addition, the City has begun to implement necessary (but not mandated) preventive maintenance improvements to the System.

The City anticipates utilizing available funds of the System, additional SRF Loans, WIFIA Financings and Bonds to be issued by the City to finance capital improvement projects within the Capital Improvement Program and the rehabilitation and assessment related to the Consent Decree.

Accounting Policies

For a detailed description of significant accounting policies, see Note 1 of "APPENDIX B – SEWER COLLECTION AND TREATMENT FUND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024" hereto.

City of Memphis Retirement System

The Sewer Fund participates in the City's retirement system, which provides retirement as well as death and disability benefits. The Sewer Fund is required to contribute to the City's retirement system at an actuarially determined rate, which was []% of annual covered payroll at June 30, 2024. The Sewer Fund's contributions to the Pension Plan for the Fiscal Year ended June 30, 2024, totaled \$[]. The City's retirement system is described below.

GASB 68. In the Fiscal Year ended June 30, 2015, the City adopted the new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB) Statement No 68, Accounting and Financial Reporting for Pension Plans. Statement No. 68, Accounting and Financial Reporting for Pension Plans, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Statement No. 68 is effective for financial statements for the Fiscal Years beginning after June 15, 2014. Prior to implementing GASB 68, employers participating in a cost-sharing plan recognized annual pension expense equal to their contractually required contribution to the plan. Pension liabilities resulted from the difference between contributions required and contributions made. GASB 68 requires employers to recognize a liability as employees earn their pension benefits. For the first time,

employers participating in cost-sharing plans will recognize their proportionate share of the collective pension amounts for all benefits provided through the plans. Pension amounts to be recognized by employers include the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. The employer's proportionate share of the collective net pension liability will appear on the face of the employer's accrual-based financial statements along with the employers' other long-term liabilities.]

General. The City of Memphis Retirement System (the "City Retirement System") is a single employer public employee retirement system administered by a Board of Administration (the "Board") under the direction of the Mayor. The Board has established and given authority to a Pension Investment Committee to exercise authority and control of investments solely in the interest of participants of the City Plan and their beneficiaries. The Pension Investment Committee consists of seven members: the Chief Financial Officer, the Deputy Finance Director, the City Treasurer, the Comptroller, the Investment Manager, a Senior Investment Analyst and a citizen member. Additionally, the Board executes its policies with the aid of external investment advisors. Separate financial statements are available and can be obtained from The City of Memphis, Human Resources Division, 125 North Main Street, Memphis, Tennessee 38103.

The City Retirement System pension trust fund accounts for the activity of the City Retirement System and separate retirement systems are operated by MLGW and the Memphis Library System. A small portion of the hourly rate employees are covered under the Social Security program instead of the retirement systems. In addition to being governed under the Social Security program, certain employees receive a contribution paid by the City to a 457 Deferred Compensation Plan.

Substantially all permanent full-time salaried employees of the City (excluding component units) are required to participate in either of three contributory defined benefit pension plans, which are the 1948 Plan for salaried employees hired prior to July 1, 1978 (the "1948 Plan"), the 1978 Plan for salaried employees hired after June 30, 1978, but prior to July 1, 2016 (the "1978 Plan"), and the 2016 Plan for salaried employees hired after June 30, 2016 (the "2016 Plan" and, together with the 1948 Plan and the 1978 Plan, the "Plans," and each, individually, a "Plan"). All non-grandfathered employees in the 1978 Plan began to participate in the 2016 Plan on July 1, 2016. For this purpose, a non-grandfathered employee is any employee with less than 7 1/2 years of service as of July 1, 2016. The 2016 Plan is a new hybrid plan using a hybrid defined benefit formula that includes both a market-based cash balance component and a defined contribution component. For more information about the 2016 Plan, see "ADDITIONAL OBLIGATIONS – Pension Plan Reform – *Pension Ordinance*" herein.

The Plans provide retirement benefits as well as death and disability benefits. Retirement benefits vest after ten years of service. Under the applicable ordinances of the City, trust assets are reported in one trust fund and not segregated between the Plans. Permanent, full-time employees in job classifications covered by contract with the Social Security Administration are not participants of the City Retirement System, as they are covered under the Federal Insurance Contribution Act (Social Security).

[As of June 30, 2024, there were ____ participants in the City Retirement System, ____ of whom were retirees and beneficiaries who are currently receiving benefits, ____ of

whom were disabled participants receiving benefits, ____ of whom were terminated employees entitled to benefits but not yet receiving same, ____ of whom were fully vested active employees and ____ of whom were non-vested active employees. As of the Fiscal Year ended June 30, 2024, the City Retirement System had a net position of approximately \$_____.]

Actuarial Methods and Assumptions. The City obtains annually an actuarial valuation of the City Retirement System for the purpose of calculating the necessary information for accounting and reporting requirements in accordance with Governmental Accounting Standards. The actuarial asset valuation method is the Entry Age Normal Actuarial Cost Method. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. Annual contributions in this amount, from the date the participant entered the Plans (or would have entered, if the Plans had always been in effect and the participant had entered at the earliest possible date) until retirement, would be sufficient to provide for the actuarial present value of the participant's plan benefits. The total normal cost is the sum of the normal costs for all active participants. [Significant actuarial assumptions include: (a) a rate of return on the investment of present and future assets of 7.5% per year for GASB 67 and GASB 68 purposes; (b) projected future salary increases on a scale that varies by age and service with a weighted average of 4.25% per year; (c) no COLA increases; and (d) measurement and valuation date as of June 30, 2023, and valuation date as of June 30, 2022.]

Mortality rates for general employees are based on [the Fully Generational PubG-2010 Public Sector Mortality table with a projected scale from 2010. Police and Fire mortality rates are based on the Fully Generational PubS-2010 Public Sector Mortality table with a projection scale from 2010. Disabled employees' rates are based on the Fully Generational PubNS-2010 Public Sector Disabled Mortality table with a three-year set back.]

[The discount rate used to measure the total pension liability was [__]% as of June 30, 2024], and is equal to the long-term expected return on plan investments. The projection of cash flows used to determine the discount rate assumed that City contributions would be made at the actuarially calculated amount computed in accordance with the current funding policy adopted by the City, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed-period approach. Pursuant to the Public Employee Defined Benefit Act (as defined herein), the City phased into funding 100% of the actuarially calculated amount over a 5-year period beginning with the Fiscal Year commenced July 1, 2015. Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

[The following presents the net pension liability of the City calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$893,130 ⁽¹⁾	\$589,098 ⁽¹⁾	\$295,376 ⁽¹⁾

(1) In thousands of dollars.]

Plan Description. General employees in the 1948 Plan must contribute 5% of compensation. Under the 1948 Plan, general employees may retire after completion of 25 years of service or, if earlier, after age 60 and the completion of 10 years of service. General employees in the 1978 Plan must contribute 8% of compensation. Under the 1978 Plan, general employees may retire after completion of 25 years of service or, if earlier, after meeting either of the following: (a) after age 65 and the completion of 5 years of service, or (b) after age 60 and the completion of 10 years of service. Fire and Police employee contributions range from 5% to 8% of compensation, depending on the plan and date of hire. Police officers and firefighters under the 1948 Plan and the 1978 Plan may retire after completion of 25 years of service or, if earlier, after age 55 and the completion of 10 years of service. Elected and appointed participants hired prior to November 1, 2004, may retire after 12 years of service. The employer contribution is 6% of compensation, as required by the Pension Ordinance (as defined herein). Any difference in the actual employer contribution and the ADC affects the unfunded liability, which is amortized over future years.

Schedule of Employer Contributions. The Plans' funding policy provided for actuarially determined periodic contributions at rates of 5% per annum for General city employees and up to 7% for Police and Fire employees. The City is required to contribute the remaining amounts necessary to fund the Plans using the actuarial basis specified by statute. The City is also required to appropriate funds for the trust fund as necessary to pay all costs and expenses of the Plans. The employer contribution is 6% of compensation, as determined by the Pension Ordinance. **[Employer contributions as a percentage of annual payroll for the year ended June 30, 2024, were ____%. For the Fiscal Year ended June 30, 2024, the City Retirement System reported total employer and plan member contributions of approximately \$_____ and \$_____, respectively. Benefits paid to plan members totaled approximately \$_____ during the Fiscal Year ended June 30, 2024.]** Cost of living increases are determined annually by the City Council as part of the budgeting process.

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The schedule of employer contributions for the two years ended June 30, 2024, is as follows:

Schedule of Contributions
City Retirement System⁽¹⁾
(In Thousands of Dollars)

Year Ending June 30	Actuarially Determined Contribution ⁽²⁾ (a)	Actual Employer Contributions (b)	Contribution Excess/(Deficiency) (c) = (b) – (a)	Actual Covered Employee Payroll ⁽³⁾ (d)	Contributions as a Percentage of Covered Payroll (b) / (d)
2023	\$52,765	\$54,860	\$2,095	\$371,676	14.8%
2024					

⁽¹⁾ This schedule was prepared prospectively to satisfy the requirements of GASB 68.

⁽²⁾ The actuarially determined contribution is based on a discount rate assumption of 7.50%.

⁽³⁾ Actual Covered Employee Payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based. Because pensionable pay is used to determine contributions under City Retirement System, pensionable pay is shown, instead of gross payroll. Actual covered employee payroll is for the year immediately preceding the valuation date.

Source: 2024 Audited Financial Statements.]

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Pension Expense. The pension expenses of the City under GASB 68 for Fiscal Year ended June 30, 2024, were as follows (numbers in thousands):

Employer Service Cost	
Interest Cost	
Expected Return on Assets	
Changes of Benefit Terms	
Recognition of Deferred (Inflows)/Outflows	
Total collective pension expense	

Source: Note V.F to the 2024 Audited Financial Statements.

Net Pension Liability. Following is five-year trend information relating to net pension liability for the City Retirement System:

**City Retirement System
Net Pension Liability
(In Thousands of Dollars)**

Year Ending June 30	Total Pension Liability (a)	Net Fiduciary Position (b)	Net Pension Liability (c) = (a) – (b)	Fiduciary Net Position as % of Total Pension Liability (b) / (a)	Actual Covered Employee Payroll ⁽¹⁾ (d)	Net Pension Liability as a Percentage of Covered Payroll (c) / (d)
2020	\$2,742,485	\$2,262,361	\$480,124	82.5%	\$372,817	128.8%
2021	2,805,759	2,807,681	(1,922)	100.1	379,346	(0.5)
2022	2,952,654	2,406,675	545,979	81.5	402,813	135.5
2023	3,023,272	2,434,174	589,098	80.5	371,676	158.5
2024						

⁽¹⁾ The Actual Covered Employee Payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used to determine contributions under the plan, pensionable pay is shown above. Note, actual covered employee payroll is for the year immediately preceding the valuation date.]

Source: 2024 Audited Financial Statements.

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The following is a five-year historical summary of principal valuation results for the City Retirement System:

HISTORICAL SUMMARY OF PRINCIPAL VALUATION RESULTS

Fiscal Years 2020-2024
(In Thousands of Dollars)

	2020	2021	2022	2023	2024
Annual Funding:					
Annual Required Contribution	\$ 53,719	\$ 61,532	\$ 52,201	\$ 52,765	
Percent of Anticipated Payroll	14.5%	16.2%	14.2%	14.8%	
Government Accounting Standards Board Statement #27:					
End of Year Net Pension Obligation	\$ 480,124	\$ (1,922)	\$ 545,979	\$ 589,098	
Assets at beginning of plan year:					
Market Value of Assets	\$2,337,399	\$2,262,361	\$2,807,681	\$2,406,675	
Participation at beginning of plan year:					
Number of participants:					
Active Participants	6,076	6,122	5,985	5,880	
Terminated Participants	1,066	1,126	1,245	1,447	
Retiree and Beneficiary Participants	4,353	4,443	4,533	4,605	
Disabled Participants	711	718	708	758	
DROP Participants ⁽¹⁾	251	253	267	223	
TOTAL	12,457	12,662	12,738	12,913	
Covered payroll of Active Participants ⁽²⁾	\$ 372,817	\$ 379,346	\$ 402,813	\$ 371,676	
Annual benefits in pay status	184,711	190,417	191,219	197,028	
Average attained age for active participants	43.5	43.5	43.7	43.9	

⁽¹⁾ "DROP" refers to Deferred Retirement Option Plan.

⁽²⁾ The actual covered employee payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above.

Source: 2024 Audited Financial Statements.

Pension Plan Reform

Public Employee Defined Benefit Act. The Tennessee "Public Employee Defined Benefit Financial Security Act of 2014" (the "Public Employee Defined Benefit Act") was signed into law on May 22, 2014, and was codified as Title 9, Chapter 3, Part 5, Tennessee Code Annotated. In order to improve financial security of public defined benefit plans, the Public Employee Defined Benefit Act, among other things, requires each political subdivision which has established and maintains, directly or indirectly, a defined benefit pension plan for the benefit of its employees not administered by the Tennessee Consolidated Retirement System to annually make a payment to the pension plan of no less than 100% of the actuarially determined annual required contribution that incorporates both the normal cost of benefits and the amortization of the pension plan's unfunded accrued liability (the "ADC"), provided however, the affected political subdivision may make a payment of more than 100% of the ADC. If the political subdivision fails to fund the ADC, the Public Employee Defined Benefit Act permits the State Commissioner of the Department of Finance and Administration, at the direction of the Comptroller of the Treasury, to withhold such

amount or part of such amount from any state-shared taxes that are otherwise apportioned to such political subdivision. The money withheld from state-shared taxes will be paid to the political subdivision's pension plan. Notwithstanding the foregoing, if the political subdivision is unable to meet the annual funding progress percentage it may submit a plan of correction to the State Treasurer for consideration. If the State Treasurer determines the plan of correction is sufficient to comply with the requirements of the Public Employee Defined Benefit Act, the State Treasurer will submit the plan of correction to the State funding board for approval.

The Public Employee Defined Benefit Act further provides that (a) for all affected employees of the political subdivision hired on or after the later of the effective date of the Public Employee Defined Benefit Act or the date that the funding plan is authorized by the political subdivision's governing body, the political subdivision may freeze, suspend or modify benefits, employee contributions and plan terms and design on a prospective basis; and (b) for any pension plan that is funded below 60%, the affected political subdivision may not establish benefit enhancements unless approved by the State Treasurer.

Pension Ordinance. In order to comply with the Public Employee Defined Benefit Act's requirements to improve the financial security and actuarial soundness of the City's Retirement Plans, the City Council adopted Ordinance No. 5573 (the "Pension Ordinance") on December 16, 2014. Pursuant to the Pension Ordinance, the City's previously existing defined benefit plan was closed, as of July 1, 2016, to employees who then had 7.5 years or less of service. Such employees and all subsequently hired employees are subject to the 2016 Plan, which is a hybrid plan consisting of a market based cash balance plan (the "Market Based Plan") and a 401(a) defined contribution plan (the "401(a) Plan"). Currently, general employees in the 1978 Plan must contribute 8% of compensation and Fire and Police employee contributions range from 6.2% to 8% of compensation, depending on the date of hire. The employer contribution is 6% of compensation. Under the Market Based Plan, employees will contribute 2% of compensation and the employer contribution is 3% to 16% of compensation, depending on years of service, position and status as a General or Fire and Police employee. Under the 401(a) Plan, employees will contribute 6% of compensation and the employer contribution is 1.5% of compensation. The City currently expects that the 2016 Plan will reduce its ADC and will mitigate the exposure of the Plan's participants to increased funding costs caused by reduction in the value of plan assets due to adverse market conditions.

[For the Fiscal Year ended June 30, 2023, the City contributed \$52,765,000 to fund 100% of its ADC, as required by the Public Employee Defined Benefit Act. The City contributed 100% of its ADC in the approximate amount of \$28,691,600 for the Fiscal Year ended June 30, 2024 (unaudited). The City estimates that its ADC for the Fiscal Year ended June 30, 2025, will increase by approximately \$14.4 million to \$43,129,549.]

2019 Sales Tax Referendum. On October 3, 2019, pursuant to § 67-6-706(a) and § 67-6-707 of the Tennessee Code Annotated, the citizens of the City voted to increase the local option sales tax rate in the City by one-half of a percent, from 2.25% to 2.75%, to fund the restoration of pensions and OPEB benefits for police and firefighters hired prior to July 1, 2016 to the levels in the 1978 Plan, and to restore the health care benefits in effect as of July 1, 2014, for police and fire employees (the "Voter Approved Ordinance"). The Voter Approved Ordinance became effective January 1, 2020. Though the stated purpose of the Voter Approved Ordinance is to fund the

restoration of such benefits, the City is not obligated to use the increased tax proceeds for that purpose.

City of Memphis Other Post-Employment Benefits (OPEB) Plan

In the Fiscal Year ended June 30, 2017, the City adopted the new statement of financial accounting standards issued as the Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74") and also adopted the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). GASB 74 established new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. GASB 74 replaces GASB Statements No. 43 and No. 57. The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pension. GASB 75 replaces the requirements of GASB Statements No. 45 and No. 57 and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses / expenditures.

Plan Description. The City's OPEB Plan (the "OPEB Plan") is a single-employer plan for GASB accounting purposes. This Plan provides medical and life insurance benefits to eligible retired City of Memphis General, Police, Fire and Airport Authority employees and their dependents based on firmly-established past practices. **[At June 30, 2024, the number of active participants in the OPEB Plan was ____]. There were ____ inactive participants eligible, of which ____ were enrolled.]** Eligibility for OPEB benefits is based on two pension options: normal retirement or disability retirement. Requirements for eligibility under the OPEB Plan are as follows:

General Employees – 1948 Plan Participants

Normal – Age 60 and 10 years of service, or 25 years of service

Disability – Non-Line of Duty, 5 years of service

General Employees – 1978 Plan Participants

Normal – Age 60 and 10 years of service, or age 65 and 5 years of service, or 25 years of service

Disability – Non Line-of-Duty, 5 years of service

General Employees 2012 and 2016 Plan Participants

Normal – Age 65 and 5 years of service, or 25 years of service

Disability – Non Line-of-Duty, 5 years of service

Police and Fire (Uniform) 1948 Plan Participants

Normal – Age 55 and 10 years of service, or 25 years of service

Disability – Line-of-Duty, no service requirement

Police and Fire (Uniform) 1978, 2012 and 2016 Plan Participants
Normal – Age 55 and 10 years of service, or 25 years of service
Disability – Line-of-Duty, no service requirement

Spouses of eligible retirees may receive postretirement medical benefits. Surviving widowed spouses are eligible if receiving a pension payment from the City of Memphis and coverage was in force prior to the retiree's death. Working spouses with available coverage elsewhere do not receive postretirement medical benefits.

Actuarial Methods and Assumptions. [The City retained PricewaterhouseCoopers LLP ("PwC") to perform an actuarial valuation of the OPEB Plan for the purpose of calculating accounting results in accordance with GASB 74 and GASB 75 for the Plan's fiscal year ending December 31, 2022, and the City's Fiscal Year ended June 30, 2023, respectively. GASB 74 and GASB 75 require that each significant assumption reflect the best estimate of the City's future experience solely with respect to that assumption. The valuation year spanned from July 1, 2022, to June 30, 2023. The date of the census data used for that valuation was July 1, 2023.]

[For the July 1, 2023, actuarial valuation, the Entry Age Normal Actuarial Cost Method was used.] This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. Annual contributions in this amount, from the date the participant entered the plan (or would have entered, if the plan had always been in effect and the participant had entered at the earliest possible date) until retirement, would be sufficient to provide for the actuarial present value of the participant's plan benefits. The total normal cost is the sum of the normal costs for all active participants.

Summary of Plan Provisions. With respect to medical benefits, effective January 1, 2015, the City amended the OPEB Plan to grandfather the following participants:

- Post-65 Medicare A only eligible inactives
- Post-65 Medicare B only eligible inactives
- Post-65 Non-Medicare A and B eligible inactives
- Pre-65 deceased line-of-duty beneficiaries inactives
- Pre-65 disabled line-of-duty inactives

The remaining participants are non-grandfathered. Previously the non-grandfathered participants Pre-65 coverage was Access Only for a Preferred Provider Organization (PPO/Basic) or a Point of Service Plan (POS/Premier). Post 65-coverage was through a variety of Medicare plans, including the Medicare Supplemental Plan, Prescription Drug Plans (PDPs) and Medicare Advantage plans for Medicare-eligible retirees. The City subsidized 25% and paid for costs in excess of the required retiree premiums.

The per capita claims cost for the self-insured preferred and premier plans were developed by PwC based on the historical [2021 – July 2022] claims experience for the City's retired participants, adjusted for future assumed enrollment and plan design provisions. This assumption is set using prior year costs and expected effects of aging on the per capita cost curve.

Funding Policy. The contribution requirements of the plan members and the City are established by and may be amended by the City. The City pays for medical costs in excess of required retiree premiums and may elect through adoption of the City's annual budget ordinance to contribute an amount in excess of the total annual benefit payments to a qualified trust for the purpose of funding future OPEB benefits. The City's receipt of Medicare Part D prescription drug subsidies is included in operating income.

In the Fiscal Year ended June 30, 2009, the City adopted and established an OPEB Trust for the exclusive purpose of pre-funding and providing for payment of OPEB benefits under the OPEB Plan. **[As of June 30, 2023, the value of the trust assets within the OPEB Fund was approximately \$11,887,000. The current Fiscal Year includes interest at 4.13% at the beginning of the year on the total OPEB liability and service cost offset by a half-year of interest on benefit payments. For the Fiscal Year ended June 30, 2023, the net investment return was \$392,000, compared to the expected return on assets of \$0.]**

Schedule of Contributions. Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the contractual contribution of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The City is contractually required to pay benefits as they come due and make Health Reimbursement Arrangement ("HRA") contributions to participants enrolled in OneExchange or an allowable plan.

[The Schedule of Contributions under GASB 74 and GASB 75, presented as Exhibit RSI-4 in the Required Supplementary Information section of the 2023 Audited Financial Statements, is presented for those years for which it is available and was prepared prospectively from the OPEB Plan's fiscal year ending June 30, 2023, for GASB 75 purposes. The City is contractually required to pay benefits as they come due and to make HRA contributions to participants enrolled in an allowable plan. The actual covered payroll of approximately \$369,163,000 represents the total covered payroll for the prior calendar year, increased by the salary scale. For calendar year 2023, the average salary was \$58,336. The net OPEB liability as a percentage of covered payroll was 170.5% for the year ending June 30, 2023.]

Calculations of total OPEB liability, plan fiduciary net position and net OPEB liability are presented below. For more information regarding these calculations and the schedule of contributions, see Exhibit RSI-1, Exhibit RSI-2 and Exhibit RSI-3 of the 2024 Audited Financial Statements.

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Schedule of Changes in Net OPEB Liability and Related Ratios under GASB 74 and GASB 75⁽¹⁾

Fiscal Year Ended June 30, 2024

(In Thousands of Dollars)

Total OPEB Liability

Total OPEB Liability - beginning balance

Total Service Cost

Interest Cost

Experience (Gains)/Losses

Assumption Changes

Changes of Benefit Terms

Net Benefit Payments

Total OPEB Liability - ending balance

=====

OPEB Plan Fiduciary Net Position

OPEB Fiduciary Net Position - beginning balance

Employer Contribution⁽²⁾

Employee Contribution

Investment Return

Benefit Payments⁽³⁾

Administrative Expenses

Fiduciary Net Position - ending balance

=====

Net OPEB Liability

Total OPEB Liability

Less: Net Fiduciary Position

Net OPEB Liability

=====

Fiduciary Net Position as a Percent of Total OPEB Liability

Actual Covered Employee Payroll

Net OPEB Liability as a Percent of Covered Payroll

⁽¹⁾ This Schedule was prepared to satisfy the requirement to show information regarding the net OPEB liability and related ratios. It was prepared prospectively from the OPEB Plan's fiscal year ended June 30, 2023, for GASB 75 purposes.

⁽²⁾ Includes employer contributions and transfers from other funds. Includes \$7 million Transfer In.

⁽³⁾ Includes benefits paid less Medicare D subsidies and pharmacy Rx rebates received. Actual benefit payments reduced by Pharmacy Rebate of \$1,085.]

Source: 2024 Audited Financial Statements.

Changes in Plan Provisions. [There were no changes in plan provisions since the end of the 2022 calendar year.]

Compensated Absence Liabilities

Governmental Accounting Standards require recognition of the liability for compensated absences which have been earned and are reasonably expected to be paid to existing employees. [The City has recognized the non-current portion of this liability for City employees in the amount of approximately \$ _____ as of June 30, 2024.] See Note II.A to the 2024 Audited Financial Statements.

Insurance

The Bond Resolution requires the City to maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business, provided, the City shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 *et seq.*, Tennessee Code Annotated, as amended, or other applicable law. Pursuant to the Bond Resolution, the proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund and applied as are other moneys deposited in the Revenue Fund. [The payment of premiums for all insurance policies required shall be considered an Operation and Maintenance Expense.] For a description of the insurance requirements of the Bond Resolution, see "APPENDIX A – THE BOND RESOLUTION" attached hereto.

CAPITAL IMPROVEMENT PROGRAM

The capital improvement program for the City authorizes capital expenditures to be made or incurred in the five ensuing Fiscal Years (the "Capital Improvement Program") and is approved by the City Council. Additional authorizations for each capital project must precede the expenditure of funds. The capital budget for the System is the portion of the Capital Improvement Program applicable to the current Fiscal Year (the "Capital Budget"). The Capital Budget must be in full conformity with that part of the Capital Improvement Program applicable to the Fiscal Year which it covers, or as amended.

A Capital Budget and Capital Improvement Program for the System are developed and incorporated as part of the City's Capital Improvement Program. The Capital Budget and Capital Improvement Program for the System are prepared annually to show the capital expenditures planned for each of the five ensuing fiscal years, including the estimated total costs of each project and the sources of funding (local, state, federal and private) required to finance each project. The Capital Improvement Program for the System is recommended by the Mayor and approved by the City Council. The timetable for approval of the Capital Budget and Capital Improvement Program for the System closely parallels that of the Operating Budget.

The City negotiated an agreement with the United States Environmental Protection Authority (the "EPA") and the TDEC to implement an investigation and rehabilitation program with the objective to eliminate sanitary sewer overflows. This agreement was finalized in a

Consent Decree among the City, the United States Department of Justice ("DOJ"), the EPA, the TDEC and the Tennessee Clean Water Network ("TCWN") and was entered by the Court on September 20, 2012 (the "Consent Decree"). **[The City is legally obligated to implement the investigation and rehabilitation program incorporated into the Consent Decree over the ten-year period ending September 20, 2022, and is expected to spend approximately \$350,000,000 in doing so.]** See "CAPITAL IMPROVEMENT PROGRAM – Consent Decree" herein.

The budgeted capital projects approved by the City Council and included in the Capital Budget of the System for Fiscal Year 2025 and the Capital Improvement Program for the System for Fiscal Years 2025 through 2029 (the "Fiscal Year 2025 Capital Improvement Program") are summarized in the table below. The Fiscal Year 2025 Capital Improvement Program consists of approximately \$85 million of budgeted capital projects, of which approximately \$20 million is proposed for projects associated with the Consent Decree.

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**CITY OF MEMPHIS SANITARY SEWERAGE SYSTEM
CAPITAL IMPROVEMENT PROGRAM⁽¹⁾⁽²⁾⁽³⁾
Fiscal Years 2025 through 2029
(In Thousands of Dollars)**

Description	2025	2026	2027	2028	2029	Total
Misc. Subdivisions Outfalls Coverline	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 12,500
Rehab Existing System Coverline	17,000	17,000	17,000	17,000	17,000	85,000
Service Unsewered Coverline	2,000	2,000	2,000	2,000	2,000	10,000
South Plant Expansion	8,000	-	-	-	-	8,000
Stiles Plant Modification	5,000	5,000	5,000	5,000	5,000	25,000
Stiles WWTF Biosolids Upgrades	30,500	5,500	5,000	5,000	5,000	51,000
Sewer Assessment and Rehab	20,000	10,000	10,000	10,000	-	50,000
Total	\$ 85,000	\$ 42,000	\$ 41,500	\$ 41,500	\$ 31,500	\$241,500

- (1) The City anticipates funding these capital projects from available funds of the System, proceeds of Sanitary Sewerage System Revenue Bonds to be issued, proceeds from SRF Loans, which SRF Loans may be secured by System revenues, state-shared taxes and a general obligation pledge of the City, and from WIFIA Financing proceeds, which are secured by System revenues.
- (2) Includes certain operational and capital improvements to the City's wastewater collections and treatment systems the City is required to undertake as the result of the Consent Decree, which the City expects to finance from available funds of the System, Sanitary Sewerage System Revenue Bonds proceeds and proceeds from SRF Loans.
- (3) The amounts shown will be capitalized in the Sewer Fund.

Source: City of Memphis, Tennessee, Division of Public Works.

Descriptions of the line items depicted in the above table summarizing the Fiscal Year 2025 Capital Improvement Program are set forth below.

[Miscellaneous Subdivisions Outfalls Coverline. [INSERT DESCRIPTION]

Rehab Existing System Coverline. [INSERT DESCRIPTION]

Service Unsewered Coverline. [INSERT DESCRIPTION]

South Plant Expansion. [INSERT DESCRIPTION]

Stiles Plant Modification. [INSERT DESCRIPTION] See "REGULATORY MATTERS – Sewerage System" herein.

Stiles WWTF Biosolids Upgrades. [INSERT DESCRIPTION]

Sewer Assessment and Rehab. [INSERT DESCRIPTION]

Environmental Considerations

The TDEC issued NPDES permits for the Maxson Plant and the Stiles Plant effective January 1, 2012. The permit regulations and discharge limits were promulgated by the EPA under the United States Clean Water Act ("CWA"). The Capital Improvement Program and the future operating costs were developed based on the assumption that current National Discharge Standards will remain applicable. See "REGULATORY MATTERS – Sewerage System" herein.

Consent Decree

On September 20, 2012, U.S. District Judge Samuel H. Mays, Jr., entered an Order Granting Joint Motion of Consent Decree requested by the DOJ, the EPA, the TDEC, the TCWN and the City (collectively, the "Parties") to reduce sanitary sewer overflows and excessive effluent for foam. The Parties negotiated and agreed to the Consent Decree as a result of the EPA and the TCWN alleging that the City violated certain provisions of the CWA and the Tennessee Water Quality Control Act ("TWQCA").

Pursuant to the terms of the Consent Decree, in addition to establishing priority geographical areas for rehabilitation and assessment of sewer infrastructure and stipulating penalties for any future violations, the Parties negotiated the following obligations of the City:

- Pay a civil penalty of \$1,290,000 (based upon, among other things, the City's size, the duration of the violations, and the economic benefit and impact of the violations on human health and environment). The civil penalty was paid by the City in 2012.
- Develop and implement several Management Operations and Maintenance Programs regarding: Sewer Overflow Response; Fats, Oils and Grease Management; Lift Station and Force Main Operations and Maintenance; Gravity Sewer System Operations and Maintenance; Inter-Jurisdictional Agreement; Continuing Sewer Assessment; Infrastructure Rehabilitation; Dyed Water Flooding; Corrosion Defect Identification; Closed Circuit Television inspection; and Gravity Sewer Line and Force Main Development.
- Provide certain quarterly, semi-annual and annual reports to the EPA and the TDEC.
- Make certain operational and capital improvements within specified timeframes to the City's wastewater collection and treatment systems in order to resolve all outstanding Consent Decree requirements, at a cost currently estimated to be approximately \$350 million over a ten-year period.

The Consent Decree became effective on September 20, 2012, and the City continues to diligently pursue satisfaction of its obligations under the Consent Decree. The City has engaged a well-respected national firm to serve as the program manager to oversee and implement the rehabilitation and assessment of the sewer infrastructure related to the Consent Decree. To date, the City has complied with all of its obligations under the Consent Decree.

Funding of System Capital Improvement Program

The City is currently utilizing **[federal grant]** monies received pursuant to the American Rescue Plan Act of 2021 and proceeds of SRF Loans as a primary funding source for its obligations under the Consent Decree and selected capital improvement projects within the Capital Improvement Program for the System. In addition, some capital improvement project

expenditures within the Capital Improvement Program will be funded from available funds of the System, the issuance of Bonds and proceeds of WIFIA Financings.

REGULATORY MATTERS

Environmental Regulatory Matters

[In addition to its obligations under the Consent Decree,] operation of the System is subject to several federal and State environmental laws and regulations. Some of the key areas covered by these regulations include: the quality and safety of drinking water; standards and limitations on water and air pollutants to the environment; availability of water as a resource; handling and disposal of solid waste; and health and safety standards for personnel. Compliance with these laws and regulations in the ordinary course of operations requires significant operating and capital expenditures. Failure to comply with these regulations also could have material adverse effects, including, among others, the imposition of civil liability or fines by regulatory agencies or liability to private parties.

Sewerage System

The City must operate its System in compliance with the federal CWA and the TWQCA. These acts prohibit discharges of pollutants to waters of the United States or the State unless such discharges are in compliance with the terms and conditions of a permit from the NPDES.

LITIGATION

The City is involved in various lawsuits. The Office of the Chief Legal Officer/City Attorney and City administration believe that such proceedings in the aggregate will not have a materially adverse effect on the financial condition of the System.

TAX MATTERS

In the opinion of Ahmad Zaffarese LLC, Memphis, Tennessee, and Carpenter Law, PLLC, Memphis, Tennessee, Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025 Bonds (including any original issue discount properly allocable to the owner of a Series 2025 Bond) is excludable from gross income for federal income tax purposes. Interest on the Series 2025 Bonds is not a separate tax preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2025 Bonds. Failure to comply with such requirements could cause interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. The City

has covenanted to comply with such requirements. Co-Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2025 Bonds.

The accrual or receipt of interest on the Series 2025 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Co-Bond Counsel have expressed no opinion regarding any such consequences. Purchasers of the Series 2025 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2025 Bonds.

Co-Bond Counsel also are of the opinion that, under existing law, the Series 2025 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on the Series 2025 Bonds during the period the Series 2025 Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2025 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee. Ownership of the Series 2025 Bonds or interest thereon may be subject to state or local taxation in jurisdictions other than the State of Tennessee under applicable state or local laws, as to which Co-Bond Counsel express no opinion. Each prospective investor and purchaser of the Series 2025 Bonds should consult its, his or her own tax advisor regarding the status of the interest on the Series 2025 Bonds in a particular state or local jurisdiction other than Tennessee.

Original Issue Premium

The Series 2025 Bonds, if any, that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment

of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2025 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2025 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

State of Tennessee Taxes

Co-Bond Counsel also are of the opinion that, under existing law, the Series 2025 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on the Series 2025 Bonds during the period the Series 2025 Bonds are held or beneficially owned by any organization or entity other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2025 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee. Ownership of the Series 2025 Bonds or interest thereon may be subject to state or local taxation in jurisdictions other than the State of Tennessee under applicable state or local laws, as to which Co-Bond Counsel express no opinion. Each prospective investor and purchaser of the Series 2025 Bonds should consult its, his or her own tax advisor regarding the status of the interest on the Series 2025 Bonds in a particular state or local jurisdiction other than Tennessee.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series

2025 Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2025 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025 BONDS.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with the Rule, simultaneously with the issuance of the Series 2025 Bonds, the City will enter into the Disclosure Agreement for the benefit of the Holders of the Series 2025 Bonds, substantially in the form attached hereto as "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT." The City, as an "obligated person" under the Rule, will undertake in the Disclosure Agreement to provide: (a) certain financial information and operating data relating to the Series 2025 Bonds in each year (the "Annual Report"); and (b) notice of the occurrence of certain enumerated events (each a "Listed Event Notice"). The Annual Report and each Listed Event Notice, if applicable, will be filed by DAC, on behalf of the City, on EMMA, a service of the MSRB. The specific nature and timing of filing the Annual Report and each Listed Event Notice, and other details of the City's undertakings, are more fully described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

The following disclosure is being provided by the City for the sole purpose of assisting the Underwriter in complying with the Rule.

The City previously entered into continuing disclosure undertakings with its underwriters, as an "obligated person" under the Rule (the "Undertakings"). In the period beginning five years prior to the date of this Official Statement to the dated date of this Official Statement (the "Compliance Period"), the City believes that it has complied, in all material respects, with its Undertakings, except that: (i) the City entered into certain sewer and stormwater drawdown loans on or about October 13, 2021, March 19, 2024, and March 26, 2024, respectively, and notice of the incurrence of such loans was filed on November 30, 2021, May 16, 2024, and May 30, 2024, respectively (and prior to any draws by the City on all or some of such loans); and (ii) due to their unavailability, the City did not timely file audited financial information for Fiscal Years 2021 through 2023, due on December 30 pursuant to certain prior Undertakings, though unaudited financial information for such Fiscal Years was timely filed in each instance. Audited financial information for Fiscal Years 2021, 2022 and 2023, was filed on January 5, 2022, March 10, 2023, and January 2, 2024, respectively.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Series 2025 Bonds are subject to the approving opinions of Ahmad Zaffarese LLC, Memphis, Tennessee, and Carpenter Law, PLLC, Memphis, Tennessee, as Co-Bond Counsel, whose approving opinions, in substantially the form attached hereto as "APPENDIX D - FORM OF

OPINIONS OF CO-BOND COUNSEL," will be delivered concurrently with the issuance of the Series 2025 Bonds. No representation is made to the Holders of the Series 2025 Bonds that Co-Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement, and Co-Bond Counsel assumes no responsibility to the Holders of the Series 2025 Bonds except for the matters that will be set forth in their approving opinions.

Certain legal matters will be passed upon for the City by Tannera Gibson, Chief Legal Officer / City Attorney. In addition, certain legal matters will be passed upon for the City by Bass Berry & Sims PLC, Nashville, Tennessee, and Bruce Law, PLLC, Memphis, Tennessee, Co-Disclosure Counsel to the City.

The legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein, as of the date of such opinions. By rendering legal opinions, the attorneys providing such opinions do not become insurers or guarantors of the result indicated by that expression of professional judgment with respect to the transaction on which the opinions are rendered or of the future performance of parties to the transaction. Furthermore, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The basic financial statements of the Sewer Collection and Treatment Fund as of June 30, 2024, and for the year then ended have been audited by Banks, Finley, White & Co., certified public accountants (the "Auditor"). The Auditor's report, together with the basic financial statements, management discussion and analysis and the required supplemental information for fiscal year ended June 30, 2024, are attached hereto as "APPENDIX B – SEWER COLLECTION AND TREATMENT FUND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024." The Auditor has not been engaged to perform and has not performed any procedures relating to this Official Statement.

CO-FINANCIAL ADVISORS

PFM Financial Advisors LLC, Memphis, Tennessee, and CLB Porter, LLC, Memphis, Tennessee, serve as Co-Financial Advisors to the City for the Series 2025 Bonds. The Co-Financial Advisors assisted in matters related to the planning, structuring, sale and issuance of the Series 2025 Bonds and provided other advice. The Co-Financial Advisors did not engage in any underwriting activities with regard to the issuance and sale of the Series 2025 Bonds.

CERTAIN RELATIONSHIPS

Ahmad Zaffarese LLC, Co-Bond Counsel, from time to time, provides other legal services to the City. Carpenter Law, PLLC, Co-Bond Counsel, from time to time, provides other legal services to the City.

Bass, Berry & Sims PLC, Co-Disclosure Counsel, from time to time, represents the Paying Agent and Registrar in connection with various matters unrelated to the issuance of the Series 2025 Bonds and provides other legal services to the City.

RATINGS

Moody's Ratings, Inc., and S&P Global Ratings (together, the "Rating Agencies") have assigned ratings of "____" (____ outlook) and "____" (____ outlook), respectively, to the Series 2025 Bonds.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and an explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies, or any of them, may have an adverse effect on the liquidity or market price of the affected Series 2025 Bonds. The City has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

SALE OF THE SERIES 2025 BONDS

The Series 2025 Bonds are being purchased by _____ (the "Underwriter"), as the successful bidder in a competitive sale, at an aggregate purchase price of \$_____, representing the principal amount of the Series 2025 Bonds of \$_____, plus a bond [premium/discount] of \$_____ and minus an underwriter's discount of \$_____.

The Underwriter's obligations are subject to certain conditions precedent. The Underwriter will be obligated to purchase all of the Series 2025 Bonds if any Series 2025 Bonds are purchased.

The Series 2025 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2025 Bonds into investment trusts) at prices lower than the public offering prices. Public offering prices may be changed from time to time by the Underwriter.

FORWARD-LOOKING STATEMENTS

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

The statements contained in this Official Statement, including in the appendices attached hereto, that are not purely historical, are forward looking statements. Readers should not place

undue reliance on forward looking statements. All forward looking statements included in this Official Statement are based on information available on the date hereof and the City assumes no obligation to update any such forward looking statement. It is important to note that actual results could differ materially from those in such forward looking statements.

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

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to in this Official Statement do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2025 Bonds, the security for and the sources for repayment for the Series 2025 Bonds and the rights and obligations of the Holders. Copies of such documents may be obtained in the manner specified under the heading "INTRODUCTION - Other Information" herein.

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

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

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2025 Bonds.

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**AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFICIAL STATEMENT**

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter in connection with the original public offer, sale and distribution of the Series 2025 Bonds by the Underwriter, have been duly authorized and approved by the City.

CITY OF MEMPHIS, TENNESSEE

By: _____
Paul A. Young, Mayor

APPENDIX A

THE BOND RESOLUTION

APPENDIX B

SEWER COLLECTION AND TREATMENT FUND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

APPENDIX C

GENERAL INFORMATION REGARDING THE CITY OF MEMPHIS, TENNESSEE

APPENDIX D

FORM OF OPINIONS OF CO-BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

A RESOLUTION ESTABLISHING A COMMITTEE TO HONOR CITY OF MEMPHIS EMPLOYEES WHO LOSE THEIR LIVES IN THE LINE OF DUTY

WHEREAS, the City of Memphis deeply values the service and sacrifice of all city employees, including those who dedicate their lives to the safety, wellbeing, and development of the City of Memphis; and

WHEREAS, in the unfortunate event that a City of Memphis employee dies while performing their duties, it is the responsibility of the City Council to ensure that such individuals are appropriately honored for their service and sacrifice; and

WHEREAS, it is of the utmost importance that the families and colleagues of these individuals know that the City of Memphis holds their contribution in the highest regard and stands in solidarity with them during times of grief; and

WHEREAS, a dedicated committee is necessary to ensure consistent recognition and to coordinate tributes that reflect the dignity and respect deserved by those who give their lives in service to the city; and

WHEREAS, a standing committee, herein referred to as the "Memphis City Employee Memorial Committee" shall be formed to oversee and coordinate all actions necessary to honor City of Memphis employees who die in the line of duty; and

WHEREAS, the purpose of the "Memphis City Employee Memorial Committee" is to ensure that formal tributes are appropriately arranged, including memorial ceremonies, moments of silence, and other observances of remembrance and to ensure the City of Memphis' gratitude is conveyed through visible gestures such as memorial signage, plaques, or other enduring forms of tribute in addition to a written resolution honoring the individual is presented before the Memphis City Council; and

WHEREAS, the "Memphis City Employee Memorial Committee" shall be composed of the Chairman of the Memphis City Council, the Vice Chair of the Memphis City Council, the Chair of the Public Safety and Homeland Security Committee of the Memphis City Council, an appointed liaison from both the Memphis Police and Fire Departments, an appointed representative from the Mayor's Administration, and any additional stakeholders as deemed necessary by the Memphis City Council.

NOW, THEREFORE BE IT RESOLVED, the Memphis City Council hereby establishes the "Memphis City Employee Memorial Committee" to specifically pay tribute to those employees that have lost their lives in the line of duty.

Sponsor:
J Ford Canale

A resolution to allocate and appropriate \$2,600,000 in City Council Community Grant funds to nonprofit agencies for FY25

WHEREAS, the Memphis City Council desires to promote community programming and improve neighborhoods; and

WHEREAS, the Tennessee Code Annotated § 6-64-111, empowers the Memphis City Council to appropriate funds for the financial aid of nonprofit organizations working to promote the general welfare of Memphis residents; and

WHEREAS, nonprofit organizations and citizens work together to meet the needs of Memphians by extending the reach of City of Memphis services; and

WHEREAS, the Memphis City Council recognizes nonprofit agencies as valued partners in the continuing efforts to improve the lives of Memphians; and

WHEREAS, it is important to the members of the Memphis City Council to prioritize funding specialized programs congruent with the priorities of the City, which include addressing: Crime and Drug Prevention, Youth Empowerment, Economic Development, and Poverty; and

WHEREAS, each member gains the opportunity to individually allocate \$200,000 to ensure adequate grant awards amongst all City Council Districts; members of the Council are afforded the opportunity to designate their full FY25 \$200,000 allotment at one time or to hold a portion of their allotment in abeyance with further consideration and distribution of their remaining funds to be decided by resolution at a later date; and

WHEREAS, Council Members must allocate the \$2,600,000 in City Council Community Grant funds to non-profit agencies for FY25 on December 17, 2024.

WHEREAS, after selecting organizations, Council Members may allocate funding during Budget Committee meetings; eligible nonprofit agencies shall receive grant awards as outlined within Attachment A, subject to final approval by the City of Memphis Finance Division.

NOW, THEREFORE BE IT RESOLVED that the Memphis City Council does allocate the following grant funds in accordance with Attachment A as part of the Memphis City Council Grant Program for FY25.

THEREFORE, BE IT FURTHER RESOLVED that the grant recipients must execute a contract with the City of Memphis Finance Division to receive their grant award and submit a Final Report for review by the City of Memphis Finance Division to remain eligible to receive grant funding in subsequent fiscal years.

Sponsor(s):
Budget Committee

Chairman
JB Smiley, Jr.