This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 10, 2026

NEW ISSUES - BOOK ENTRY ONLY

Ratings: "AA+" Fitch
"Aa1" Moody's
(See "Ratings" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Series 2026 Bonds (as defined below) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Series 2026 Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See "TAX MATTERS" herein).

THE CITY OF CHATTANOOGA

$89,590,000* ELECTRIC SYSTEM REVENUE BONDS, SERIES 2026A

$50,000,000* ELECTRIC SYSTEM VARIABLE RATE REVENUE BONDS, SERIES 2026B (TERM RATE)

For the Use and Benefit of
THE ELECTRIC POWER BOARD OF CHATTANOOGA

Dated: Date of Delivery

Due: September 1, as shown on inside cover*

The Electric System Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and the Electric System Variable Rate Revenue Bonds, Series 2026B (Term Rate) (the "Series 2026B Bonds" and, together with the Series 2026A Bonds, the "Series 2026 Bonds") of the City of Chattanooga, Tennessee (the "Issuer" or "City"), will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Payment of the principal of and interest on the Series 2026 Bonds will be made by Regions Bank, Nashville, Tennessee, as paying agent and bond registrar (the "Paying Agent"), directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners (as defined herein) of the Series 2026 Bonds, all as described herein. See "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry-Only System."

The Series 2026 Bonds are being issued by the City to fund certain capital improvements to the City's electric system (the "Electric System"), which is operated by the Electric Power Board of Chattanooga ("EPB"), and to pay the costs of issuing the Series 2026 Bonds.

The Series 2026 Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2026 Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2027*, to the owners thereof as shown on the registration books maintained by the Paying Agent. Interest will also be payable on the Series 2026B Bonds on each Mandatory Purchase Date and on any date on which the Series 2026B Bonds are purchased at the option of EPB. The Series 2026 Bonds will bear interest from their dated date. See "DESCRIPTION OF THE SERIES 2026 BONDS - Denominations, Registration, Transfers and Exchanges."

The Series 2026 Bonds are subject to redemption prior to maturity upon the terms described herein. See "DESCRIPTION OF THE SERIES 2026 BONDS – Optional Redemption" and " – Mandatory Redemption."

The Series 2026B Bonds will bear interest at the initial Term Rate during the initial Term Rate Interest Period (ending August 31, 2031*) and are subject to mandatory purchase, without right of retention by the Bondholders, on the Mandatory Purchase Date. The Series 2026B Bonds are not supported by a liquidity facility. If the Series 2026B Bonds are not successfully remarketed on a Mandatory Purchase Date, neither the City nor EPB will be obligated to purchase the Series 2026B Bonds, the failure to remarket will not be an event of default, and the Series 2026B Bonds will remain outstanding and bear interest at the Stepped Rate. This Official Statement describes the Series 2026B Bonds only during the initial Term Rate Interest Period. See "DESCRIPTION OF THE SERIES 2026 BONDS – Mandatory Purchase of the Series 2026B Bonds."

MATURITY SCHEDULE – See Inside Cover

The Series 2026 Bonds are secured by and are payable from a first pledge of and lien on the Revenues (as defined in Appendix C hereto) derived from the operation of the Electric System, on parity with the City's outstanding Electric System Revenue Bonds, Series 2021, Electric System Revenue Bonds, Series 2023, Electric System Refunding Revenue Bonds, Series 2025 and any parity bonds hereafter issued. **The Series 2026 Bonds are limited obligations of the City, payable solely from the Revenues of the Electric System. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2026 Bonds. See "SECURITY FOR THE SERIES 2026 BONDS."**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*The Series 2026 Bonds are offered, when, as and if issued by the Issuer, subject to the approval of legality by Bass, Berry & Sims PLC, as Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel, Phillip A. Noblett, Esq., City Attorney, and for the Electric Power Board of Chattanooga (the "Electric Power Board") by its counsel, Miller & Martin PLLC, and by Bass, Berry & Sims PLC, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Chapman and Cutler LLP. PFM Financial Advisors LLC is serving as municipal advisor to the City and the Electric Power Board in connection with the issuance of the Series 2026 Bonds. The Series 2026 Bonds will be available for delivery through DTC on or about December 15, 2026.**

BofA Securities

FHN Financial Capital Markets **Raymond James**

Dated: _____, 2026

*Preliminary, subject to change.

THE CITY OF CHATTANOOGA
$89,590,000* ELECTRIC SYSTEM REVENUE BONDS, SERIES 2026A

Maturity (September 1)*	Principal Amount ($)*	Interest Rate	Yield	CUSIP†
2027	$520,000			
2028	715,000			
2029	685,000			
2030	740,000			
2031	960,000			
2032	1,120,000			
2033	1,100,000			
2034	4,880,000			
2035	5,130,000			
2036	5,395,000			
2037	5,665,000			
2038	5,955,000			
2039	6,265,000			
2040	6,600,000			
2041	6,230,000			
2042	18,320,000			
2043	19,310,000			

THE CITY OF CHATTANOOGA
$50,000,000* ELECTRIC SYSTEM VARIABLE RATE REVENUE BONDS, SERIES 2026B (TERM RATE)

Maturity (September 1)*	First Optional Redemption/ Purchase Date*	Mandatory Purchase Date*	Principal Amount ($)*	Initial Term Interest Rate	Initial Yield	Initial Stepped Rate	CUSIP†
2051		9/1/2031	50,000,000				

* Preliminary, subject to change.

† Copyright, American Bankers Association (the "ABA"). Initial CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of purchasers of the Series 2026 Bonds only at the time of issuance of the Series 2026 Bonds, and the Issuer 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 2026 Bonds as a result of various subsequent actions including, but not limited to a remarketing of the Series 2026B Bonds, 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 2026 Bonds.

THE CITY OF CHATTANOOGA, TENNESSEE

MAYOR

The Honorable Tim Kelly

CITY COUNCIL

Jeff Davis, Chair

Ron Elliott, Vice Chair
Dennis Clark
Jenni Berz
Raquetta Dotley
Cody Harvey
Chip Henderson
Jenny Hill
Marvene Noel

Nicole Gwyn – Clerk to the Council
Weston Porter – City Finance Officer
Phillip A. Noblett – City Attorney

CHATTANOOGA ELECTRIC POWER BOARD

Vicky Gregg, Chair
Mina Sartipi, PhD, Vice Chair
James D. Brown, II
John Foy
Jon Kinsey

MANAGEMENT

Janet Rehberg ..... CEO
Mike Kaiser ..... CFO
David DiBiase ..... General Counsel
Ryan Keel ..... President, Energy and Communications Business Unit
Robert Long ..... President, Strategic Initiatives Business Unit
Sandra Tilley ..... Senior VP, Brand Strategies
Kade Abed ..... VP, Field Operations
Rich Carpenter ..... VP, Communications and IT Operations
Katie Espeseth ..... VP, New Products
Evann Freeman ..... VP, Government and Community Relations
Julie Hoover ..... VP, Human Resources
J. Ed. Marston ..... VP, Strategic Communication

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by the Issuer from time to time, may be treated as an Official Statement with respect to the Series 2026 Bonds described herein that is deemed final by the Issuer as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Series 2026 Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy. Nor shall there be any such offer or solicitation of the Series 2026 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction.

No dealer, broker, salesperson or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the Series 2026 Bonds and, if given or made, such information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy by any person in any jurisdiction in which it is unlawful for such person to make such offer or solicitation in such jurisdiction.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor the sale of any of the Series 2026 Bonds implies that there has been no change in the affairs of the Issuer, the Electric Power Board of Chattanooga ("EPB") or the other matters described herein since the date hereof. The information set forth herein has been provided by the Issuer and EPB and by other sources believed to be reliable, but it is not guaranteed as to its accuracy or completeness and is not to be construed as a representation by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. In making an investment decision, investors must rely on their own examination of the Issuer, EPB and the terms of the offering, including the merits and risks involved.

No registration statement relating to the Series 2026 Bonds has been filed with the Securities and Exchange Commission or any state securities agency. The Series 2026 Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

In making an investment decision, investors must rely on their own examination of the City, EPB and the Electric System and the terms of the offering, including the merits and risks involved.

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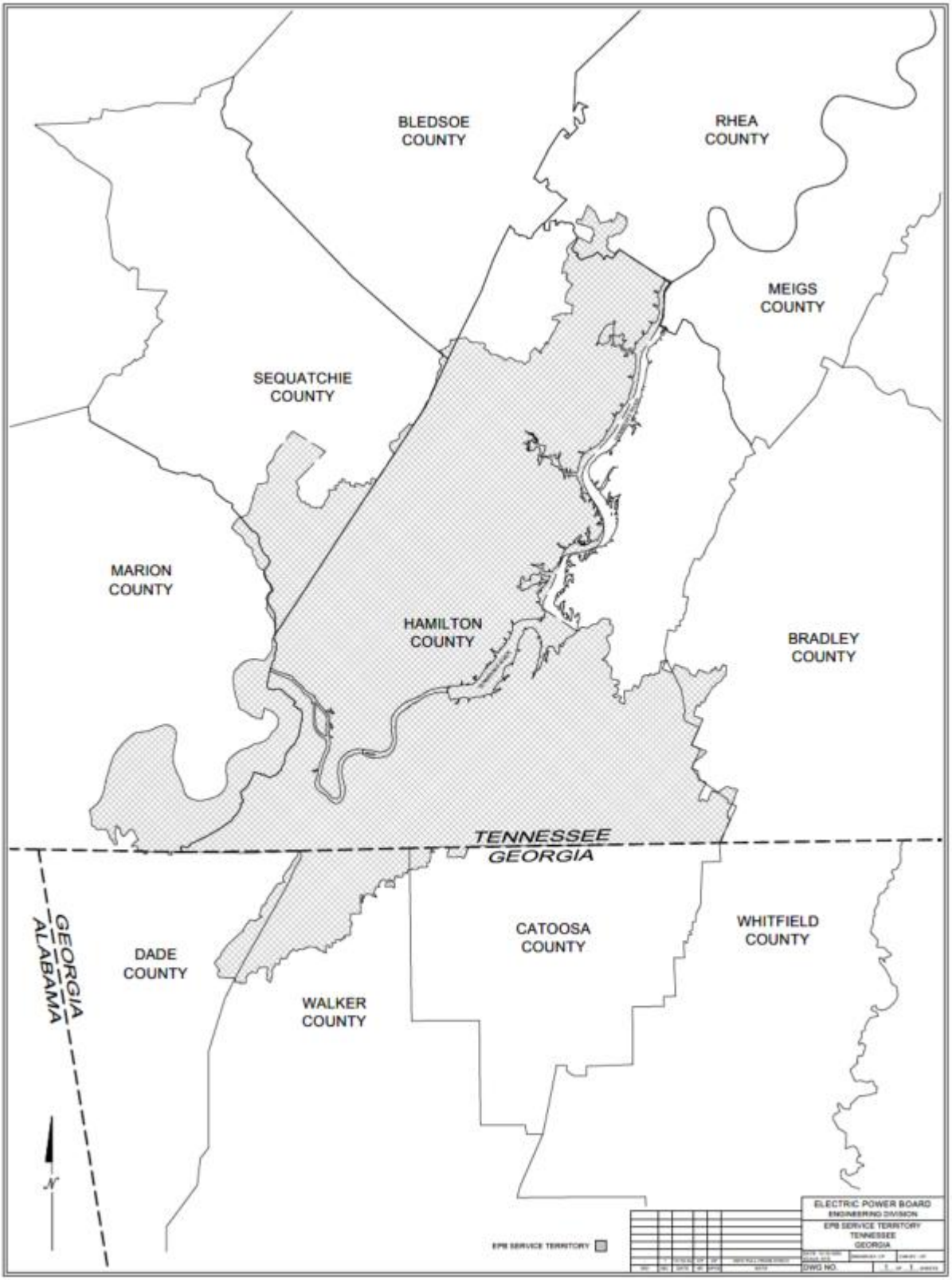
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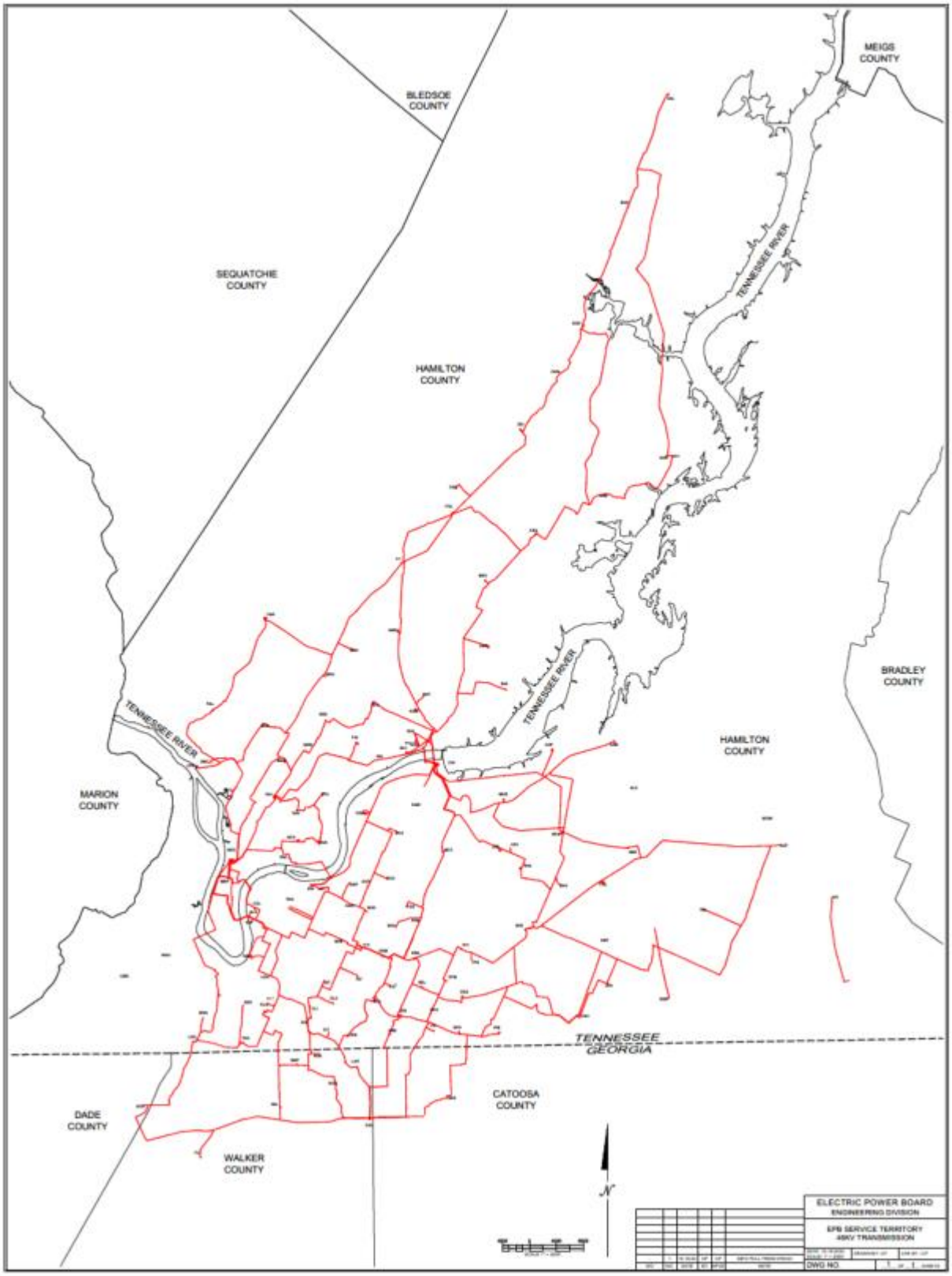
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EPB Service Area



EPB Transmission Map



OFFICIAL STATEMENT

Relating to
THE CITY OF CHATTANOOGA, TENNESSEE

$89,590,000* Electric System Revenue Bonds, Series 2026A
$50,000,000* Electric System Variable Rate Revenue Bonds, Series 2026B (Term Rate)

For the Use and Benefit of
THE ELECTRIC POWER BOARD OF CHATTANOOGA

INTRODUCTION

General

This Official Statement (including the cover page and inside cover page hereof and the Appendices hereto) is furnished by the City of Chattanooga, Tennessee (the "Issuer" or "City"), and the Electric Power Board of Chattanooga ("EPB") to provide information concerning the electric transmission and distribution system operated by EPB (the "Electric System"), and the offering by the Issuer of its Electric System Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and Electric System Variable Rate Revenue Bonds, Series 2026B (Term Rate) (the "Series 2026B Bonds" and, together with the Series 2026A Bonds, the "Series 2026 Bonds") on behalf of EPB.

The Series 2026 Bonds are being issued by the Issuer under and pursuant to Sections 7-34-101 et seq., and Sections 9-21-101 et seq., Tennessee Code Annotated (the "Act"), the City Charter, which was approved by referendum on January 7, 2000, as amended (the "City Charter"), Chapter 455 of the Private Acts of the General Assembly of the State of Tennessee of 1935, as amended (the "Enabling Act") embodied within the City Charter, and a resolution of the Issuer adopted on September 5, 2000, entitled "Electric System Revenue Bond Resolution" (the "Bond Resolution") together with the Issuer's First Supplemental Resolution adopted on September 5, 2000 (the "First Supplemental Resolution"), and with a further amendment to the Bond Resolution adopted by the Issuer on September 12, 2000 (the "First Amendment to Bond Resolution"); and as supplemented by the Second Supplemental Resolution for the Electric System Revenue Bonds Series 2006A (the "Second Supplemental Resolution") and the Third Supplemental Resolution for the Electric System Refunding Revenue Bonds Series 2006B, adopted by the Issuer on August 1, 2006 (the "Third Supplemental Resolution"); as supplemented and amended by the Fourth Supplemental and Amendatory Resolution adopted February 19, 2008 (the "Fourth Supplemental and Amendatory Resolution"); as supplemented and amended by the Fifth Supplemental and Amendatory Resolution adopted July 14, 2015 (the "Fifth Supplemental and Amendatory Resolution") and the Sixth Supplemental Resolution adopted July 14, 2015 (the "Sixth Supplemental Resolution"); as supplemented by the Seventh Supplemental Resolution adopted June 8, 2021 (the "Seventh Supplemental Resolution"); as supplemented by the Eighth Supplemental Resolution adopted November 7, 2023 (the "Eighth Supplemental Resolution"); as supplemented by the Ninth Supplemental Resolution adopted May 6, 2025 (the "Ninth Supplemental Resolution"); and as supplemented by the Tenth Supplemental Resolution adopted November 10, 2026 (the "Tenth Supplemental Resolution"). The Bond Resolution, the First Supplemental Resolution, the First Amendment to Bond Resolution, the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental and Amendatory Resolution, the Fifth Supplemental and Amendatory Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution and the Tenth Supplemental Resolution are together referred to as the "Resolution".

The Resolution sets forth the terms of the Series 2026 Bonds, governs EPB's application of the Revenues (as defined in "Appendix C – Summary of Certain Provisions of the Resolution") of the Electric System, and includes covenants regarding the operation of the Electric System. The Resolution requires that EPB set rates in each year sufficient to provide for 100% of the payment of operating costs and all Electric System debt service. The Resolution requires that EPB establish a debt service reserve fund in the event that Revenues, after providing for the payment of operating costs, are less than 150% of annual debt service requirements. Currently, EPB's rate coverage is in excess of 150%, and no reserve fund is maintained. The Resolution prohibits the issuance of additional bonds on parity with the Series 2026 Bonds unless Revenues, after providing for the payment of operating costs, are at least 110% of the maximum annual debt service on then outstanding bonds, any other parity debt and any additional bonds proposed to be issued, for the first complete bond year during which the additional bonds are outstanding. For a description of the terms of the Resolution, see "SECURITY FOR THE SERIES 2026 BONDS" herein and "Appendix C – Summary of Certain Provisions of the Resolution" attached hereto.

* Preliminary, subject to change.

The Series 2026 Bonds are payable from and secured by a first lien on the Revenues of the Electric System. The Issuer has previously issued on behalf of EPB and has outstanding its Electric System Revenue Bonds, Series 2021, Electric System Revenue Bonds, Series 2023 and Electric System Refunding Revenue Bonds, Series 2025 (together, the "Outstanding Parity Bonds"). The Outstanding Parity Bonds were also issued pursuant to the Resolution and are also secured by a first lien on the Revenues of the Electric System. For a discussion of the sources of payment and security for the Series 2026 Bonds, see "SECURITY FOR THE SERIES 2026 BONDS" herein.

THE SERIES 2026 BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, AND NO HOLDER OF THE SERIES 2026 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE ISSUER TO EXERCISE ITS TAXING POWER TO PAY DEBT SERVICE ON THE SERIES 2026 BONDS.

The Series 2026 Bonds are being issued to fund certain capital improvements to the Electric System and to pay the costs of issuing the Series 2026 Bonds.

EPB

EPB is a municipal utility system that provides retail electric service through its Electric System to approximately 205,000 customers in the City and in Hamilton County, Tennessee ("Hamilton County" or the "County"), and portions of five other counties in Tennessee, and three counties in Georgia. With the exception of certain solar generation facilities herein described, EPB does not own any generation facilities and presently purchases its entire power supply requirements under a wholesale power contract (the "Power Contract") with the Tennessee Valley Authority ("TVA"), a federal governmental instrumentality created by Congress pursuant to the Tennessee Valley Authority Act of 1933, as amended, (the "TVA Act"). The Power Contract provides that EPB may sell power to all customers in its service area, except certain federal installations and large customers, which TVA may serve directly. The Power Contract establishes the rates and terms and conditions under which power is to be purchased from TVA and distributed to the customers of EPB. EPB's customer rates are set at levels sufficient to cover the cost of power supplied by TVA under the Power Contract and EPB's costs of operation.

EPB also provides telecommunications, video and Internet services to approximately 133,000 residential and business customers through its Fiber Optic System (the "Fiber Optic System"). The Series 2026 Bonds are not payable from or secured by Fiber Optic System revenues. However, the Fiber Optic System uses certain assets of the Electric System and makes annual payments to the Electric System with respect to such use. These payments to the Electric System constitute Revenues of the Electric System and are available for and pledged to the payment of debt service on bonds secured by Revenues of the Electric System, including the Series 2026 Bonds.

Under the City Charter and the provisions of the Enabling Act, the governing board of EPB (the "Board") is delegated the exclusive authority and responsibility for the operation of the Electric System, including budgeting and rate setting. There are five members of the Board, who serve for terms of five years each, with one term expiring each calendar year. Board members and their successors are appointed by the Mayor of the City of Chattanooga and are subject to confirmation by the Chattanooga City Council (the "City Council").

Defined Terms

Capitalized terms used but not defined herein shall have the meanings ascribed in "Appendix C – Summary of Certain Provisions of the Resolution" attached hereto.

THE ISSUER

The City is a political subdivision of the State of Tennessee and issues bonds on behalf of and for the use and benefit of EPB. The City is the fourth largest city in the State of Tennessee and serves as County seat of Hamilton County. The City is commercially and industrially developed and is the center of a six-county Metropolitan Statistical Area (the "MSA"), which includes Hamilton County and the counties of Marion and Sequatchie, Tennessee, and the counties of Catoosa, Dade and Walker, Georgia. The Tennessee River flows through the center of the City, which has a diversified terrain. The MSA is centrally located in relation to other major population centers of the Southeast, being within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama; and Atlanta, Georgia.

The City operates under a Mayor/Council form of government. The Mayor is elected at large and is not a member of the City Council. The City Council is composed of nine members, with each member being elected from one of nine districts within the geographic boundaries of the City. The Mayor and Council are elected for four-year terms. The Mayor is the chief executive officer of the City and oversees the operations of all departments of the City.

The Issuer is further described in its Supplemental Information Statement, which is included herein as Appendix B.

PLAN OF FINANCE

The proceeds of the sale of the Series 2026 Bonds will be used to finance the capital costs incurred in connection with the improvement of the Electric System, in accordance with EPB's capital improvement plan, and to pay costs of issuing the Series 2026 Bonds.

SOURCES AND USES OF FUNDS

The sources and uses of funds for the Series 2026 Bonds are estimated as follows:

Sources of Funds	Series 2026A Bonds	Series 2026B Bonds
Par Amount	$_____	$_____
[Net] Original Issue Premium (Discount)	_____	_____
Total Sources	$_____	$_____
Uses of Funds		
Deposit to Project Fund	_____	_____
Costs of Issuance[(1)]	_____	_____
Total Uses	$_____	$_____

(1) Includes all fees and expenses, including underwriter's discount and contingency amounts.

DESCRIPTION OF THE SERIES 2026 BONDS

Authority for Issuance

The Series 2026 Bonds are being issued by the Issuer under and pursuant to the Act, the City Charter, the Enabling Act and the Resolution.

The Series 2026 Bonds are secured on a parity basis with the Issuer's Outstanding Parity Bonds and all other bonds hereafter issued as parity bonds under the Resolution. The aggregate amount of Outstanding Parity Bonds currently outstanding is $314,575,000. Together, the Outstanding Parity Bonds and the Series 2026 Bonds may be collectively referred to as the "Bonds."

Denominations, Registration, Transfers and Exchanges

The Series 2026 Bonds will be issued in the denomination of $5,000 each or integral multiples thereof as fully registered bonds in the aggregate principal amount of $139,590,000*, and will be dated the date of delivery. Interest on the Series 2026 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2027*. Interest will also be payable on the Series 2026B Bonds on each Mandatory Purchase Date and on any date on which the Series 2026B Bonds are purchased at the option of EPB. The initial Term Rate Interest Period for the Series 2026B Bonds shall commence upon the date of delivery of the Series 2026B Bonds and end on August 31, 2031*. The Series 2026B Bonds are subject to mandatory purchase upon the terms herein provided. See "DESCRIPTION OF THE SERIES 2026 BONDS – Mandatory Purchase of the Series 2026B Bonds" herein for additional information on the mandatory

* Preliminary, subject to change.

purchase of the Series 2026B Bonds and for defined terms related to the Series 2026B Bonds used in this paragraph. The Series 2026 Bonds will mature on the dates set forth on the inside cover page hereof.

Ownership of the Series 2026 Bonds will be registered on the registration books kept by Regions Bank, Nashville, Tennessee, as paying agent and bond registrar (the "Paying Agent"). The registered owner of any Series 2026 Bond shall be treated as the absolute owner thereof for all purposes, including payment, and payment to the registered owner thereof shall satisfy all liability thereon to the extent of sums so paid.

The principal of and premium, if any, on the Series 2026 Bonds are payable in lawful money of the United States of America to the Holder of each Series 2026 Bond upon maturity, mandatory purchase or prior redemption and presentation at the designated office of the Paying Agent. Interest on the Series 2026 Bonds will be paid by wire transfer or by check or draft mailed by the Paying Agent on any interest payment date to the person in whose name the Series 2026 Bond is registered in the bond registration books kept by the Paying Agent (the "Registered Owner") as of the close of business on the fifteenth (15th) day of the calendar month next preceding any interest payment date (the "Regular Record Date"). Any interest on any Series 2026 Bond which 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; and, in lieu thereof, such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Series 2026 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2026 Bond and the date of the proposed payment, and at the same time the Issuer shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent 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 persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Paying Agent of the notice of the proposed payment, the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the Registered Owners. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of EPB, not less than ten (10) 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 as it appears in the Series 2026 Bond registration records maintained by the Paying Agent as of the date of such notice.

Notwithstanding the foregoing, while the Series 2026 Bonds are held in the book-entry-only system, payment of principal, premium, if any, and interest on the Series 2026 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 Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants. See "DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry-Only System" below.

If the date on which any payment of principal or interest is due with respect to the Series 2026 Bonds is not a Business Day, the payment shall be made on the next succeeding Business Day with the same effect as if made on the scheduled payment date, and no additional interest shall accrue.

Book-Entry-Only System

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of the Series 2026A Bonds and Series 2026B Bonds and deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies,

clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of Series 2026 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2026 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 Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2026 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 Series 2026 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 Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER TO RECEIVE NOTICES (INCLUDING NOTICES OF REDEMPTION OR MANDATORY PURCHASE) AND OTHER INFORMATION REGARDING SERIES 2026 BONDS THAT MAY BE SO CONVEYED TO DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2026 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 Issuer or the Paying Agent, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to Series 2026 Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2026 Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2026 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable. The Issuer makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

NEITHER THE ISSUER, EPB, NOR THE PAYING AGENT WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE ISSUER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION OR MANDATORY PURCHASE) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF SERIES 2026 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2026 BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF SERIES 2026 BONDS.

Optional Redemption[*]

The Series 2026A Bonds are subject to redemption at the option of EPB on and after September 1, 2036[*], in whole or in part, at any time at par plus accrued interest to the optional redemption date.

The Series 2026B Bonds issued in the initial Term Rate Interest Period are subject to redemption at the option of EPB on and after _____[*], in whole or in part, at any time at par plus accrued interest to the optional redemption date. If any Series 2026B Bonds are redeemed, such Series 2026B Bonds shall not be subject to mandatory purchase as described below under "DESCRIPTION OF THE SERIES 2026 BONDS – Mandatory Purchase of the Series 2026B Bonds". The Series 2026B Bonds are also subject to redemption at the option of EPB, in whole or in part, on any day on which they bear interest at the Stepped Rate, at par plus accrued interest.

Mandatory Redemption[*]

The Series 2026A Bonds maturing on September 1, ____, are subject to mandatory redemption at their principal amount, without any premium, plus accrued interest thereon to such redemption date on September 1 in the years and amounts as set forth below, or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of such bonds then outstanding.

Year	Amount

[*] Preliminary, subject to change.

The Series 2026B Bonds maturing on September 1, 2051* are subject to mandatory redemption at their principal amount, without any premium, plus accrued interest thereon to such redemption date on September 1 in the years and amounts as set forth below, or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of such bonds then outstanding.

Year	Amount ($)*
2044	5,275,000
2045	5,530,000
2046	5,795,000
2047	6,070,000
2048	6,360,000
2049	6,665,000
2050	6,985,000
2051	7,320,000

Selection of Bonds for Redemption

If less than all of the Series 2026 Bonds of a series are to be redeemed, in the case of an optional redemption, the Authorized EPB Officers may select the maturity or maturities to be redeemed. If less than all of a maturity of a series of the Series 2026 Bonds is to be redeemed, whether by optional or mandatory redemption, the Series 2026 Bonds or portions thereof to be redeemed are to be selected by the Paying Agent or DTC, as applicable, by lot in accordance with their respective standard procedures.

Notice of Redemption

Except as described in this section under the subheading "– Mandatory Purchase of the Series 2026B Bonds – Failed Remarketing" with respect to the Series 2026B Bonds, notice of the redemption of the Series 2026 Bonds shall be mailed by the Paying Agent, postage prepaid, not less than twenty (20) days prior to the redemption date, to the registered Holders of any Bonds or portions of the Series 2026 Bonds to be redeemed, at their last addresses appearing upon the registration books of the Issuer, but failure to give any such notice by mail or any defect in any such notice shall not affect the validity of the proceedings for the redemption of any other Series 2026 Bonds. Any notice, which is mailed in the manner described in the preceding sentence, shall be conclusively presumed to have been duly given, whether or not the registered Holder receives such notice. An optional redemption may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Paying Agent no later than the redemption date ("Conditional Redemption"). In the case of a Conditional Redemption, the failure of EPB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Paying Agent shall give immediate notice to DTC or the affected Holders that the redemption did not occur and that the Series 2026 Bonds called for redemption and not so paid remain outstanding.

Effect of Redemption

If, on the redemption date, moneys for the redemption of all the Series 2026 Bonds of a series and maturity to be redeemed, together with accrued interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on the redemption date and if notice of redemption shall have been given as described above, the Series 2026 Bonds or portions of Series 2026 Bonds so called for redemption shall become due and payable at the applicable Redemption Price plus accrued interest; the interest on such Series 2026 Bonds or portions thereof shall cease to accrue; the Series 2026 Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Resolution; and the registered Holders of such Series 2026 Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest and to receive Series 2026 Bonds for any unredeemed portion of Series 2026 Bonds.

Mandatory Purchase of the Series 2026B Bonds

The Series 2026B Bonds are subject to mandatory purchase with Eligible Moneys (i) on the Mandatory Purchase Date at the Purchase Price, without right of retention by the Bondholders, and (ii) at the election of EPB, on any date on and after which the Series 2026B Bonds are subject to redemption at the option of EPB as described herein. If the Series 2026B Bonds are redeemed or purchased prior to the Mandatory Purchase Date, the Series 2026B Bonds will not be subject to purchase on the Mandatory Purchase Date.

After the initial Term Rate Interest Period, EPB may elect to continue the Series 2026B Bonds in a new Term Rate Interest Period, but need not designate such Term Rate Interest Period until the applicable Rate Determination Date. Authorized EPB Officers will specify the new Term Rate Interest Period in a Remarketing Determination delivered to the Remarketing Agent on or before the applicable Rate Determination Date. The Remarketing Agent,

with the consent of the Authorized EPB Officers, will determine the Term Rate for the ensuing Term Rate Interest Period. The Term Rate will be the minimum rate which, in the judgment of the Remarketing Agent and with the consent of the Authorized EPB Officers under then existing market conditions, will result in a sale of the Series 2026B Bonds at a price sufficient to satisfy the mandatory purchase of the Series 2026B Bonds.

The Series 2026B Bonds purchased pursuant to a mandatory purchase shall be deemed to have been delivered by the Holders to the Paying Agent at or before 12:00 Noon Eastern Time on the Mandatory Purchase Date or earlier purchase date, as applicable, and payment of the Purchase Price shall be made by wire transfer of immediately available Eligible Moneys by the Paying Agent by 3:00 P.M. Eastern Time on the Mandatory Purchase Date or earlier purchase date, as applicable, provided the Paying Agent is in receipt of Eligible Moneys sufficient to pay the Purchase Price.

The Paying Agent shall give notice of such mandatory purchase to the Holders of the Series 2026B Bonds not less than twenty (20) days prior to the Mandatory Purchase Date; provided, however, that notice of mandatory purchase at the election of EPB with Eligible Moneys on a date commencing with an optional redemption date and prior to the Mandatory Purchase Date shall be given to Holders not less than twenty (20) days prior to the purchase date, consistent with the notice requirements for redemptions as described herein. The notice to the Holders shall state the date that the Series 2026B Bonds are subject to mandatory purchase, the Purchase Price, and that interest on the Series 2026B Bonds shall cease to accrue from and after such purchase date, and that the Holders will not be entitled to retain their Series 2026B Bonds, provided Eligible Moneys for such purchase are on deposit with the Paying Agent on such date. Failure to provide notice to any holder will not affect the validity of the mandatory purchase as to any other Series 2026B Bonds.

Failed Remarketing

The Paying Agent will be required to effect the purchase of the Series 2026B Bonds solely from (i) moneys on deposit with the Paying Agent representing proceeds from the remarketing of the Series 2026B Bonds and, to the extent such moneys are insufficient, (ii) other funds of EPB legally available therefor, if any, that EPB elects to make in its sole discretion. Neither the Issuer nor EPB has any obligation, or any present intention, to purchase the Series 2026B Bonds, and no liquidity facility or other credit support has been or is expected to be obtained for the Series 2026B Bonds. Interest payable on a Mandatory Purchase Date will be paid by EPB and not from remarketing proceeds. Prior to the Mandatory Purchase Date, EPB will appoint a Remarketing Agent; no Remarketing Agent has been appointed as of the date hereof, and the Remarketing Agent will not be obligated to purchase the Series 2026B Bonds for its own account.

In the event of a failed remarketing wherein the conditions described herein have not been satisfied by the time of the Mandatory Purchase Date, then the new Term Rate Interest Period shall not take effect; neither the Issuer nor EPB shall have an obligation to purchase the Series 2026B Bonds; the failed remarketing shall not constitute an event of default under the Resolution or the Series 2026B Bonds; the mandatory purchase will be deemed to have been rescinded for that date with respect to the Series 2026B Bonds; and the Series 2026B Bonds shall bear interest from such date at the Stepped Rate. The Stepped Rate for the initial Term Rate Interest Period is ____%. While bearing interest at the Stepped Rate, the Series 2026B Bonds (i) will continue to be Outstanding, and (ii) are able to be remarketed at a new Term Rate, to be purchased at the Purchase Price upon the availability of Eligible Moneys on a date, as may be determined by the Authorized EPB Officers, and (iii) will be deemed to continue in the Term Rate Interest Period for all other purposes under the Resolution, including the timing of interest payments, until purchased or redeemed. Notwithstanding anything to the contrary herein, on any day when Series 2026B Bonds are bearing interest at the Stepped Rate, EPB may, at its sole discretion, redeem or purchase the Series 2026B Bonds with Eligible Moneys and with not less than one Business Day notice to Holders.

Certain Definitions

For purposes of this subsection "DESCRIPTION OF THE SERIES 2026 BONDS – Mandatory Purchase of the Series 2026B Bonds" and elsewhere where specifically referenced:

"Authorized EPB Officers" means the Chief Executive Officer and the Chief Financial Officer of EPB, or either of them.

"Eligible Moneys" means any or a combination of (i) moneys on deposit with the Paying Agent representing proceeds from the remarketing by any Remarketing Agent of Series 2026B Bonds purchased as described in the Resolution, or (ii) any other funds of EPB legally available therefor.

"Mandatory Purchase Date" means, with respect to the Series 2026B Bonds, the day after the last day of any Term Rate Interest Period (for the initial Term Rate Interest Period, September 1, 2031*).

"Maximum Rate" means the lesser of 10% or the maximum rate of interest permitted by applicable Tennessee law.

"Purchase Price" means (i) an amount equal to the principal amount of the Series 2026B Bonds, plus accrued interest, if any, to the Mandatory Purchase Date, or (ii) if EPB elects to purchase the Series 2026B Bonds on a date commencing with an optional redemption date and prior to the Mandatory Purchase Date, an amount equal to the principal amount of the Series 2026B Bonds, plus any redemption premium that would be paid if the Series 2026B Bonds were redeemed on such date, plus accrued and unpaid interest to the purchase date.

"Rate Adjustment Date" means each day on which the Series 2026B Bonds begin to bear interest at a new Term Rate, whether or not different from the rate previously in effect.

"Rate Determination Date" means (i) with respect to the initial Term Rate Interest Period on the Series 2026B Bonds, the date of the Bond Purchase Agreement and (ii) for subsequent Term Rate Interest Periods, the Business Day determined by the Authorized EPB Officers, which shall be at least one Business Day prior to a Rate Adjustment Date.

"Remarketing Agent" means any investment banking firm which shall be appointed Remarketing Agent by the Authorized EPB Officers under a Remarketing Agreement to perform the remarketing obligations under the Resolution.

"Remarketing Determination" means prior to each Term Rate Interest Period other than the initial Term Rate Interest Period, the document executed by the Authorized EPB Officers for the purpose of specifying the terms of the Series 2026B Bonds during their ensuing Term Rate Interest Period, subject to and in compliance with all applicable requirements of the Resolution.

"Stepped Rate" means the interest rate applicable to the Series 2026B Bonds commencing on the day after the then-applicable Term Rate Interest Period when there has occurred a failed remarketing of the Series 2026B Bonds, which Stepped Rate for the initial Term Rate Interest Period is _____%*.

"Term Rate" means the per annum interest rates borne by the Series 2026B Bonds during a Term Rate Interest Period.

"Term Rate Interest Period" means, with respect to the Series 2026B Bonds, the period of time during which the Series 2026B Bonds bear interest at a particular Term Rate.

SECURITY FOR THE SERIES 2026 BONDS

Pledge of Revenues

Pursuant to the Resolution, the Bonds are payable from and secured by an irrevocable lien on and irrevocable pledge of all Revenues (as defined in "Appendix C – Summary of Certain Provisions of the Resolution"), all amounts held in the funds, accounts and subaccounts established by the Resolution derived from Electric System operations, and certain other amounts described in the Resolution (collectively, the "Trust Estate"). THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, AND NO HOLDER OF THE BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE ISSUER TO EXERCISE ITS TAXING POWER TO PAY DEBT SERVICE ON THE BONDS.

For a more extensive discussion of the terms and provisions of the Resolution, the levels at which the funds and accounts established thereby are to be maintained and the purposes to which moneys in such funds and accounts may be applied, see "Appendix C – Summary of Certain Provisions of the Resolution," which includes definitions of terms that are capitalized but not defined in the following summary. A more limited summary of certain provisions of the Resolution follows.

Rate Covenant

The Resolution requires EPB to charge and collect rates, rentals, fees and charges for the use of and for the services and products provided by the Electric System as are expected to be sufficient in each Fiscal Year to produce

Revenues in an amount at least equal to 100% of the sum of (1) Costs of Operation and Maintenance for such Fiscal Year, (2) the Debt Service Requirement for such Fiscal Year, (3) amounts payable with respect to Subordinated Indebtedness and Subordinated Contract Obligations in such Fiscal Year, and (4) amounts required to maintain the Reserve Fund in accordance with the requirements of the Resolution.

Flow of Funds; Debt Service Reserve Fund

The Resolution requires EPB to deposit all Revenues of the Electric System to the EPB Electric Fund. From the Electric Fund, EPB is to make the following payments in the following order of priority:

(1) To pay Costs of Operation and Maintenance or establish reserves therefor.

(2) To deposit to a debt service sinking account within the Electric Fund amounts necessary to accrue for debt service obligations on the Bonds.

(3) During such times as the debt service Reserve Fund is required to be funded (see below), to make deposits to the Debt Service Reserve Fund established by the Resolution.

(4) To pay debt service on Subordinated Indebtedness.

(5) To be used to make any other lawful payment, including payments in lieu of taxes.

In the event that an EPB audit reflects that Revenues for the applicable fiscal year, after providing for the payment of Costs of Operation and Maintenance, are less than 150% of the debt service on the Bonds during such fiscal year, the Resolution requires EPB to fund the Reserve Fund for the benefit of the Bonds, in the amounts and in the manner described in "Appendix C -- Summary of Certain Provisions of the Resolution – Debt Service Reserve Fund". To date, EPB has not been required to fund the Reserve Fund. Any amounts on deposit in the Reserve Fund may be used solely for the purpose of curing deficiencies in the Electric Fund for the payment when due of the principal of and interest on the Bonds. If funds on deposit in the Reserve Fund or the available amount under a Reserve Product on deposit in the Reserve Fund exceed in the aggregate the Reserve Requirement, the excess cash shall be deposited into the Electric Fund. Upon the initial delivery of the Series 2026 Bonds, the Reserve Fund shall be unfunded, and the City shall only be required to fund the Reserve Fund upon the occurrence of the condition described above.

If at any time EPB is required to fund the Reserve Fund, the amount may be funded in up to twelve substantially equal consecutive monthly deposits commencing not later than the month following the receipt of audited financial statements which reflect the Revenue deficiency.

The Reserve Requirement may be funded with cash or Investment Obligations, or one or more Reserve Products, or a combination thereof, all as described in the Resolution.

Additional Obligations

Additional Obligations may be issued or Parity Debt may be incurred from time to time under the Resolution on parity in all respects with the Bonds for any lawful purpose of the City in connection with the Electric System if:

(1) the City and EPB are not in default in the performance of the terms and provisions of the Resolution; and

(2) the Net Revenues of the Electric System as shown on the then-most recent available audited financial statements of the Electric System, adjusted as described below, equal or exceed 1.1 times the maximum annual Debt Service Requirement for all Outstanding Obligations and Parity Debt and the additional Obligations proposed to be issued or Parity Debt proposed to be incurred for the first complete Bond Year during which such additional Obligations or Parity Debt shall be Outstanding.

In calculating Net Revenues of the Electric System for purposes of paragraph (2) above, the City and EPB may make adjustments to reflect (i) previously enacted rate increases, (ii) the financial impact of distribution system acquisitions to be funded with the proceeds of the additional obligations and (iii) estimated amounts received pursuant to certain long-term contracts for service.

Subordinated Indebtedness may be issued at any time without regard to the tests set forth in the preceding paragraphs.

For a more extensive discussion of the terms and provisions of the Resolution related to the sources of payment of and security for the Series 2026 Bonds, see "Appendix C – Summary of Certain Provisions of the Resolution" attached hereto.

Payments in Lieu of Taxes

EPB is required to make payments in lieu of taxes to the City, Hamilton County and to other jurisdictions in which it has property and customers. The State of Tennessee has a specific formula for the calculation of in lieu of taxes for municipal electric systems, based generally on a percentage of electric plant value and a percentage of net operating revenue. Under Tennessee law, payments in lieu of taxes are required annually, but only from funds available after the payment of operating expenses and debt service. See the line item entitled "Property Tax Equivalents" in "FINANCIAL INFORMATION – Statement of Revenues, Expenses & Changes in Net Position" for the amount of payments in lieu of taxes made by the Electric System for the 2022 – 2026 fiscal years.

Future Capital Requirements and Indebtedness

EPB's current five-year capital improvement program contemplates approximately $430.0 million in aggregate capital expenditures through fiscal year 2031. EPB expects to fund these expenditures from Electric System funds and the issuance of Electric System indebtedness, including proceeds from the Series 2026 Bonds, though no Electric System indebtedness other than the Series 2026 Bonds has been authorized for such purposes and no such indebtedness may be incurred without authorization from the City and EPB.

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Electric System Indebtedness

In addition to the Series 2026 Bonds, the City has issued the Outstanding Parity Bonds on behalf of EPB, consisting of the Electric System Revenue Bonds, Series 2021, Electric System Revenue Bonds, Series 2023 and Electric System Refunding Revenue Bonds, Series 2025, which are payable from and secured by a senior lien on Revenues. The Electric System also maintains on a year-to-year basis a line of credit to finance the purchase of electric power. In 2026, EPB increased the maximum principal amount available under the line of credit facility from $50 million to $75 million. The line of credit is secured by pledge of Net Revenues subordinate to the pledge in favor of the Outstanding Parity Bonds and Series 2026 Bonds. As of the date hereof, there is no balance on this line of credit. Other than the Outstanding Parity Bonds, Series 2026 Bonds, and line of credit described above, there is no other debt secured by a lien on the Net Revenues of the Electric System. The following table sets forth the Electric System's senior lien bond debt service requirements during each fiscal year. EPB is not currently party to any financial derivative products or agreements.

	Outstanding Parity Bonds			Series 2026A Bonds			Series 2026B Bonds			Total Senior Lien Debt Service		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2027[1]	$14,530,000	$14,279,300	$28,809,300									
2028	15,260,000	13,534,550	28,794,550									
2029	15,870,000	12,756,300	28,626,300									
2030	16,750,000	11,940,800	28,690,800									
2031	17,590,000	11,082,300	28,672,300									
2032	18,390,000	10,182,800	28,572,800									
2033	19,305,000	9,240,425	28,545,425									
2034	20,375,000	8,248,425	28,623,425									
2035	17,655,000	7,336,825	24,991,825									
2036	18,480,000	6,513,375	24,993,375									
2037	19,255,000	5,736,775	24,991,775									
2038	19,985,000	5,010,400	24,995,400									
2039	20,745,000	4,252,025	24,997,025									
2040	21,530,000	3,460,275	24,990,275									
2041	22,355,000	2,633,675	24,988,675									
2042	23,910,000	1,783,725	25,693,725									
2043	13,220,000	1,025,500	14,245,500									
2044	13,900,000	347,500	14,247,500									
2045												
Total	**$329,105,000**	**$129,364,975**	**$458,469,975**									

[1] Fiscal year 2027 debt service shows a full year of debt service, regardless of payments that have already been made for such fiscal year as of the date hereof. As of the date of this Official Statement, all fiscal year 2027 principal payments have been made to Bondholders. As a result, the currently outstanding principal balance is less than the total of the principal payments shown in this table. The current principal balance for parity obligations is $314,575,000.

THE ELECTRIC POWER BOARD

History and Organizational Structure

EPB was created by the Enabling Act and signed into law by Tennessee Governor Hill McAlister on April 17, 1935, as an amendment to the Charter of the City of Chattanooga, Tennessee (the "City Charter"). On August 15, 1939, EPB, which had begun building its own electric system in the City, bought the Chattanooga-area facilities of the Tennessee Electric Power Company. In 1972, the City adopted the home rule form of municipal government by approval of a majority vote of the voters at a referendum. The provisions of the original Enabling Act, as periodically amended by act of the Tennessee General Assembly from 1935 until 1972, as a part of the City Charter, continued in effect as a part of the City Charter under its home rule charter. As a home rule city, the City may adopt its own ordinances and resolutions as long as such ordinances and resolutions are not inconsistent with the laws of the State of Tennessee or the scope and extent of the authority extended to municipalities by the General Laws of the State of Tennessee.

Pursuant to the provisions of the 1935 Enabling Act, as amended by subsequent Private Acts of the Tennessee General Assembly and by the referendum of the voters in 1972, the exclusive management and control of EPB, including budgeting and rate-setting authority, is vested within a five-member governing board (the "Board"), on which members serve for terms of five years each and until the respective Board member's successors are elected and qualified. Under the City Charter, Board appointments originate within the office of the Mayor and are subject to confirmation by the City Council. The Board, so appointed, is empowered by the City Charter to elect its own Board Chairman on a periodic basis. The City Council has no budgeting or rate-setting authority with respect to the Electric System.

The City Charter also designates the positions of EPB General Counsel and Secretary to the Board, to be appointed by the Board. The Board is authorized to delegate the management of its operations to a general manager, which the Board has done by specifying that such delegation shall be made to a Chief Executive Officer. The practice of the Board has been to designate a member of EPB management to serve as Secretary, typically the Chief Financial Officer or a person holding a similar position.

In 2023, the Board approved the formation of the Energy and Communications business unit (the "EC Unit") and the Strategic Initiatives business unit (the "SI Unit") to address the dynamic challenges in the energy and communications industries and to develop opportunities for growth and innovation. The EC Unit consists of the Electric System and Fiber Optic System. The SI Unit is focused on development and implementation of innovative technologies as well as non-traditional business opportunities for the benefit of EPB customers.

Management Team

The following are the members of the Board of Directors of EPB:

Vicky Gregg, Chair – Partner, Guidon Partners; Retired President and Chief Executive Officer, BlueCross BlueShield of Tennessee

Mina Sartipi, PhD, Vice Chair – Executive Director, University of Tennessee at Chattanooga ("UTC") Research Institute; Guerry Professor of Computer Science and Engineering at UTC; Interim Vice Chancellor for Research at UTC; and Founding Director of UTC's Center for Urban Informatics and Progress

James D. Brown, II – Senior Vice President and Financial Advisor, Pinnacle Financial Partners

John Foy – Chief Executive Officer and Owner, Noon Management, LLC; Retired Vice Chairman and Chief Financial Officer, CBL & Associates Properties, Inc.

Jon Kinsey – President, KPH; Former Chattanooga Mayor

The following are brief biographies of the Chief Executive Officer, Chief Financial Officer, President of the EC Unit and President of the SI Unit:

Janet Rehberg, Chief Executive Officer

In 2026, Janet Rehberg was named the Chief Executive Officer of EPB. Previously, she served as President of the SI Unit, leading efforts to operationalize innovation through the deployment of next-generation energy and

fiber-optic technologies. Prior to joining EPB, Janet served as Interim CEO, Chief Strategy Officer and Vice President of Engineering for Tri-County Electric Cooperative in Aledo, Texas.

Janet earned a Bachelor of Science in Electrical Engineering from the University of Tulsa and a Master of Business Administration from Capital University. She serves on the board of the Hunter Museum of American Art and has contributed to numerous nonprofit, community and professional organizations.

Mike Kaiser, Chief Financial Officer

In 2026, Mike Kaiser was named the Chief Financial Officer of EPB. Mike joined EPB in 2005 and has served in progressively senior finance roles, helping guide the organization's long-term financial strength and strategic growth. He is a Tennessee-licensed Certified Public Accountant and earned a Bachelor of Science in Business Administration with a major in Accounting and a Master of Business Administration from Tennessee Technological University.

He serves on the Accounting Advisory Board at the University of Tennessee at Chattanooga and is a member of the Scholarship Committee of the Boys & Girls Clubs of Chattanooga.

Ryan Keel, President, Energy and Communications Business Unit

In 2023, Ryan Keel was named President of the EC Unit with day-to-day responsibility for EPB's Electric and Fiber Optic systems. Since Ryan joined EPB in 1997, he has held positions in engineering, operations, and leadership, playing a critical role in the initial design and build out of EPB's advanced grid.

Ryan holds a Bachelor of Science degree in Electrical Engineering from Tennessee Tech University and an MBA from UTC. He serves on the Chattanooga Area Chamber Foundation Board and the Thrive Regional Partnership Board.

Robert Long, President, Strategic Initiatives Business Unit

Robert Long joined EPB as President of the SI Unit in 2026. He leads EPB's efforts to identify, develop, and advance forward-looking initiatives that leverage EPB's advanced energy, connectivity, and quantum infrastructure. Prior to joining EPB, Robert spent more than three decades serving in executive-level roles across multiple industries, including energy, advanced manufacturing, consumer healthcare, and emerging technologies.

He is a Tennessee licensed Certified Public Accountant (inactive) and earned a Bachelor of Science in Finance with a minor in Economics from the University of Tennessee at Chattanooga. He has served on the board of United Way of Greater Chattanooga and the Chattanooga Area Chamber of Commerce.

THE ELECTRIC SYSTEM

EPB provides electric service to over 205,000 customers in an approximate 600-square-mile area composed of the City, most of Hamilton County, and small parts of Bledsoe, Bradley, Marion, Rhea, and Sequatchie Counties in Tennessee, as well as portions of the adjacent Catoosa, Dade, and Walker Counties in North Georgia. EPB is the primary distributor of electric power within the boundaries of the Issuer. The major portions of the counties adjacent to Hamilton County listed above are served by cooperative utilities.

Source of Electric Power

With the exception of 1.3 megawatts (MW) of solar generation facilities and as hereinafter provided under the subheading "Power from Expanded Flexibility Agreement with TVA," EPB presently does not own any electric power or generation facilities. With the foregoing exception, the Electric System is exclusively an electric transmission and distribution system that purchases all of its electrical power and energy requirements from TVA for distribution to EPB's customers.

EPB has a long-term wholesale power contract with TVA (the "Power Contract"). Under the terms of the Power Contract, TVA is to provide to EPB and EPB is to take and distribute to its customers the electric power required for service to EPB's customers. The Power Contract previously carried a term of ten years. Effective January 24, 2020, a Long-Term Partnership Agreement with TVA (the "Long-Term Partnership Agreement") extended the termination notice period to 20 years, provided, however, that if certain provisions regarding wholesale rate stability are not met by TVA, the termination notice period could revert back to ten years. Additionally, the termination notice period could be reduced to five years in the event of certain significant TVA defaults (such as an improper assignment by TVA of the Long-Term Partnership Agreement). In exchange for agreeing to the extended termination notice period, TVA provided EPB a partnership credit of 3.1% on certain wholesale base rates and, as further described below, agreed to allow EPB to develop or obtain up to 5% of EPB's annual energy requirements from distribution-

level renewable and other resources. In the fiscal year ending June 30, 2026, EPB paid TVA approximately $521,104,000. The cost of the purchased power was approximately 77% of EPB's total electric sales for the period.

TVA generates much of the electrical power and energy distributed to its distributors, including EPB, but also purchases some of its electrical power and energy from third parties. TVA transmits electrical power and energy over its transmission system and sells such power and energy at wholesale rates to its distributors, of which EPB is one. TVA also directly serves a limited number of large customers and federal installations.

EPB receives its power from TVA at 15 delivery points: Chickamauga Dam, Moccasin Bend, Oglethorpe, Concord, Ridgedale, Falling Water, Hamilton Place, Hawthorne, Cummings, West Ooltewah, North Hixson, Volkswagen, Apison, Haletown and Aetna Mountain. The maximum capacity for these 15 delivery points is 2,987 Megavolt-Amperes (MVA). EPB's highest system demand, which occurred in January 2026, was 1,359 megawatts (MW). Because EPB currently maintains a system power factor of approximately 100%, 1,359 MW of power demand requires an equivalent 1,359 MVA of capacity. Accordingly, the installed capacity at the delivery points is approximately 2.2 times EPB's peak load, providing a substantial margin over its highest system demand.

The Power Contract provides that TVA shall make every reasonable effort to increase the generating capacity of its system and to provide the transmission facilities required to deliver output thereof so as to be in a position to supply additional power when and to the extent needed by EPB. TVA approves rules and regulations in effect between EPB and its customers, and those rules and regulations form a part of the Power Contract in effect between EPB and TVA. Under EPB's rules and regulations, EPB agrees to use reasonable diligence to provide a regular and uninterrupted supply of electricity to its customers. The rules and regulations provide that EPB shall not be liable for any loss, injury, property damage from failure to supply electricity, interruption, delay in restoration, mechanical failure, single-phasing, voltage irregularities, fire, labor difficulties, riots, explosion, breakdown, external forces, flood, acts of God, or the public enemy. The amount of power supplied by TVA and the contractual obligation to supply such power are limited by the capacity of TVA's generating and transmission facilities and the availability of power purchased from other generating facilities.

The Power Contract provides that EPB may sell power to all customers in its service area, except certain federal installations and large customers, which TVA may serve directly.

The Power Contract (which, together with related terms and conditions, rules and regulations, supplements and related agreements, may be referred to herein as the "Basic Power Agreements") contains provisions that establish the wholesale rates, resale rates and terms and conditions under which power is to be purchased from TVA and distributed to the customers of EPB. Under these contracts, TVA, on a quarterly basis, may determine and make adjustments in the wholesale rate schedule with corresponding adjustments in resale rate schedules necessary to enable TVA to meet all requirements of the Tennessee Valley Authority Act of 1933, as amended, (the "TVA Act") and the tests and provisions of TVA's bond resolutions. The Basic Power Agreements provide for agreement between the parties on general or major changes in both the wholesale and resale rate schedules. If, however, an agreement is not reached, the contracts permit TVA to make changes in these schedules to carry out the objectives of the TVA Act, to meet financial requirements and tests and to comply with the provisions of TVA's bond resolutions. Since 2006, TVA's rate-setting procedures have included a fuel cost adjustment (or "FCA") to make adjustments to TVA's wholesale rates based upon changing fuel and purchased power costs. TVA's FCAs were initially made on a quarterly basis. In 2009, TVA changed the frequency of its FCAs from quarterly to monthly.

The cost and availability of power to EPB may be affected by, among other things, factors relating to TVA's nuclear program, fuel supply, environmental considerations such as stricter emissions standards and future legislation regulating the use of fossil fuel, changes in TVA's wholesale rate design, the construction and financing of future generating and transmission facilities, weather conditions and other factors relating to TVA's ability to supply the power demands of its customers including EPB. EPB cannot determine with any precision EPB's future cost of wholesale power purchased from TVA, and EPB's wholesale power costs could be impacted by any combination of the above or other factors.

More information concerning TVA and its financial condition, including some of those factors discussed above, is available in TVA's Form 10-K Annual Report filing with the Securities and Exchange Commission for the period ending September 30, 2025. Interim financial information can be found in TVA's Quarterly Reports filed on Form 10-Q. Additional information may be found from time to time on TVA's Current Reports filed on Form 8-K. You may read and copy any of these documents at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. In addition, TVA's SEC filings are available to the public from the SEC's website at www.sec.gov and from TVA's website at www.tva.gov. Any information contained in these reports and/or on TVA's website, whether referenced in this section or elsewhere in this Official Statement, shall not be deemed to be incorporated into, or to be a part of, this Official Statement.

Power from Expanded Flexibility Agreement with TVA and Strategic Initiatives

In August 2023, TVA released its expanded flexibility agreement (the "Expanded Flexibility Agreement") and related guidelines and power purchase agreements. The Expanded Flexibility Agreement allows local power companies ("LPCs") to purchase or generate electricity from energy resources other than TVA, in an amount up to 5% of each LPC's average hourly capacity usage based on fiscal years 2015 through 2019. For EPB, the 5% equates to 34.1 MW or 85.2 MW of solar based on TVA's solar technology factors. The Expanded Flexibility Agreement permits EPB to participate in projects that may be located anywhere in TVA's service area, including projects that are directly connected to TVA's transmission system.

Pursuant to this Expanded Flexibility Agreement, EPB has entered into a power purchase agreement for the purchase and sale of fifty percent (50%) of the output of a 66 MW solar project that will be directly connected to TVA's transmission system. The facility is expected to be in commercial operation by the end of 2028. EPB continues to evaluate options to further develop or obtain power from alternative resources as allowed by the Expanded Flexibility Agreement.

In addition to projects implemented as part of the Expanded Flexibility Agreement, and in connection with its SI Unit, EPB has continued to develop and implement technologies in the effort to improve customer value and experience. For example, EPB has continued its investment in battery energy storage systems as a way to store excess energy purchased from TVA or generated from renewable resources, such as solar, and distribute such excess energy during times of high demand. The batteries are generally installed "in front of the meter" so they can be used to shave peak load during extremely hot or cold weather, reducing TVA's peak demand charge to EPB and keeping energy costs lower for residential and business customers. Energy storage projects also allow EPB to restore power more easily in the event of outages. EPB currently has 56 MW of energy storage capacity in service and an additional 43 MW in progress. EPB plans to reach a total of about 150 MW of total distributed energy resource capacity on the Electric System. Because utilizing energy storage reduces peak demand charges, EPB's investment in energy storage is expected to pay for itself within the short term and to provide value well beyond the cost of purchase and installation. The SI Unit is tasked with continuing to develop and innovate additional ways to improve EPB's performance for and value to its customers.

Retail Electric Rates

The Basic Power Agreements establish the retail rates that EPB and other distributors charge the ultimate power consumers. These rates are revised from time to time to reflect changes in costs, including changes in the wholesale cost of power. The rates of TVA for the sale of electric power in the TVA region and its contracts with distributors, including EPB, are structured with the intent to achieve the TVA Act's objective of the distributors of TVA power, including EPB, to operate the respective distribution systems on a nonprofit basis and to provide a wide and ample supply of power at the lowest feasible rates. While the wholesale rates are uniformly applicable to all distributors of TVA power under the present power contracts with distributors such as EPB, the retail rates will vary among distributors of TVA power depending upon the respective distributor's retail customer distribution costs. EPB's retail rates are established by the Board, which has exclusive budgeting and rate setting authority under applicable state and local laws. The City Council has no power to establish, review or approve the Electric System rates established by the Board.

The Power Contract provides that EPB will use its gross revenues from its electric operations to pay for, in the following order, (1) current operating expenses; (2) current payment of interest and debt due, including sinking fund payments, when due; (3) reasonable reserves for renewals, replacements, contingencies, and working capital; and (4) payments in lieu of taxes. Any revenues remaining over and above the preceding requirements are considered to be surplus, under the terms of the Power Contract, and may be used for Electric System construction or retirement of Electric System indebtedness before maturity. Within certain parameters of discretion concerning various factors affecting the earnings of EPB and its future financial needs, rates and charges are to be reduced to practicable levels.

EPB's retail rates are subject to TVA's review and approval under the provisions, terms and conditions of the Power Contract. The Power Contract provides for revisions to the rates that may be charged by EPB when necessary to permit EPB to operate on a self-supporting and financially sound basis. EPB is not aware of any pending legislation that would propose to make its retail electric rates subject to regulation by any third party or agency other than TVA. The Power Contract further provides that if the retail rates set forth therein do not provide sufficient revenues for the operation and maintenance of EPB's Electric System on a self-supporting, financially sound basis, including debt service, TVA and EPB shall agree to changes in retail rates to provide increased revenues. Similarly, if the rates and charges produce excess revenues, the Power Contract provides that the parties will agree to appropriate reductions. Since the date of the Power Contract, the wholesale and retail rates have been adjusted from time to time.

TVA has adjusted its wholesale base power rates on five occasions since 2015, as described in the chart below. The chart below also depicts the resulting net retail rate adjustment to EPB customers. In addition, EPB's

retail rates are structured such that TVA's FCA is a pass-through to the Electric System's customers and does not directly affect the Electric System's operating income.

TVA Rate Adjustments Since 2015

Month	TVA Wholesale Rate Adjustment	Resulting Net EPB Retail Rate Adjustment
October 2016	2.40%	1.90%
October 2017	2.40%	1.90%
October 2018	2.40%	1.90%
October 2023	4.50%	3.40%
October 2024	5.25%	3.80%

See also "THE ELECTRIC SYSTEM – Source of Electric Power" for a discussion of a 3.1% wholesale rate credit provided by TVA as part of the Long-Term Partnership Agreement.

Effective April 2011, TVA implemented a seasonal Time-of-Use (TOU) wholesale rate structure. With the TOU rate structure, TVA provides distributors with a monthly wholesale power cost invoice, calculated by applying the respective rates detailed below to usage measured at TVA's wholesale metering points. All usage measured from the separate wholesale metering points are combined by TVA and billed as a single wholesale meter. Qualifying industrial and commercial customer loads are removed from the total wholesale system load being billed on the TOU rate structure. The qualifying industrial and commercial customer loads are billed separately under an End-Use rate structure.

In addition to seasonal TOU energy (kilowatt-hour), demand (kilowatt), and FCA charges, TVA added a fixed cost recovery component to the wholesale rate structure effective October 2018. Designed to be revenue neutral, TVA reduced wholesale energy rates by $0.005 while implementing an offsetting flat, monthly Grid Access Charge ("GAC"). The GAC is based on the average of EPB's annual energy (kilowatt) load during TVA's previous five fiscal years and is recalculated annually.

Over the last several years, TVA and distributors have worked collaboratively to develop a Strategic Pricing Plan ("SPP") that focuses on TVA's long-term pricing strategy. The SPP serves as a guide for the long-term direction of TVA's wholesale rates and provides distributors the knowledge needed to make future business decisions and evaluate technology investments. As part of the SPP, effective October 2015, TVA changed the wholesale rate structure to send improved pricing signals that are more reflective of TVA's embedded (fixed) and marginal (variable) costs. Additionally, the wholesale rate structure provides more dynamic pricing and encourages technology investment through pricing and assistance with interval metering and data management. See TVA's website at www.tva.gov for additional information on TVA's continued strategic plans, including its final 2026 Integrated Resource Plan (the "IRP"), a comprehensive study evaluating future power needs, available resources, and the potential cost, environmental and operating impacts of available options. The final IRP is intended to serve as TVA's guide for power generation decisions as well as for long-term operational and financial planning.

In the last five years (and other than pass-throughs of TVA rate increases), EPB has adjusted its retail electric rates once. In October 2023, EPB made adjustments to its customer and usage charges for residential and certain classes of commercial customers, resulting in an effective rate increase of 4.0% on those customers. EPB estimates that this rate adjustment generated approximately $20.3 million in additional annual revenues. The rate adjustment was made to provide additional funds for Electric System operating expenses and capital needs.

Large Load Data Center Customers

Effective October 1, 2026, TVA implemented a new wholesale rate classification for data center customers, removing such customers from the manufacturing service rate classification under which they had been billed since December 2008. TVA has estimated that the new classification will result in an average increase of approximately 10% in the amounts billed to data center customers, phased in over three consecutive fiscal years. In connection with the new classification, TVA also adopted a Capacity Commitment Charge applicable to new or expanding data center load in excess of 5 MW, which is intended to recover the incremental generation and transmission capacity costs attributable to such load rather than recovering such costs through base rates. The same TVA action (i) modified contract demand requirements so that customers are billed under rate classifications corresponding to their actual usage, (ii) provided a contract option for existing manufacturing customers with loads greater than 5 MW to maintain

their existing rate structure for a period of time (which is only available to EPB customers to the extent EPB agrees in the future to participate) and (iii) updated TVA Board policy governing the approval of new power requirements in excess of 100 MW. TVA has stated that the new data center rate classification and Capacity Commitment Charge are intended to protect residential and manufacturing customers from subsidizing costs associated with the growth of data center load in the TVA service area, consistent with the Ratepayer Protection Pledge that TVA executed on July 23, 2026.

In response to increasing inquiries from data centers seeking electric service within EPB's service territory, EPB has adopted a corresponding retail rate classification for data center customers, which is included in the Electric System rate schedule attached hereto as Appendix F. The Board has also authorized adopting policies applicable to new or expanding data center customers with electric demand of 1 MW or greater that are intended to ensure that the costs associated with serving such customers are borne by those customers and not subsidized by EPB's existing customers. Under these policies, qualifying customers are responsible for direct facilities and service-related costs, including a Distribution Capacity Charge. EPB is unable to predict the number of data center customers that may seek service from the Electric System under this classification, the amount of Revenues that may be derived from any such service, the amount of capital investment that may be required of EPB in connection with serving any such load or the nature or effect of any future TVA rate actions or TVA Board policies relating to data centers or other large loads. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY — TVA and General Industry Risk Factors" and "BONDHOLDERS' RISKS – Future Legislation and Governmental Directives and Priorities".

Attached hereto as Appendix F are EPB's retail electric rates effective October 1, 2026.

Transmission Lines and Substations

EPB's Electric System is connected to the TVA system at 15 delivery points with a total infeed capacity of 2,987 MVA. This capacity consists of six 161 kilovolt to 46 kilovolt substations, one 161 kilovolt to 46 kilovolt to 12 kilovolt substation, seven 161 kilovolt to 12 kilovolt substations, and one substation at which EPB purchases power from TVA at 12 kilovolts.

EPB's 305-mile, 46-kilovolt sub-transmission system feeds 90 distribution substations, 55 of which are 12-kilovolt distribution substations, 29 of which are 4-kilovolt distribution substations and six of which have both 12-kilovolt and 4-kilovolt distribution. Distribution substation capacity is 2,744 MVA. Maximum demand for winter 2025-2026 was 1,359 MW, and maximum demand for summer 2026 was 1,210 MW.

The 46-kilovolt system consists of both loop and radial and provides alternate feeds to all substations. The entire 46-kilovolt system has full remote monitoring and control as well as automatic restoration capabilities. The capacity is reviewed annually to be able to supply peak loads with at least one contingency (line or infeed station) outage.

Distribution System

This system is made up of approximately 2,856 circuit miles of overhead 4,000- and 12,000-volt distribution lines, 1,122 miles of underground conduit carrying 4,160- and 12,470-volt distribution lines, and 100 substations (including the 90 substations referenced above fed by EPB's 46-kilovolt sub-transmission system). Approximately 278 distribution circuits operating at 12,470 volts and 4,160 volts originate at the distribution substation busses and are routed throughout Hamilton County and into eight surrounding counties to feed approximately 205,000 customers of EPB.

The concentrated downtown Chattanooga area is served by an underground network system. Across the system, EPB's standard for new construction is underground distribution lines. The change from overhead to underground has involved advanced engineering technology and new types of material as well as new equipment and trained personnel. EPB adds approximately 40 miles of distribution lines each year.

Advanced Grid Infrastructure

EPB has constructed and installed a fiber-based communications infrastructure ("Advanced Grid Infrastructure") throughout the Electric System service area. That communications infrastructure is the foundation for many applications that have enhanced the quality and efficiency of the Electric System's service in the following areas:

Reliability: Advanced Grid Infrastructure automation has resulted in a greater than 50% improvement in annual customer outage minutes. The automation infrastructure, in conjunction with EPB's installation of energy storage, has created "microgrids" that allow EPB to provide power to customers in times where the grid has been

damaged. Customers' electric service is restored by powering from the energy storage device while EPB crews make repairs to the grid.

Cost Savings: Advanced Grid Infrastructure reduces the Electric System's operating expenses by, among other things, (i) allowing the Electric System to read electric meters remotely, (ii) allowing the Electric System to remotely connect and disconnect meters, (iii) enabling the Electric System to reduce power theft and other thefts involving Electric System assets, such as copper theft, and (iv) enabling the Electric System to implement demand side management programs, utilize time of use rates and better manage its peak load.

Environmental Benefits: Because of EPB's meter reading, remote connect and disconnect, automated switching, and enhanced power demand management and power factor improvements, approximately 37 million pounds of CO2e emissions have been avoided since Fiscal Year 2015.

Other Benefits: Advanced Grid Infrastructure (i) enables the Electric System to more efficiently utilize capital expenditures by improved sizing of substations, line conductors, and distribution transformers; and (ii) enhances customer service by providing real time consumption reports to both customers and customer service representatives.

Engineering, Construction and Maintenance

Most transmission, substation and distribution engineering projects are performed by EPB personnel. Engineering departments prepare plans that will provide service to new customers, maintain adequate service to existing customers and prepare long-range plans to accommodate electric loads for customers of the future.

Both EPB employees and contract employees perform construction and maintenance work. EPB employees are well equipped and trained to perform any required work. EPB has shops, laboratory equipment, test apparatus and instruments. Two-way radio systems and cellular units provide communications with mobile field units.

Environmental Compliance

EPB is subject to federal, state and local laws and regulations pertaining to the environment. EPB has installed hazardous waste communications procedures under the right-to know law and has initiated guidelines for the use, handling and storage of polychlorinated biphenyls ("PCBs"). EPB has in place spill prevention and clean-up programs.

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FINANCIAL INFORMATION

The following selected financial data of the Electric System for the fiscal years 2022 – 2026 has been summarized or derived from EPB's audited financial statements. The audited financial statements for fiscal years 2026 and 2025 can be found in "APPENDIX A – Audited Financial Statements for the Years Ended June 30, 2026 and 2025". This data should be read in conjunction with the financial statements and notes thereto.

Statement of Net Position

(in thousands)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Assets					
Utility Plant (net)	$626,291	$649,320	$682,557	$721,584	$763,107
Current Assets	227,465	212,141	308,737	285,052	230,645
Other Non-Current Assets	49,034	12,649	11,113	13,850	19,815
Total Deferred Outflows of Resources	30,607	37,812	50,788	37,630	52,576
Total Assets	$933,397	$911,922	$1,053,195	$ 1,058,116	$ 1,066,143
Liabilities and Net Position					
Retained Earnings	$355,052	$356,432	$365,313	$382,759	$384,741
Current Liabilities	153,165	143,166	157,159	166,401	172,935
Other Non-Current Liabilities	380,857	376,389	504,026	472,568	473,981
Total Deferred Inflows of Resources	44,323	35,935	26,697	36,388	34,486
Total Liabilities and Net Position	$933,397	$911,922	$1,053,195	$1,058,116	$1,066,143

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Statement of Revenues, Expenses & Changes in Net Position

(in thousands)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Electric Sales (net of bad debt)	$580,606	$609,294	$613,301	$659,990	$674,380
Purchased Power	(439,497)	(479,747)	(464,806)	(504,098)	(521,104)
Margin	141,109	129,547	148,495	155,892	153,276
Other Electric Revenue, net	55,287	38,127	36,389	39,438	39,381
Other Interest Income	412	2,575	6,245	6,822	3,637
Total Other Revenues	55,699	40,702	42,634	46,260	43,018
Operating Expenses	(78,242)	(92,207)	(105,956)	(109,691)	(118,157)
Property Tax Equivalents	(19,608)	(20,064)	(16,792)	(17,479)	(18,848)
Depreciation, including autos	(44,994)	(47,604)	(47,997)	(45,238)	(46,460)
Interest Expense on Long-Term Debt	(10,108)	(9,485)	(12,017)	(13,027)	(11,955)
Capitalized Interest Expense	347	491	514	729	1,108
Total Expenses	152,605	168,869	182,248	184,706	194,312
Change in Net Position	$44,203	$1,380	$8,881	$17,446	$1,982

Note: Certain reclassifications of prior reported amounts have been made to conform to the current year presentation.

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Coverage Analysis

The following table details the actual five-year history of debt service coverage (in thousands).

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues					
Electric Revenue	$ 617,156	$ 647,268	$ 649,737	$ 700,119	$ 713,909
Interest Income	412	2,575	6,245	6,822	3,637
FEMA Grant	18,577	-	-	-	-
Other	160	153	(47)	(691)	(148)
Total Revenue	636,305	649,996	655,935	706,250	717,398
Expenses					
Purchased Power	439,497	479,747	464,806	504,098	521,104
Operating Expenses [(1)]	78,242	92,207	105,956	109,691	118,157
Total Operating Expenses	517,739	571,954	570,762	613,789	639,261
Funds Available for Debt Service	$ 118,566	$ 78,042	$ 85,173	$ 92,461	$ 78,137
Debt Service					
Interest Paid on Long-Term Debt	$ 10,792	$ 10,768	$ 11,260	$15,081	$13,099
Retirement of Principal	12,440	13,015	13,625	14,285	14,955
Total Debt Service	$ 23,232	$ 23,783	$ 24,885	$29,366	$28,054
Coverage	5.10x	3.28x	3.42x	3.15x	2.79x[(2)]

[(1)] Excludes depreciation and tax equivalents.

[(2)] Net Revenues of the Electric System for the 2026 fiscal year will equal ___x the maximum annual debt service requirement on the Outstanding Parity Bonds and the Series 2026 Bonds for the first complete bond year during which the Series 2026 Bonds are outstanding.

Source: EPB.

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Customer Analysis

The following table provides historical information concerning EPB's customer mix, annual margins and peak load for fiscal years 2022 - 2026:

	2022	2023	2024	2025	2026
Customers (thousands)					
Residential	167.5	170.9	173.5	177.3	179.9
Small Commercial	22.8	21.8	21.9	21.9	22.0
Large Commercial	3.0	3.1	3.1	3.2	3.1
Outdoor Lighting	0.1	0.1	0.1	0.1	0.1
Total	193.4	195.9	198.6	202.5	205.2
Consumption (thousand MWh)					
Residential	2,259	2,208	2,262	2,376	2,341
Small Commercial	413	403	412	415	413
Large Commercial	2,914	2,888	2,951	2,995	2,977
Outdoor Lighting	44	43	42	41	40
Total	5,630	5,542	5,666	5,827	5,770
Revenues (millions)					
Residential	$ 258	$ 275	$ 273	$ 302	$ 306
Small Commercial	53	56	56	59	60
Large Commercial	253	280	269	290	299
Outdoor Lighting	7	7	7	7	7
Total	571	619	605	658	672
Margin (millions)	$ 141.1	$ 129.5	$ 148.5	$ 155.9	$ 153.3
Margin Percentage	24.3%	21.3%	24.2%	23.6%	22.7%
Peak Load (MW)	1,178	1,214	1,318	1,332	1,359

Note*:* Numbers may not total due to rounding.

Margin is the excess of revenues over purchased power costs. The large commercial customers account for nearly half of the revenues but only one-fifth of the margin. The following table shows the composition of number of customers, consumption, revenues and margin by customer class for fiscal year 2026:

	Data from Fiscal Year 2026			
	Customers	**KWH Consumed**	**Revenues**	**Margin**
Residential	87.7%	40.6%	45.5%	62.4%
Small Commercial	10.7%	7.2%	8.9%	15.0%
Large Commercial	1.5%	51.6%	44.5%	20.1%
Outdoor Lighting	0.1%	0.7%	1.1%	2.5%
	100.0%	100.0%	100.0%	100.0%

Note: Revenues and consumption are based on billed usage (*i.e.*, excludes unbilled revenue). Margin includes unbilled revenues and unbilled purchased power expense. Numbers may not total due to rounding.

Source: EPB.

The following table lists EPB's top ten customers during fiscal year 2026, by revenue and margin.

Name	Industry	Years as EPB Customer	kWh Used	Revenue ($)	% of Total Revenue	Estimated % of Margin
Volkswagen Group of America	Vehicle Manufacturing	16	126,952,040	9,050,366	1.34%	0.79%
Hamilton County Department of Education	School System	90	61,450,391	8,764,763	1.30%	1.07%
City of Chattanooga	Municipal Government	90	72,283,844	7,837,235	1.16%	0.50%
McKee Foods	Food Industry (Little Debbie)	81	102,333,513	7,033,339	1.04%	0.51%
Erlanger Health System	Healthcare	84	75,820,530	6,829,125	1.01%	0.44%
Mueller Co.	Manufacturing (Water & Gas Infrastructure)	62	59,358,878	6,491,515	0.96%	0.47%
Signal Mtn. Cement	Construction	80	97,916,562	5,475,603	0.81%	0.40%
Kordsa Inc	Polymers, resins, etc.	78	76,822,990	4,920,246	0.73%	0.37%
University of Tennessee at Chattanooga	University	79	45,898,225	4,451,688	0.66%	0.28%
Memorial Hospital	Healthcare	74	46,835,203	4,133,588	0.61%	0.26%
		Largest Customers		**$64,987,468**	**9.64%**	**5.09%**
		All Others		$609,392,826	90.36%	94.91%
		TOTAL		$674,380,294	100.00%	100.00%

Note: Customers prior to EPB's acquisition of the Electric System in 1939 were customers of Tennessee Electric Power Company.
Source: EPB.

The following table outlines large governmental customers/agencies and the associated revenues for fiscal year 2026.

Customer	Revenue ($)
Hamilton County Department of Education	8,764,763
City of Chattanooga	7,837,235
Erlanger Medical Center	6,829,125
University of Tennessee - Chattanooga	4,451,688
Chattanooga Housing Authority	2,516,488
Tennessee Valley Authority	2,260,801
Hamilton County Government	1,954,123
	34,614,224

Source: EPB.

ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION

Employee Relations, Benefit Plans and Health Care

As of June 30, 2026, EPB had 751 full-time employees (525 Electric System and 226 Fiber Optic System), compared to 730 full-time employees as of June 30, 2025 (500 Electric System and 230 Fiber Optic System). Approximately one-fourth of EPB's electric employees are represented by an agreement between EPB and EPB Employees Group of Local Union 175 of the International Brotherhood of Electrical Workers. EPB's Board has exclusive authority for the management, control and operation of the Electric System. EPB has voluntarily accorded its employees the right to organize, to join a union, to bargain collectively and to be heard on matters pertaining to wages and benefits. EPB has the ultimate authority to resolve grievances. The current agreement expires March 1, 2027.

Defined Benefit Pension Plan. EPB's Retirement Plan (the "Plan") is a single-employer defined benefit pension plan administered by an individual designated by the Plan's trustees, who is appointed by EPB. The Plan provides retirement benefits to Plan members. As of January 1, 2022, the Plan was closed to new entrants. Article VIII of the Electric Power Board of Chattanooga Retirement Plan assigns the authority to establish and amend benefit provisions to EPB. The contribution requirements of Plan members and EPB are established and may be amended by EPB. Plan members are not required to contribute to the Plan. EPB makes contributions on an actuarially determined rate in order to remain fully funded for current service. The actuarially determined rate for fiscal year 2026 is 18.3% of annual covered payroll. EPB's annual actuarially determined contribution to the Plan for fiscal year 2026 is approximately $8.4 million, which was fully contributed by EPB. The annual required contribution was determined as part of an actuarial valuation performed as of August 1, 2025, using the aggregate cost method. Significant actuarial assumptions used in the valuation included (a) a rate of return on the investment of present and future assets of 6.5% per year compounded annually, (b) projected salary increases of 3.5% per year compounded annually, and (c) no postretirement benefit increases. As of August 1, 2025, the Plan's unfunded actuarial accrued liability was $38.5 million. For more detail regarding the financial condition of the Electric Power Board of Chattanooga Retirement Plan, see page 44 of EPB's audited financial statements included herein as Appendix A.

Under current Tennessee law, as interpreted by the Tennessee Supreme Court, a governmental employer such as EPB is generally not permitted to change the terms of a pension plan to reduce an accrued benefit, or the right to accrue future benefits, of any participant who is eligible to receive benefits under the plan (*i.e.*, any vested participant) unless that participant consents to the decrease or reduction in benefits. However, a pension plan can be amended so as to exclude new employees. In that manner, the risk of future increases in the actuarially determined contribution, whether anticipated or not, resulting from the entry of new participants can be eliminated.

The Public Employee Defined Benefit Financial Security Act of 2014 (the "2014 Act") was signed into law by the Governor of Tennessee on May 22, 2014. The 2014 Act, as amended, requires, among other things, each political subdivision which provides defined benefit plans not administered by the Tennessee Consolidated Retirement System to (a) adopt a resolution delineating a funding policy for fiscal years beginning after June 15, 2015; (b) begin funding any unfunded accrued liability via the level dollar amortization method no later than the plan fiscal year commencing on or before June 15, 2020; (c) annually make a payment to the pension plan of no less than 100 percent of the annual required actuarially determined contribution that incorporates both the normal cost of benefits and the amortization of the pension plan's unfunded accrued liability (the "ADC"), provided however, the affected political subdivision may make a payment of more than 100 percent of the ADC. Any underpayment must be made up in the next fiscal year as an addition to the subsequent year's ADC. If the political subdivision fails to fund the ADC, the 2014 Act permits the State Commissioner of Finance and Administration, at the direction of the Comptroller of the Treasury, to withhold such amount or part of such amount from any state-shared taxes that are otherwise apportioned to such political subdivision. The money withheld from state-shared taxes will be paid to the political subdivision's pension plan.

The 2014 Act further provides that (a) for all affected employees of the political subdivision hired on or after the effective date of the 2014 Act, the political subdivision may freeze, suspend or modify benefits, employee contributions and plan terms and design on a prospective basis (except as to those employees employed prior to the effective date of the 2014 Act where applicable law provides otherwise); and (b) for any pension plan that is funded below 60 percent, the affected political subdivision may not establish benefit enhancements unless approved by the State Treasurer.

EPB implemented changes in funding calculations to comply with the minimum requirements of the 2014 Act, beginning in fiscal year 2015, and has remained in compliance with such requirements.

401(k) Plan. Effective August 1, 1984, EPB implemented a 401(k) defined contribution plan. The plan currently permits employees to invest up to 100% of salary in a tax-deferred savings plan. All employees who have completed three months of employment and have attained age 18 are eligible to participate in the plan. EPB matches up to 4.0% of an employee's salary after one year of employment. Participating employees are immediately fully vested in EPB's matching contributions, which amounted to approximately $2.2 million and $2.1 million in fiscal years 2026 and 2025, respectively. Employee contributions were approximately $5.1 million in fiscal year 2026 and $4.9 million in fiscal year 2025.

EPB employees hired on January 1, 2022 or later are also eligible for an EPB employer contribution in the amount of 6% of the employee's salary each year. The employee must be employed on the last day of the plan year to receive this employer contribution. There is a five-year vesting requirement. The EPB employer contribution for fiscal year 2026 was approximately $1.1 million and $0.8 million in fiscal year 2025.

Other Postretirement Employee Benefits. Substantially all employees retiring from EPB are entitled to receive certain postretirement health and life insurance benefits. These benefits are subject to deductibles, co-payment provisions and other limitations. Presently, EPB has the option of prefunding a Voluntary Employees' Beneficiary Association Trust ("VEBA") to pay postretirement benefit claims. During fiscal year 2026 and fiscal year 2025, the Plan recognized EPB contributions of approximately $2.3 million for both years, to the VEBA for postretirement benefit claims. EPB accounts for postretirement health benefits in accordance with GASB Statements 74 and 75, which requires EPB to account for these benefits on an accrual basis. These statements require a net liability or asset for plan obligations to be recognized on the balance sheet of the employer. Similarly, another post-employment benefit expense is recognized on the income statement. These measures are not used for measuring the funding of the plan.

EPB provides healthcare benefits under a self-funded program administered by a third-party under an administrative services only arrangement. EPB has secured specific stop loss coverage with a limit of $325,000 per covered employee. EPB does not maintain excess aggregate coverage.

Insurance, Self-Insurance and Job Injury Claims

EPB is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. With respect to operations within the state of Tennessee, EPB is a governmental entity and, to the extent that a tort claim is asserted, is immune from certain claims, and other claims are subject to certain limitations of liability according to the Tennessee Governmental Tort Liability Act (TNGTLA), T.C.A. § 29-20-101 et seq., including T.C.A. § 29-20-403 which provides for maximum limits of Three Hundred Thousand Dollars ($300,000) for bodily injury or death of any one person in any one accident, occurrence or act and Seven Hundred Thousand Dollars ($700,000) for bodily injury or death of all persons in any one accident, occurrence or act and to a limit of One Hundred Thousand Dollars ($100,000) for injury to or destruction of property of others in any one accident, occurrence or act.

EPB is immune under Tennessee law for state law tort claims from any award or judgment for death, bodily injury and/or property damage in excess of the limits set out in the Act. EPB does not have any such immunity under the TNGTLA for federally based claims or in the State of Georgia where it derives less than five percent of its revenue and kilowatt-hour sales. EPB does not have any such immunity under the TNGTLA for aspects of its fiber optics operations.

EPB is self-insured for any liability claim related to its electric system operations but maintains a general liability policy with aggregate limits of $2,000,000 and an umbrella liability policy with aggregate limits of $4,000,000 for its fiber optics operations. EPB is self-insured for automobile and vehicle liability claims that might be asserted against it, its officers, employees and agents for its electric system operations. EPB maintains an automobile liability policy for its fiber optics operations.

Under the TNGTLA, governmental entities like EPB are authorized to voluntarily waive immunities and limitations of liabilities under the TNGTLA. EPB has not waived any such immunities or limitations of liability on behalf of its electric system operations.

During the past ten years, EPB has neither settled nor been required to pay any claim in excess of the maximum limits established by the TNGTLA. However, there can be no assurance that one or more claims in excess of those limits will not be asserted in the future or that the limitation on liability will not be increased or totally eliminated by the Tennessee General Assembly. During the past ten years, EPB has been able to routinely satisfy the expense of liability claims as part of its ordinary operating expenses. EPB pays the expense and costs of claims and losses for which there is no insurance coverage from its operations on an ongoing basis. EPB does establish claims reserve and expense funds from which to reserve for and pay the costs or estimated costs of claims as they are incurred and for which there is no insurance to indemnify EPB or pay such claims and claims expenses. These reserve funds are reviewed and adjusted quarterly. EPB does maintain a $5,000,000 contingency fund that is available for payment toward any unforeseen and extraordinary losses or damages, including an extraordinary liability claim.

EPB has established a self-insured job injury program. The job injury program provides certain benefits that management believes are comparable to workers' compensation benefits under Tennessee law that are payable to employees who are injured on the job. The job injury program benefits are the employees' exclusive remedy, although an employee may opt-out of the job injury program benefits and assert a claim in negligence against EPB. Such negligence claim brought under Tennessee law would be subject to the limitations of liability and immunities available to EPB under the TNGTLA for job injuries that occur in Tennessee. If the job injury occurred outside of Tennessee, the employee may opt-out of the job injury program benefits and assert a claim in negligence against EPB, and the limitations of liability and immunities available to EPB under the TNGTLA may not apply.

EPB BUSINESS UNITS

General

As provided above, the Board approved the formation of the EC Unit and the SI Unit in 2023, with the EC Unit consisting of the Electric System and Fiber Optic System and the SI Unit focused on development and implementation of technologies and non-traditional business opportunities for the benefit of EPB customers. Certain information on the Fiber Optic System division of the EC Unit as well as information on the SI Unit is provided below.

The Fiber Optic System

As described in more detail below, EPB currently provides competitive telephone (telecommunication) services and competitive cable and Internet (video and Internet) services. As required by Tennessee law, EPB accounts for each of its telecommunication system (the "Telecom System") and its video and Internet system (the "Video and Internet System") on an independent basis, separate from the other and separate from the Electric System. EPB reports the combined results of its Telecom System and Video and Internet System in its audited financial statements as its "Fiber Optic System". As of June 30, 2026, the Fiber Optic System had approximately 123,000 residential customers and 10,000 commercial customers.

The Series 2026 Bonds are not payable from or secured by a pledge of the revenues or assets of the Fiber Optic System, but the Fiber Optic System and the Electric System do interact in ways that are important to Series 2026 Bondholders, as described below.

Telecom System. In March 1999, EPB received a Certificate of Convenience and Necessity to operate a telephone system from the Tennessee Regulatory Authority, which now operates as the Tennessee Public Utility Commission. EPB began hiring telecommunication employees and started building a telephone system in April 1999. In March 2000, the first telecommunication customers were connected to EPB's Competitive Local Exchange Carrier system. Telecom System operations have resulted in a positive change in net position since the fiscal year ended June 30, 2007. The Telecom System has no outstanding indebtedness.

Video and Internet System. EPB began providing Internet services to business customers in 2003 and residential customers in 2009. Video and Internet System operations have resulted in a positive change in net position since the fiscal year ended June 30, 2012.

The Strategic Initiatives Unit

The SI Unit focuses on emerging opportunities and technologies, including the development of local power generation and storage capacity, as well as quantum computing and network services. The SI Unit has responsibility for defining and modeling initiatives that fall outside EPB's core electric and communications systems, including planning, managing and creating the organizational structures to incubate and scale approved initiatives. Initial focus has centered on redefining the electric system model to incorporate a local energy mix, including significantly expanding storage, developing and implementing a local generation strategy, and exploring opportunities such as community-scale geothermal networks. Another major area of focus is the quantum space and its impact on EPB and its surrounding community. As part of the work of this unit, EPB launched the IonQ Forte Enterprise quantum

computer at EPB Quantum Center on September 18, 2026. Building on EPB's Quantum Network launched in 2023 as America's first industry-led, commercially available quantum network, the IonQ Forte Enterprise quantum computer makes EPB Quantum Center America's first commercial hub with quantum computing and quantum networking under one roof.

The SI Unit is funded primarily through Fiber Optic System advances and grant funding opportunities. **The Series 2026 Bonds are not payable from or secured by a pledge of the revenues or assets of the SI Unit, but the SI Unit and the Electric System do interact in ways that are important to Series 2026 Bondholders, as described below.**

Cost Allocation between the Fiber Optic System, the SI Unit and the Electric System

The Telecom System and the Video and Internet System as well as the SI Unit make use of a portion of certain Electric System assets in their operations, including a significant portion of the Electric System's Advanced Grid Infrastructure. The costs of Electric System assets used by the Fiber Optic System, the SI Unit and the Electric System ("Shared Assets") are allocated between the three entities pursuant to a cost-allocation methodology developed by EPB and approved by TVA. EPB's current allocation methodology allocates the cost of Shared Assets among the Electric System, the Telecom System, the Video and Internet System and the SI Unit in proportion to the number of services utilizing the Shared Assets. Additionally, joint employee and administrative costs are allocated between the Electric System, Fiber Optic System and SI Unit in proportion to identifiable cost-drivers. The Fiber Optic System's and SI Unit's share of the costs of Shared Assets and joint employee and administrative services ("Corporate Costs") generally corresponds to the success of the Fiber Optic System and SI Unit, if and as applicable. The Fiber Optic System and SI Unit are required to pay the Electric System for the costs of Shared Assets and Corporate Costs allocated to the Fiber Optic System and SI Unit, respectively. These payments to the Electric System serve to offset the costs of operating the Electric System and thereby increase the Revenues of the Electric System available to pay debt service on the Bonds of the Electric System.

The following table describes the aggregate payments made by the Fiber Optic System and the SI Unit to the Electric System with respect to Shared Assets and Corporate Costs since 2022 (in thousands):

	2022	2023	2024	2025	2026
Corporate Costs	$35,565	$30,983	$34,517	$35,884	$36,745
Shared Assets	26,472	27,412	25,732	28,449	27,681
Total	$62,037	$58,395	$60,249	$64,333	$64,426

Note*:* Payments made by the SI Unit to the Electric System with respect to Corporate Costs and Shared Assets began in 2025.
Source: EPB.

While the Electric System benefits from costs allocated to and paid by the Fiber Optic System and SI Unit as described above, revenues derived from Fiber Optic sales or those revenues of the SI Unit do not constitute revenues of the Electric System, are not available for the payment of the Bonds, including the Series 2026 Bonds, and are not the security for the Bonds.

EPB is unable to predict the future operational success of either the Fiber Optic System or SI Unit. As it relates to the Fiber Optic System, the telecommunications and video and Internet industries are highly competitive. In addition, in recent sessions of the Tennessee General Assembly, opponents of municipal broadband projects have sought the introduction and passage of legislation to restrict or eliminate the ability of municipal electric systems to provide video, Internet and telephone services. EPB anticipates further attempts to restrict the authorization of municipal electric systems to provide competitive broadband services such as video, telephone and Internet services, but EPB cannot predict the outcome of such efforts with any certainty. Generally speaking, if the Fiber Optic System were to lose customers to alternative technologies or other providers in the telecommunications and/or video and Internet industry, the cost allocation payments to the Electric System would be reduced. As it relates to the SI Unit, projects of the SI Unit are not core services offered by either the Electric System or Fiber Optic Systems. Funding for SI Unit activities is provided through the Fiber Optic System and is not dependent on the Electric System for support. The success of SI Unit projects cannot be assured, and if those projects are not successful, the SI Unit revenues available to make cost allocation payments to the Electric System could be reduced.

Cash Management and Interdivision Loans

As part of its cash management practices, EPB has advanced $48.9 million of cash from the Fiber Optic System to the Electric System. EPB's cash management policy contemplates that this advance will be repaid to the

Fiber Optic System, but does not dictate any specific time for repayment. EPB has not scheduled any repayment and has no current intention of scheduling any repayment. The advanced funds may be used for Electric System purposes, without restriction. Any repayment to the Fiber Optic System would be from Revenues, only after the payment of Electric System Operating Expenses and debt service on the Outstanding Parity Bonds and the Series 2026 Bonds.

TVA has authorized EPB to extend up to $60 million of interdivision loans from the Electric System to the Fiber Optic System. EPB utilized these interdivision loans to fund Fiber Optic System operations until the Fiber Optic System achieved self-sufficiency. The last interdivision loan was retired in 2013 with the proceeds of a bank loan incurred by the Fiber Optic System, and this Fiber Optic System loan was retired in 2017. EPB has no current intention of extending future interdivision loans to the Fiber Optic System, and TVA authorization for interdivision loans will sunset on August 15, 2028.

FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

The electric utility industry has been and will continue to be affected by a number of factors that will have an impact on the business, operations and financial conditions of both public and private electric utilities, including EPB.

In the past, one of these factors was the efforts at both the national and local levels to restructure the electric utility industry from a heavily regulated monopoly to an industry in which there is more (or open) competition for power supply service at both the wholesale and retail level. Historically, electric utilities have operated as monopolies within their service territories, subject to certain exceptions. Under this arrangement, utilities have generally been able to charge rates primarily determined by their costs of service, rather than by competitive forces. There has been little activity regarding deregulation in recent years. There can be no assurance that this arrangement will continue for EPB, and EPB is already subject to certain competitive forces and other factors as described below.

Competitive Environment in Tennessee

In the late 1990s and early 2000s, various regulatory and legislative bodies in Tennessee considered a wide range of issues associated with the advisability of retail competition in the electric utility industry. None of these groups recommended that the State actively pursue full retail competition at that time, and there are no currently pending State legislative or regulatory initiatives to provide for retail competition in Tennessee at this time.

Transmission Access to Wholesale Power

EPB's ability to access the wholesale power markets is limited, and TVA currently enjoys substantial insulation from wholesale competition. TVA operates under the Tennessee Valley Authority Act of 1933 (the "TVA Act"). Under the TVA Act, subject to certain minor exceptions, TVA may not currently enter into contracts that would have the effect of making it or EPB and other distributors a source of TVA power supply outside a statutorily-specified area. However, under a special provision of the Energy Policy Act of 1992 (the "anti-cherry-picking provision"), TVA is not required to provide its competitors with access to its transmission system to transmit power for consumption within the area that TVA or EPB and other distributors of TVA's power may serve. Thus, while TVA may not sell power outside its current service area, except for certain pre-existing arrangements, its competitors are not allowed to obtain transmission service from TVA to sell power within TVA's service areas under present law. Future legislative and regulatory actions could impact EPB's ability to access the wholesale market, and modification of TVA's historically protected service area could adversely affect TVA's financial and operating condition.

Federal Energy Policy Act of 2005

The Energy Policy Act of 2005 authorizes the FERC to require "unregulated transmitting utilities" to provide open access to their transmission systems on comparable terms and conditions as those "unregulated transmitting utilities" provide transmission service to themselves. While EPB meets the minimum kilowatt-hour sales threshold to be an "unregulated transmission utility" under Section 201(f) of the Federal Power Act, it is unclear the extent to which, if any, EPB's facilities would be considered subject to these requirements. EPB is unable to predict at this time the impact of these requirements on EPB's operations and finances.

The Energy Policy Act of 2005 provides certain "load serving entities" holding firm transmission rights the ability to continue to use those rights to serve their customers, and one provision of the Energy Policy Act of 2005 purports to provide these rights to wholesale customers of TVA like EPB. It is currently unclear whether these or

other provisions of the Energy Policy Act of 2005 will fundamentally change EPB's power supply arrangements with TVA or EPB's ability to access the wholesale generation markets at a future point in time.

The Energy Policy Act of 2005 also subjected electric utilities like EPB to certain amendments to the Public Utility Regulatory Policies Act of 1978 ("PURPA"). The purposes of PURPA in 1978 were, and continue to be, to help the nation facilitate the conservation of energy, optimize efficiency, and provide for the establishment of equitable rates. As originally enacted, PURPA required certain utilities to consider and, if appropriate, adopt certain service practice and rate standards. The Energy Policy Act of 2005 amended PURPA to require consideration of several new standards, and PURPA has been further amended to include additional standards since the passage of the Energy Policy Act of 2005. Under the revised PURPA standards, the TVA Board of Directors ("TVA Board") is EPB's regulatory authority for purposes of PURPA. The potential financial implications for some of the standards are currently unknown.

NERC Electric Reliability Standards Compliance

With the passage of the Energy Policy Act of 2005, Congress authorized FERC to establish an Electric Reliability Organization ("ERO") to protect the reliability of the bulk electric power system in the United States. The North American Electric Reliability Corporation ("NERC") was certified by FERC as the ERO. Owners, operators, and users of the bulk power system are required to be registered with NERC and the appropriate Regional Entities, or in EPB's case, the Southeastern Electric Reliability Corporation ("SERC"). NERC intends to comprehensively and thoroughly protect the reliability of the U.S. power grid. To support this goal, NERC will include in its compliance registry each entity that NERC concludes can materially impact the reliability of the bulk electric system.

Effective as of July 1, 2014, NERC revised its definition of the bulk electric system to include additional transmission elements that were not previously considered to be a part of the bulk electric system. EPB has identified some electric system assets that could be considered to be transmission elements within the NERC's definition of the bulk power system. EPB entered into a Memorandum of Understanding with TVA dated July 1, 2016 to ensure full compliance with the applicable NERC reliability standards. EPB does not currently anticipate that these requirements will have a material and adverse impact on its operations and finances, but EPB cannot predict the impact of NERC activities and regulations on its operations and finances in the future.

TVA and General Industry Risk Factors

Because EPB purchases all of its power from TVA, any risk factors affecting or potentially affecting the business operations of TVA may also affect EPB. TVA may mitigate some of these risks by increasing the rates it charges for its power. As a federal governmental instrumentality, TVA's operations may also be affected as federal administrations change. A discussion of some of the risk factors affecting TVA's operations can be found in "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in TVA's Annual Report. TVA's Annual Report is available to the public from the SEC's website at www.sec.gov and from the TVA's website at www.tva.gov.

In addition to risks discussed above, the electric utility industry in general has been, or in the future may be, affected by a number of other factors which could impact the financial condition of EPB. Such factors include, among others, the following: (i) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative other than those described elsewhere in this Official Statement; (ii) changes resulting from conservation and load management programs on the timing and use of electric energy; (iii) changes in national, regional or state energy policy; (iv) competition from other utilities, independent power producers, marketers and brokers; (v) competition with customer-owned generation, such as "self-generation" or "distributed generation," which might include microturbines, fuel cells, and other generation resources; (vi) shifts in the availability and relative costs of different fuels, whether such fuels are competitive alternatives to electricity or are used in the generation of electricity; (vii) other federal, state or local legislative or regulatory changes; (viii) loss of large industrial or commercial customers; and (ix) changes in the economy. Any of these factors (as well as other factors) could have an adverse effect on the financial condition of any electric utility and will likely affect individual utilities in different ways.

EPB is unable to predict what impact any of the foregoing factors will have on its operations and financial conditions, but the impact could be significant. This Official Statement includes a brief discussion of certain of these factors. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date of this Official Statement. Extensive information on the electric utility industry is available in the public domain, and potential purchasers of the Series 2026 Bonds should obtain and review such information.

BONDHOLDERS' RISKS

General

Set forth below are certain risks purchasers of the Series 2026 Bonds should consider when making an investment decision. All potential risks are not included, and the discussion is not intended to be exhaustive.

Enforceability of Remedies

The remedies available to the owners of the Series 2026 Bonds upon an event of default under the 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 2026 Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Additional Obligations

The City may issue additional indebtedness secured by and payable from Net Revenues (i) on a parity and equality of lien with the Outstanding Parity Bonds and the Series 2026 Bonds or (ii) on a basis subordinate to the Outstanding Parity Bonds and the Series 2026 Bonds, in accordance with the provisions of the Resolution. The issuance of additional indebtedness secured by and payable from Net Revenues would increase the debt service requirements payable from Net Revenues and could adversely affect debt service coverage on the Series 2026 Bonds. See "SECURITY FOR THE SERIES 2026 BONDS - Additional Obligations."

Additional Early Payment Prior to Maturity

The Series 2026 Bonds are subject to optional redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2026 BONDS – *Optional Redemption*." A prospective investor should consider these rights when making any investment decision. Following a redemption, the owners of the Series 2026 Bonds may not be able to reinvest their funds at a comparable interest rate.

Loss of Tax Exemption

There is no provision for the redemption of the Series 2026 Bonds or for the payment of additional interest on the Series 2026 Bonds in the event that interest on the Series 2026 Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the Series 2026 Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the Series 2026 Bonds would likely be adversely affected. The Issuer and EPB have, however, covenanted not to do anything that would adversely affect the tax-exempt status of the Series 2026 Bonds. See "TAX MATTERS."

Future Legislation and Governmental Directives and Priorities

The federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt obligations is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would completely eliminate the exemption for interest on all tax-exempt obligations. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on all tax-exempt obligations. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption.

Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt obligations already outstanding, including the Series 2026 Bonds offered pursuant to this Official Statement, as well as obligations issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in

the Series 2026 Bonds. Investors should consult their own tax advisors about the prospects and possible results of future legislation that could affect the exemption for interest on tax-exempt obligations.

In addition to future legislation, new administrations, including that of the President of the United States, may have new regulatory and/or financial directives and priorities that could impact TVA and EPB. Any change to said directives and priorities, including executive orders related to the development of energy resources and corresponding changes to federal funding in connection therewith, could have an unknown impact on future projects of the Electric System.

In recent sessions of the Tennessee General Assembly, there has been an increase in the number of legislative proposals affecting municipal electric systems. Such legislation has included in the past, and may include in the future, proposals regarding the governance, scope of service area and divestiture of municipal electric systems. Where such legislation has either not been adopted or been adopted in a manner that is inapplicable or immaterial to the finances and/or operations of EPB, there can be no assurance that any such legislation will not be proposed for future consideration by the Tennessee General Assembly or amended by future action of the Tennessee General Assembly to apply to EPB's finances or operations in a material manner.

Recently, the Tennessee General Assembly passed legislation addressing the allocation of infrastructure costs associated with large electric loads. Public Chapter 961 of the Tennessee Public Acts of 2026, passed and signed into law effective as of May 2026 (the "Data Center Act"), prohibits a municipality or an electric utility, including the Electric System, from paying or otherwise absorbing the cost of electrical infrastructure incurred to serve a data center (defined, generally, as a building that primarily contains equipment used to process, store or transmit digital information, together with related environmental control equipment, and that is projected to have a peak electric demand of fifty megawatts (50 MW) or more during the first three years of operation). An electric utility may, however, allocate a portion of such costs to general utility system improvements in specified circumstances, including where the associated improvements extend beyond those necessary to deliver electric service to the data center and may be used to deliver electric service outside the data center, and may reimburse a data center owner or operator for such costs in accordance with standard policies that are not exclusively applicable to data centers and that do not cause existing customers to incur a rate increase.

The Data Center Act also authorizes a data center to purchase electric energy, capacity and related or ancillary services from an independent power producer located in Tennessee, including by means of a direct interconnection behind the data center's meter. Where the data center takes electric service from an electric utility, such a behind-the-meter interconnection requires the written approval of that electric utility. Where an independent power producer instead seeks access to transmission or distribution facilities, such access is provided at the election of, and on terms and conditions established by, the owner of those facilities. The Data Center Act further provides that, to the extent its provisions conflict with a term, condition, rate schedule or requirement of TVA, the TVA provision controls and the electric utility is not required to comply with the Data Center Act to the extent of the conflict. Because EPB purchases its power requirements from TVA under the Power Contract (except as otherwise provided herein) and its retail rates are subject to TVA review and approval, the practical effect of the Data Center Act on the Electric System will depend in part upon TVA's rate schedules and requirements, including the rate classification described under "THE ELECTRIC SYSTEM – Retail Electric Rates." EPB does not expect the Data Center Act to have a material adverse effect on the operations or financial condition of the Electric System, but EPB is unable to predict the extent to which data centers within its service area may in the future obtain electric service from independent power producers rather than from the Electric System, or the effect that any such arrangements would have on Revenues.

There may continue to be legislation proposed in the Tennessee General Assembly affecting municipal electric systems, such as the Electric System. EPB cannot predict whether such legislation will be enacted or the effect of any such legislation, if enacted, upon EPB or the Electric System.

See also "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY."

Adverse Weather and Other Catastrophic Events

The City's location in the southern United States and proximity to several waterways, including the Tennessee River, increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the City faces other threats due to adverse weather, including the possibility of drought conditions that could become increasingly severe and frequent.

Severe weather events and natural disasters, generally, including floods, droughts, extreme heat, wildfires, tornadoes, hurricanes, ice storms and other storm events, can affect EPB's operations and finances in a myriad of ways, including by potentially damaging Electric System infrastructure, interrupting service to customers, damaging customers' property in a way that changes their energy needs and disrupting the business operations of major contractors, vendors or other partners of the Electric System. Also, changing weather conditions may result in unexpected levels of energy usage and fluctuating revenues of the Electric System. For example, when temperatures are milder, customers often use less electricity, resulting in less revenue to the Electric System. Along with natural disasters, catastrophic events caused by human activity could also materially impact the Electric System in a manner that disrupts service to customers and decreases revenues and increases expenses of the Electric System.

Neither the City nor EPB can predict the timing, extent or severity of adverse weather events and/or other catastrophic events and their impact on the City's or EPB's operations and finances.

Cyber Security

EPB utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, EPB may be the target of cyberattacks attempting to disrupt its operations and/or gain access to sensitive information. In addition to intentional attacks, cyber security 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 operations and subject EPB to legal action.

Attempted cyber security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or entities similar to EPB. 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. Utilities, in particular, are often the target of cyberattacks, and cyberattacks on U.S. utilities are increasing. To mitigate against such risks, EPB has instituted various technical controls, policies and procedures to protect its network infrastructure, including robust multi-layered security monitoring systems, as well as cyber-security training and awareness for all employees. EPB undergoes regular monitoring and compliance audits in this regard. EPB is also subject to the requirements of NERC and TVA and complies with federal rules applicable to utilities owning certain types of assets on the bulk electric system. EPB also maintains insurance against cyber security incidents. Despite EPB's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

Public Health Emergencies

The emergence of an epidemic, pandemic or other widespread public health emergency would have an unknown impact on the City, EPB and the Electric System. The global outbreak in 2020 of the COVID-19 respiratory disease led, from time to time, to quarantine and other "social distancing" measures across the world, including the City. 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.

Though such quarantining and "social distancing" measures related to COVID-19 have since terminated, neither the City nor EPB is able to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic, pandemic or other widespread public health emergency may disrupt the local or global economy, or how any such disruption may affect the operations or financial condition of the City, EPB or the Electric System.

Various types of information regarding employment, income trends and business activity in the City are detailed in Appendix B, 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 and ratepayers in the area may have been forced to reduce operations 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 to this Official Statement.

Other Risk Factors

In the future, the following additional factors, among others, may adversely affect the operations of energy providers, including EPB, to an extent that cannot be determined at this time:

(1) The ability of, and costs to, EPB to insure or otherwise protect itself against property damage and general liability claims. See "ADDITIONAL FINANCIAL AND OPERATIONAL INFORMATION – Insurance, Self-Insurance and Job Injury Claims."

(2) TVA's inability to provide electricity and other risk factors relating to EPB's relationship with TVA. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY – TVA and General Industry Risk Factors."

(3) Proposals to eliminate the tax-exempt status of bonds issued by the Issuer, or to limit the use of such tax-exempt bonds, as discussed above, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to EPB of financing future capital needs.

LITIGATION AND OTHER PROCEEDINGS

There are no pending, nor to the knowledge of the Issuer or EPB are there any threatened, legal proceedings questioning, or seeking to restrain, enjoin, or adversely affect the issuance or delivery of the Series 2026 Bonds, the fixing or collecting of rates and charges for the services of the Electric System, the pledge of the Revenues of the Electric System to secure the payment of the Series 2026 Bonds, the proceedings and authority under which the Series 2026 Bonds are to be issued, the validity of the Series 2026 Bonds, the right of EPB to operate the Electric System, or the application of the proceeds of the Series 2026 Bonds for the purposes described herein.

EPB, like other similar public bodies, is subject to a variety of other lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation involving the Electric System with its litigation counsel, EPB believes that, while the outcome of such litigation and proceedings cannot be predicted, the final resolution of these pending and threatened lawsuits, proceedings and claims against EPB and its officials in such capacity are not expected to have a material adverse effect upon the financial position or results of operations of the Electric System after taking into consideration EPB's insurance and self-insurance arrangements.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Series 2026 Bonds. Their opinion under existing law, relying on certain statements by the City and EPB and assuming compliance by the City and EPB with certain covenants, is that interest on the Series 2026 Bonds:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code imposes requirements on the Series 2026 Bonds that the City and EPB must continue to meet after the Series 2026 Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the City and EPB do not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2026 Bonds in its federal gross income on a retroactive basis to the date of issue. The City and EPB have covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2026 Bonds. This is possible if a bondholder is:

(1) an S corporation,

(2) a United States branch of a foreign corporation,

(3) a financial institution,

(4) a property and casualty or a life insurance company,

(5) an individual receiving Social Security or railroad retirement benefits,

(6) an individual claiming the earned income credit, or

(7) a borrower of money to purchase or carry the Series 2026 Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2026 Bonds or affect the market price of the Series 2026 Bonds. See also "Changes in Federal and State Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2026 Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Series 2026 Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Information Reporting and Backup Withholding. Unless the recipient is otherwise exempt, interest on the Series 2026 Bonds is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Series 2026 Bonds, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Series 2026 Bondholder's Federal income tax.

State Taxes

Under existing law, the Series 2026 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2026 Bonds during the period the Series 2026 Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2026 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.

Changes in Federal and State Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2026 Bonds or otherwise prevent holders of the Series 2026 Bonds from realizing the benefit or full benefit of the tax exemption of interest on the Series 2026 Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Series 2026 Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. Further, such proposals may impact the marketability of the Series 2026 Bonds simply by being proposed. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2026 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 2026 Bonds would be impacted. Purchasers of the Series 2026 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026 Bonds, and Bond Counsel

has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Miscellaneous

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding the foregoing matters.

FORWARD-LOOKING STATEMENTS

This Official Statement contains forward-looking statements relating to future events and future performance. Any statements regarding expectations, beliefs, plans, projections, estimates, objectives, intentions or assumptions or otherwise relating to future events or performance may be forward-looking. Some examples of forward-looking statements include statements regarding EPB's projections of future power and energy requirements; future costs related to the purchase of wholesale power from TVA or other sources, EPB's future competitive position, and the benefits that the Electric System may realize from the use of the Fiber Optic System. Although EPB believes that the assumptions underlying the forward-looking statements in this Official Statement are reasonable, neither the Issuer nor EPB guarantees the accuracy of these statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements. These factors include, among other things, new laws, regulations and administrative orders, especially those related to the restructuring of the electric power industry, federal legislation affecting TVA or its relationship with distributors, including EPB, and various environmental matters, increased competition among electric utilities, legal and administrative proceedings affecting EPB, the financial environment, performance of TVA's generating facilities, the availability of electric power and energy from sources other than TVA, fuel prices, the demand for electricity, weather conditions, changes in accounting standards and unforeseeable events.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization and issuance of the Series 2026 Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose approving opinion in substantially the form attached hereto as Appendix D will be delivered with the Bonds. Certain legal matters will be passed upon for the Issuer by its counsel, Phillip A. Noblett, Esq., City Attorney, and for EPB by its counsel, Miller & Martin PLLC, Chattanooga, Tennessee, and by its Disclosure Counsel, Bass, Berry & Sims PLC, Nashville, Tennessee. Certain legal matters will be passed upon for the Underwriters by their counsel, Chapman and Cutler LLP. Fees for Bond Counsel, Disclosure Counsel, EPB counsel and Underwriters' counsel for services rendered with respect to the Series 2026 Bonds are contingent upon the issuance and delivery of the Series 2026 Bonds.

CONTINUING DISCLOSURE

Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (the "Rule"), prohibits an underwriter from purchasing or selling municipal securities unless it has determined that the issuer or other obligated person of such securities has committed to provide annually certain information, including audited financial information, and notice of various events described in the Rule. EPB has covenanted for the benefit of the holders of the Series 2026 Bonds that, consistent with the Rule, EPB will provide the following: (i) annual financial information for EPB, including audited financial statements of EPB for each fiscal year ending on and after June 30, 2027, in a timely manner; (ii) notices of certain events with respect to the Series 2026 Bonds; and (iii) notice of any failure of EPB to provide required annual financial information in a timely manner. The form of the Continuing Disclosure Agreement can be found in Appendix E.

In the previous five years, EPB has not failed to comply in any material respect with any undertaking in a written contract or agreement specified in the Rule.

INDEPENDENT AUDITORS

The financial statements of EPB as of the fiscal years ended June 30, 2026 and 2025, included in Appendix A to this Official Statement, have been audited by Henderson, Hutcherson & McCullough, PLLC, Chattanooga, Tennessee, independent public accountants, as stated in their report appearing in Appendix A. Neither EPB's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC (the "Municipal Advisor") has served as municipal advisor to the City and EPB in connection with the issuance of the Series 2026 Bonds. In such capacity, the Municipal Advisor has assisted in the preparation of the Official Statement and in other matters related to the planning, structuring, rating, execution, and delivery of the Series 2026 Bonds. However, the Municipal Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement. The Municipal Advisor's fee for services rendered with respect to the sale of the Series 2026 Bonds is contingent upon the issuance and delivery of the Series 2026 Bonds.

RATINGS

Fitch Ratings has assigned the Series 2026 Bonds a rating of "AA+" (stable outlook), and Moody's Ratings has assigned the Series 2026 Bonds a rating of "Aa1" (stable outlook). Such ratings reflect only the view of such organizations and an explanation of the significance of such rating may be obtained only from the respective rating agency. There is no assurance that such ratings will be maintained for any given period of time or that they will not be revised downward or be withdrawn entirely by the respective rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Pursuant to a Bond Purchase Agreement dated _____, 2026 (the "Bond Purchase Agreement"), by and between the Issuer and BofA Securities, Inc., as representative and on behalf of the underwriters (the "Underwriters"), the Underwriters have agreed to purchase the Series 2026A Bonds at an aggregate purchase price of $_____ (consisting of the par amount of the Series 2026A Bonds plus/less [net] original issue premium/discount of $_____, and less an Underwriters' discount of $_____). The obligation of the Underwriters to purchase the Series 2026A Bonds is subject to certain conditions contained in the Bond Purchase Agreement.

Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase the Series 2026B Bonds at an aggregate purchase price of $_____ (consisting of the par amount of the Series 2026B Bonds plus/less [net] original issue premium/discount of $_____, and less an Underwriters' discount of $_____). The obligation of the Underwriters to purchase the Series 2026B Bonds is subject to certain conditions contained in the Bond Purchase Agreement.

The Series 2026 Bonds will be offered at the respective initial public offering prices shown on the inside cover page of this Official Statement. The Underwriters may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters in their discretion.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed and may in the future perform, various investment banking services for the Board for which they received or will receive customary fees and expenses.

BofA Securities, Inc., an underwriter of the Series 2026 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2026 Bonds.

CERTIFICATION AS TO OFFICIAL STATEMENT

The Issuer and EPB will represent to the Underwriters in the Bond Purchase Agreement that (i) the information and statements, including financial statements of or pertaining to the Issuer or EPB, contained in this Official Statement were and are correct in all material respects, and (ii) insofar as the Issuer or EPB and their affairs, including their financial affairs, are concerned, this Official Statement did not and does not contain any untrue

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

MISCELLANEOUS

The references herein to and the summaries presented herein, of the Resolution, the Act and the City Charter are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and the Act for full and complete statements of such provisions. Any statement made in this Official Statement involving an estimate or matter of opinion, whether or not expressly so stated, is intended merely as an estimate or opinion and not as a representation of fact. The delivery of this Official Statement by EPB has been authorized by the City Council.

CITY OF CHATTANOOGA, TENNESSEE

_____

Tim Kelly, Mayor

APPENDIX A

AUDITED FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

JUNE 30, 2026 AND 2025

APPENDIX B

CITY OF CHATTANOOGA'S SUPPLEMENTAL INFORMATION STATEMENT

INTRODUCTION

The City of Chattanooga, Tennessee (the "City" or "Chattanooga"), is situated along the Tennessee River and surrounded by mountains. It was founded in 1815 by Cherokee Indian Chief John Ross on the site of Ross's Landing trading post. "Chattanooga," Cherokee for "rock coming to a point" (referring to prominent Lookout Mountain), was incorporated under the State of Tennessee ("State") Private Acts of 1839. The City is located near the southeastern corner of the State on the Tennessee-Georgia border where three major interstate highways meet. It encompasses an area of 143 square miles of land, with an additional seven square miles of water. The City is centrally located within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama; and Atlanta, Georgia. Over 11 million people live within a 2½ hour drive of Chattanooga. The City is the fourth-largest city in Tennessee and serves as the county seat of Hamilton County (the "County"). Chattanooga is the center of a six-county Metropolitan Statistical Area ("MSA") with a population in excess of one-half million people.

Form of Government

The City operates under a Mayor/Council form of government. The Mayor is elected at large and serves as the City's Chief Executive Officer, overseeing the operation of all City departments. The City Council is composed of nine members, with each member elected from one of nine districts within the City's geographic boundaries. The Mayor and Council Members are elected to four-year terms.

The City provides a full range of municipal services, including, but not limited to, fire and police protection; sanitation services; construction/maintenance of highways, streets and infrastructure; recreation and cultural activities; community development; a public library system; economic development; planning and zoning; neighborhood services; social services; and general administrative services. It also operates a stormwater program and a regional wastewater collection and treatment system, which serves southeast Tennessee and northwest Georgia. The City is empowered to levy a property tax on real and personal property within its boundaries.

Industrial and Economic Development

Chattanooga's central location makes it a convenient business location and distribution center for the eastern United States. The City is within a one-day's drive of 70% of U.S. consumer markets and is regularly named as a five-star distribution location for manufacturing. Its unique location provides access through a system of roads, rails and waterways that facilitates rapid fulfillment and simplified transportation logistics. Coupled with other economic advantages, such as abundant natural resources and a trained labor force, this central location makes Chattanooga an oft-desired business location.

Today, the major industries that drive the economy include automotive, advanced manufacturing, food and beverage production, healthcare, insurance, tourism, back office and corporate headquarters.

Nationally and internationally recognized companies are headquartered in Chattanooga. These include leading insurance providers, such as Blue Cross Blue Shield of Tennessee, Cigna Healthcare and the Unum Group; large-scale shopping center developers, such as CBL & Associates; top carriers, such as Covenant Transport; and manufacturers, such as Volkswagen Group of America ("VW"), Gestamp North America ("Gestamp") and Plastic Omnium Auto Exteriors. The Kenco Group—a privately held company that provides logistics services specializing in distribution and fulfillment, transportation management, material handling services and warehouse real estate management—is headquartered in Chattanooga. Several freight management and logistics management companies, such as Freight Waves, providing the data side of logistics, and Reliance Partners, providing insurance to trucking and logistics companies, have also chosen Chattanooga as their corporate home base. As home to two of the nation's biggest long-haul trucking companies and more than a dozen freight logistics operators, Chattanooga has the highest share of logistics industry jobs of any major city.

Per the United States Bureau of Labor Statistics, the Chattanooga MSA's unemployment rate stood at 3.4% (not seasonally adjusted) as of August 2026. This is compared to the State's unemployment rate of 3.4% (seasonally adjusted). In partnership with the Chattanooga Area Chamber of Commerce and the County, the City has developed a proactive, multi-year economic development initiative designed to market the Chattanooga region as a premier business location. This public-private partnership, which includes 80 private investors, has been instrumental in highlighting many of the features and opportunities that Chattanooga has to offer. The Chattanooga Chamber of Commerce has set forth on a new five-year strategic economic development plan, "Climbs Higher," covering the period from July 1, 2024, to June 30, 2029, and has set goals for job creation, increased average wages, and increased private investment, including an increase in regional employment by 5,000 (1,344 as of June 30, 2026), and increase

in private sector investment by $1.5 billion ($1.1 billion as of June 30, 2026) and raising the average annual wages to $60,000 ($66,616 as of June 30, 2026).

Another initiative known as "Thrive 2055," a 16-county regional plan, is a citizen-led, public-private endeavor to engage people from across the metropolitan area of Chattanooga, the County, Northwest Georgia, and Northeast Alabama. The areas of focus include the enhancement of economic opportunities, regional transportation, education and training, while preserving the region's natural treasures.

Enterprise South Industrial Park ("ESIP") has been a major contributor to growth in Chattanooga. This 3,000 developable acre industrial park was identified by the Tennessee Valley Authority ("TVA") as Tennessee's first industrial mega site. Today, it is home to VW, Amazon, Archer Daniels Midland (ADM) and 17 other companies. ESIP has essentially been filled or committed for potential additional expansion of VW, which opened its Chattanooga plant in 2011. VW's $1 billion auto assembly plant initially created 12,400 direct and indirect full-time jobs, is responsible for $643.1 million in annual income and has attracted 17 supplier companies to the area. VW continues to focus on the higher volume internal combustion engines, specifically launching the production of the redesigned second-generation 2027 Atlas and Atlas Cross Sport. VW's operations have spawned millions of dollars in expansions by automotive suppliers. According to the Chattanooga Area Chamber of Commerce Major Employers List, VW employs approximately 4,000 people in Chattanooga at its only United States plant.

Foreign investments are prominent in Chattanooga. Companies with ties to Australia, Austria, Brazil, Canada, Finland, France, Germany, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Spain, Switzerland, Turkey, and the United Kingdom all have a presence in the City. In 2010, French drug maker Sanofi-Aventis acquired Chattanooga-based healthcare company Chattem Inc. Gestamp, a Tier 1 supplier to VW, BMW, and Mercedes-Benz that is based in Spain, runs a large-scale automotive parts stamping operation in the City. According to the Chattanooga Area Chamber of Commerce Major Employers List, Gestamp employs roughly 1,200 people in the Chattanooga area.

In 2019, Nippon Paint USA, a Japanese paint and paint products manufacturing company announced plans for a $61 million investment to build a LEED-certified 270,000-square-foot automotive paint production facility, the biggest new manufacturing investment in East Chattanooga in more than a century. The project completed construction of Phase One of its main facility and created 30 high-wage jobs. Road construction to service the plant has already been completed.

In July 2021, Novonix/Pure Graphite, an electric vehicle battery materials and technology company with operations in Australia, the United States and Canada, agreed to purchase and retrofit an existing facility in Chattanooga. Headquartered in Brisbane, Australia, Novonix develops and supplies materials, equipment and service for the global lithium-ion battery industry. Pure Graphite, which has sales agreements with Samsung and Sanyo, set up in Tennessee in 2019, and is the only qualified producer in North America of high-grade anode materials suitable for lithium-ion batteries for both electric vehicles and energy storage systems. In 2025, Novonix finalized the purchase of roughly 182 acres in ESIP to build a second synthetic graphite plant, which is expected to reach 31,500 tonnes/year capacity by 2028, bringing their total planned investment to approximately $1.5 billion and the creation of 500 new jobs in Chattanooga.

In addition to the foreign investments, many American companies continue to locate and expand in Chattanooga. FedEx recently constructed a $30 million distribution center in the Chattanooga area. Coca-Cola Bottling Company recently opened a distribution and sales facility in the City, reaffirming the company's commitment to Chattanooga. TAG Manufacturing, the maker of attachments for heavy equipment, also recently underwent a $15-million expansion at ESIP, adding approximately 200 jobs in a 200,000-square-foot facility.

Amazon, the world's largest internet retailer, opened a $70 million distribution center at ESIP, employing more than 2,000 full-time and part-time employees, and it has become one of the top 15 employers in Chattanooga.

In July 2023, the Center for Sports Medicine and Orthopedics LLC opened one of the region's biggest outpatient ambulatory surgery facilities along Interstate 75 in the City, replacing existing surgery suites in downtown Chattanooga. The $18.7 million complex, spanning 37,500 square feet, has eight operating rooms, two procedure rooms and 40 pre-operative and recovery bays.

Access Road LLC and Rise Partners began construction in 2022 on the North River Commerce Center—an 88-acre, $102 million industrial site that is slated to be the biggest new industrial park in Chattanooga since the VW site. The multi-phase Class A park is master planned for four major industrial buildings totaling nearly 800,000 square feet and is projected to support around 600 jobs once fully built. The first phase, comprising the first two buildings, with

380,000 square feet, is fully constructed and occupied by major regional user, including Home Depot and PPG Industries. Subsequent phases, which include the other two buildings, will add over 400,000 square feet of additional warehouse and logistics space to accommodate the ongoing industrial growth just 10 minutes from downtown Chattanooga. Additionally, Rise Partners has also acquired nearly 20 acres of other industrial property on Chattanooga's Southside. The acquisition includes an entire block in the "middle of the city" with both existing users and the potential for new development. Comprised of 10 buildings, this Yerbey Warehouse Park includes more than 200,000 square feet of industrial space, small office space, and undeveloped land that provides the opportunity to further housing or other development in the growing Southside area.

In addition to attracting top manufacturing and logistics companies, the City invests in creating entrepreneurial opportunities. Many of the City's recent job announcements include employment of 10 to 100 people in a variety of industries, including manufacturing, freight logistics, data analytics, and marketing. Chattanooga was recognized in 2018 by CNBC as one of the top seven cities for business startups, citing tech sector industry advantages. These favorable rankings were based on a variety of factors, including access to resources, startup survival rate, affordability of office space and educational attainment of the local labor force. Chattanooga was ranked as the least expensive city in 2018 for business start-ups by SmartAsset.com.

Part of the City's success is due to the advanced grid developed by the City's Electric Power Board ("EPB"), the city-owned electric utility. Chattanooga, also known as "Gig City," was the first city in the Western Hemisphere to offer 1 gigabit-per-second fiber internet service to all of its residents and businesses. The fiber optic network, which provides fiber to more than 100,000 homes and businesses in a 600-square-mile area, can now deliver data speeds of up to 10,000 megabits per second, a tenfold increase over its original configuration. The network represents a total $320 million investment. EPB utilized its community-wide fiber optic network to deploy the most advanced and highly automated advanced grid power management system in the nation. For the first time in its existence, EPB is selling or leasing shares of its solar farm to its 205,000 electric customers, giving their customers a chance to buy into a part of a new source of clean electricity generation. In July 2020, EPB, the City and other stakeholders partnered with the Hamilton County Schools to provide free home internet service and the necessary equipment for approximately 28,500 students who may not be able to afford internet at home. EPB's network infrastructure has allowed Chattanooga to be at the front of the technology curve and provides a technology platform that sets Chattanooga apart from every other community in the U.S. and all but a handful in the world. In recognition of this groundbreaking infrastructure, the U.S. Department of Energy and Oak Ridge National Laboratory are utilizing EPB's advanced grid as a national model for researching and developing best practices.

In 2023, Mayor Tim Kelly announced a new initiative known as "Gig City Goes Quantum" for the University of Tennessee at Chattanooga and Chattanooga State Community College to expand both their degree and non-degree training in quantum technologies to help prepare workers for the emerging technology. Quantum technologies are part of the next major frontier in computer technology, cybersecurity and digital communications and will require new skills for workers to take advantage of Chattanooga's unique capabilities.

Sparked by this high-speed internet infrastructure, Chattanooga became the first mid-sized city in America to establish an Innovation District. The district is approximately a quarter-mile walking radius in the heart of downtown, anchored by the Edney Innovation Center—a 90,000-square-foot, 10-story building at the corner of Market and 11th Streets. The Innovation District is designed for both new companies and existing businesses. As part of this effort, the Company Lab operates a new accelerator program in the City to help fund and nurture startup businesses on new approaches to sustainable mobility. In 2019 and 2020, Chattanooga and the County were recognized as International Data Corporation (IDC) Smart Cities in North America due to their innovative projects.

Quality of Life

In addition to industrial and economic opportunities, the City offers many social and outdoor activities for its residents and visitors. Surrounded by the Tennessee mountains, Chattanooga was recognized in 2025 as the first National Park City in North America. Chattanooga is the only city in North America and only the 3rd city worldwide to be so recognized, behind Adelaide, Australia and London, England. Chattanooga has also been named as one of America's most livable cities by national publications, such as Tech National and Travel + Leisure. In 2024, Chattanooga was named by U.S. News and World Report as the Best Place to Live in Tennessee with the #1 ranking in the State of Tennessee and 27th overall, nationwide. Additionally, Condé Nast Traveler has named Chattanooga to its "Bright Ideas in Travel" for 2026, recognizing the Scenic City among 25 projects around the world helping shape the future of travel. A relatively low cost of housing and lack of a State income tax make the area an attractive destination for many seeking a lower cost of living in a progressive community.

Chattanooga has made intensive investments in its recreational offerings, historical exhibits, museums, hotels, shopping and tourist attractions along the banks of the Tennessee River. These investments have resulted in the Tennessee Aquarium, Tennessee Riverpark, Walnut Street Pedestrian Bridge, and Coolidge Park. The City made additional investments in the creation of a model community in the City's Southside for the purpose of rebuilding the district's job base and revitalizing housing opportunities. An expanded convention center and a conference center complex are in the heart of the Southside community. The 21st Century Waterfront Development, a $120 million public-private partnership, has transformed the downtown riverfront with development intended to honor the history and preserve the beauty of the area. Enhancements to the development include an underground passageway to the river marking the beginning of the Trail of Tears, a pedestrian connection linking the river to the Hunter Museum and neighboring Bluff View Art District via the Holmberg Bridge and enhanced public spaces along both shores of the Tennessee River. The Tennessee Riverpark, a joint venture between the City and County with an unparalleled stretch of greenway, connects neighborhoods and business districts via numerous trailheads. Ultimately, the Riverpark is planned to stretch from the Chickamauga Dam through downtown to Moccasin Bend National Park.

Additionally, Chattanooga's historic Southside and Northshore neighborhoods, each with a distinctive personality and energy, are experiencing revitalization. These urban neighborhoods are in close proximity to major downtown employers, schools, restaurants and entertainment venues. As a result, many people are choosing to live downtown where they can experience a pedestrian and bike-friendly lifestyle. The Southside is a unique part of town with clusters of art galleries and a variety of restaurants. The Southside is also home to the City's newest urban park, Lynnbrook Park, in the Oak Grove neighborhood. The Northshore neighborhood, situated on the Tennessee River, is perhaps Chattanooga's most eclectic community and boasts a wealth of restored single-family 1940s-style bungalows along with luxury condominiums, boutiques, restaurants, coffeehouses, galleries and day spas. The Northshore is home to two large city parks – Coolidge Park, with its play fountains and carousel, and the Stringer's Ridge trail.

The 3,000-acre Enterprise South Nature Park is jointly funded by the City and the County. Visitors can walk along woodland paths that traverse a variety of terrains and feature scenic overlooks and a "hidden lake." The Enterprise South Nature Park contains 10.5 miles of woodland walking and biking trails, 10 miles of mountain bike trails, 8.5 miles of paved walking and bike roads and a 7-mile driving loop. The park features a visitors' center with meeting rooms, historical exhibits, equestrian trails and picnic areas. The park recently received the Governor's Environmental Stewardship Award for Greenways and Trails.

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Financial Institutions

There are 30 commercial banks within the MSA reporting total deposits of approximately $15,840,495,000 as of June 30, 2026. The following amounts are shown in thousands.

Institution Name	Deposits ($000)	Market Share
First Horizon Bank	2,682,229	16.93%
Pinnacle Bank	2,669,957	16.86%
Truist Bank	1,975,756	12.47%
Regions Bank	1,763,514	11.13%
FirstBank	1,084,983	6.85%
Builtwell Bank	720,729	4.55%
Bank of America, National Association	717,606	4.53%
Citizens Tri-County Bank	687,866	4.34%
SmartBank	523,791	3.31%
The Bank of Lafayette, Georgia	396,232	2.50%
SouthEast Bank	345,951	2.18%
RockPointBank, National Association	335,764	2.12%
Tower Community Bank	302,180	1.91%
Millennium Bank	220,324	1.39%
Mountain Valley Bank	198,896	1.26%
The Huntington National Bank	191,739	1.21%
Bank of Dade	151,289	0.96%
Wells Fargo Bank, National Association	136,477	0.86%
First Financial Bank, National Association	122,098	0.77%
Old National Bank	117,439	0.74%
CB&S Bank, Inc.	99,534	0.63%
WesBanco Bank, Inc.	80,870	0.51%
JPMorgan Chase Bank, National Association	53,540	0.34%
First-Citizens Bank & Trust Company	53,042	0.33%
United Community Bank	51,558	0.33%
Colony Bank	50,971	0.32%
The Park National Bank	42,891	0.27%
First Jackson Bank, Inc.	33,492	0.21%
First Farmers & Commercial Bank	16,921	0.11%
Wilson Bank and Trust	12,856	0.08%
Number of Institutions in the Market: 30	**15,840,495**	**100%**

Source: The Federal Deposit Insurance Corporation, June 30, 2026

Transportation Services

The City is one of the region's major transportation hubs. Air transportation services at Lovell Field are provided by the Chattanooga Metropolitan Airport Authority (the "Airport Authority"). Currently, Chattanooga is served by Delta Air Lines, American Airlines, United Airlines, and Allegiant Air, offering flights to Atlanta, Charlotte, Chicago, Dallas, Denver, Detroit, Houston, Orlando, Miami, Tampa, Fort Lauderdale, New York, Washington, D.C., and Punta Gorda. Following the opening of a $28 million terminal expansion, the Airport Authority is executing several major capital projects, including construction of a multi-level parking garage adding 1,600 spaces, new general aviation hangers, and ongoing reconstruction of the south terminal apron. The Airport Authority set back-to-back passenger records, recording 556,958 enplanements (1,108,602 total passengers) in 2024 and expanding to 632,384 enplanements (nearly 1.3 million total passengers) in 2025. General aviation services are provided by Chattanooga Aero, Crystal Air, HessJet, and West Star Aviation; Wilson Air Center serves as the private fixed-base operator. Other nearby airport facilities include Collegedale Municipal Airport, located in the County. All airport facilities are located near the downtown area of the City and provide services such as aircraft sales, instruction, charter services, fueling, and aircraft maintenance.

Railway service for the Chattanooga area is provided by four divisions of the Norfolk Southern Railway System and two divisions of the CSX Transportation System, all with switching services throughout the entire area. Modern "piggyback" service is provided by all lines.

The City is served by a robust transportation network that includes three interstate highways, seven U.S. highways and nineteen State highways. Intercity bus travel to regional and national destinations is provided by carriers including Greyhound Lines. Local public transportation is managed by the Chattanooga Area Regional Transportation Authority (CARTA), which operates fixed-route bus service, zero-emission downtown electric shuttles, and on-demand micro transit options. Additionally, privately operated shuttle services, such as Groome Transportation, provide multiple daily non-stop connections between Chattanooga and surrounding metropolitan areas, including direct regional airport service to Atlanta and Nashville.

In addition, channelization of the Tennessee River to a nine-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky, to Knoxville, Tennessee, gives the City the benefits of year-round, low-cost water transportation and a port on the nation's over 16,000 miles of navigable waterways. This system, formed largely by the Mississippi River and its tributaries, effectively links Chattanooga with the Great Lakes in the north and the Gulf of Mexico in the south, with cargo passing through the lock with origin or destination in 17 states. The nearby Tennessee-Tombigbee Waterway cuts the distance to the Gulf of Mexico by 850 miles. Public use port terminals include Englewood Enterprises, Mid-South Terminals and the Centre South Riverport.

Healthcare Services and Facilities

Chattanooga is known as a regional leader in the medical field. In the County, approximately 16% of jobs and 16% of payroll are generated by healthcare, including over 5,368 healthcare providers. Located in the City is Erlanger Medical Center, which has the region's only Level 1 Trauma Center; the Tennessee Craniofacial Center, one of the leading facial reconstructive centers in the country treating patients from all over the world; the Chattanooga Heart Institute, one of the leading heart centers in the region; and Siskin Hospital, Tennessee's only not-for-profit hospital dedicated to physical rehabilitation. Healthcare facilities in the area include seven large hospitals, emergency medical centers, public and private mental health facilities, drug and alcohol abuse recovery facilities, rehabilitation centers and speech and hearing facilities for the handicapped. In addition, the Hamilton County Health Department provides services and facilities for the protection and well-being of the public health. Total bed capacity of all hospital facilities in the Chattanooga area is approximately 2,150.

The Erlanger Health System, headquartered in Chattanooga, is comprised of seven campuses serving residents living within a 150-mile radius of Chattanooga. The campuses include the Baroness Erlanger Campus, the region's only Level 1 Trauma Center noted above; the Neurosciences Center, home to the region's only certified academic center that offers a comprehensive array of neurological services; T.C. Thompson Children's Hospital at Erlanger; Erlanger North Hospital; Erlanger East Hospital; Erlanger Bledsoe Hospital, located in Pikeville, Tennessee; and Erlanger Western Carolina Hospital. Erlanger is the region's only teaching hospital, affiliated with the University of Tennessee College of Medicine. Erlanger has six emergency departments and six Life Force air ambulances in its fleet; two based in Tennessee, two in Georgia, one in Winchester, Tennessee, and one in western North Carolina. Erlanger opened the Kennedy Outpatient Center, which is a three-story, pediatric outpatient building that includes more than twenty pediatric subspecialties. The Erlanger Behavioral Health Hospital, a joint effort between Erlanger and Acadia Healthcare, is a 69,000-square-foot facility, which includes 24 beds for geriatric patients, 24 for adults who have mental health needs, 24 for adults who are also struggling with co-occurring addiction, and 14 for young adults.

CommonSpirit Memorial (formerly CHI Memorial) has several locations in the Chattanooga area, including three hospitals, one imaging center, one community health center, one medical center and two physical therapy centers. CommonSpirit Memorial's main campus houses its state-of-the art Guerry Heart and Vascular Center, which includes 95 private patient rooms; a 22-bed cardiac short-stay unit; seven cardiac catheterization labs; two interventional labs; one dedicated imaging center; a diabetes and nutrition center; a weight management center; and a new chapel. The Lehman Family Center is an extension of its cardiac rehabilitation facility. In addition, CommonSpirit Memorial offers technology that corrects heart valve leakage. It is the first in the Chattanooga region to offer mitraclip therapy, the world's first trans catheter mitral valve repair—meaning no surgical incisions are needed to deliver the treatment.

In 2024, CommonSpirit Memorial received Comprehensive Stroke Center Certification. In January 2026, CommonSpirit Memorial opened a new 64-bed hospital in North Georgia.

Parkridge Hospital also has several locations in the Chattanooga area that offer a wide range of services, including but not limited to, inpatient and outpatient surgical services, maternity and emergency services. Two of the Parkridge campuses include psychiatric facilities, offering child and adolescent services, crisis intervention, and adult and senior care. In 2026, Parkridge Medical Center opened a new patient tower, adding 50 patient rooms, including 16 intensive care unit rooms and 34 medical-surgical rooms.

Selected information about area hospitals follows:

	Approximate Beds	**Approximate Net Revenues**	**Approximate Employees**
Erlanger Medical Center	930	$500,000,000	6,300
CommonSpirit Memorial Hospital	431	$512,600,000	3,595
CommonSpirit Memorial - Hixson	80	$70,100,000	534
Parkridge Medical Center	275	$295,602,700	744
Parkridge East Hospital	128	$119,855,078	382
Parkridge Valley Behavioral Health	172	$50,500,000	137
Parkridge West Hospital (Jasper)	70	$14,000,000	125

Source: Hospital Annual Reports 2025

Note: CommonSpirit Memorial – North Georgia opened in January 2026 with approximately 64 beds. Parkridge Medical Center opened a patient tower in November 2026 with 50 beds.

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Educational Facilities

Chattanooga has a rich heritage in education dating back to the early 1800s when a school was established for the education of the Cherokee. That tradition continues with the Hamilton County Board of Education, which operates traditional public schools, charter schools and magnet programs. One magnet school, The International Baccalaureate World School, is a downtown work-site magnet school that concentrates on classical studies. Another magnet program, the STEM School, emphasizes skills in science, technology, engineering and math. The Collegiate High at Chattanooga State allows students to finish high school while taking college-level courses and simultaneously receiving an associate's degree. There are also various other elementary and secondary educational facilities providing educational opportunities for students within the City and County, including approximately 38 private and parochial schools with a combined private and parochial school enrollment of approximately 11,400 in 2026. Total school locations and 10th day enrollment for the Hamilton County School system for the most recent years available follow:

	2026-2027		2025-2026	
	Locations	Enrollment[(1)]	Locations	Enrollment[(1)]
High Schools	12	8,918	12	9,402
Middle - High	9	6,332	9	6,291
Middle Schools	14	6,666	15	6,854
Elementary - High	2	1,260	2	1,277
Elementary - Middle	1	863	1	896
Elementary Schools	41	20,029	41	20,441
Collegiate High School @ Chattanooga State	1	180	1	167
Total	80	44,248	81	45,328

(1) 10th Day Enrollment

Source: Hamilton County Department of Education

The following universities and colleges are located in the Chattanooga MSA. Enrollment data for Fall 2025 is as follows:

	Fall 2025 Enrollment
Chattanooga College of Medical Dental and Technical Careers (1)	274
Chattanooga State Community College	7,893
Cleveland State Community College	3,078
Covenant College (1)	1,087
Dalton State	5,520
Georgia Northwestern Technical College	8,836
Lee University (Cleveland, TN)(1)	3,714
Southern Adventist University (1)	3,346
University of Tennessee at Chattanooga	12,060

(1) Private institutions

Source: Chattanooga Area Chamber of Commerce or School Representatives.

Police and Fire Protection

The City has total sworn police personnel numbering approximately 479 and an auxiliary civilian force of 126. Police protection is also provided by the other municipalities and counties throughout the MSA. The City has 447 sworn firefighters who provide fire prevention, firefighting and first-response emergency service to all City residents. The fire department also has a civilian support staff of approximately 16. The City has been assigned a Class 1 fire insurance rating. Surrounding areas are served by both public and organized volunteer fire departments.

Cultural Activities and Facilities

Chattanooga has a rich arts scene anchored by The Hunter Museum of American Art—one of the nation's largest collection of American art. Built in 1904 as a family home, the Hunter Museum became an art gallery in 1952 and houses art from well-known artists, such as Andy Warhol and Thomas Cole. Art in all forms may be found throughout the City, and the City boasts many notable cultural arts facilities, including the renovated art deco Tivoli Theatre, home to the Chattanooga Symphony and Opera, and local and touring dance, theatre, and musical events. The Tivoli recently underwent an extensive $75 million restoration and expansion that modernized the historic theater while building out the adjacent Tivoli Performing Arts Center, which integrates rehearsal spaces, community arts facilities, and significantly expanded lobby and backstage infrastructure to support major touring Broadway productions and concerts. Soldiers and Sailors Memorial Auditorium in the City hosts traveling Broadway shows and concerts each year. The Bessie Smith Cultural Center showcases the contributions of African-Americans in the development of Chattanooga, and the Chattanooga Theatre Centre remains one of the best-equipped community theatre facilities in the nation. Public-use spaces, such as the award-winning Coolidge Park, Miller Plaza and Miller Park, host free concerts and exhibits each year. The City's arts council, ArtsBuild, raises and distributes approximately $1 million each year to support local arts organizations, educational programs and cultural diversity projects. The Chattanooga Theatre Center annually hosts the Chattanooga Film Festival, recognized by MovieMaker Magazine as one of the 25 Coolest Film Festivals in the World.

Originally used as a construction landfill after being donated to the city in 1911 by Mary Thayer Montague, the Sculpture Fields at Montague Park is the largest sculpture park in the Southeast. Reopened in 2016 as an outdoor museum in downtown Chattanooga, the "Fields" is populated with sculptures from all over America. Home to over 50 large-scale sculptures, recent installations include sculptures from Andrew Nigh, John Clement and Ray Katz.

Riverfront Nights, a music series on Saturday nights held on the riverfront throughout the summer, has hosted such artists as Allison Krauss and Union Station, Buddy Guy, Bela Fleck, The Ruen Brothers and Bonnie Bishop. Chattanooga recently hosted the International Bluegrass Music Association's World of Bluegrass, and the 3 Sisters Bluegrass festival visits the city each October.

Recreational Activities and Facilities

Chattanooga, North America's first National Park City, enjoys an abundance of natural resources found in few places in the United States. The Tennessee River bisects the City while mountains surround it, providing a multitude of easily accessible outdoor activities, including fishing, hang gliding, camping, rock climbing, rappelling, spelunking, white water rafting, kayaking, canoeing, rowing, and hiking. Chattanooga has hosted the U.S. Pro Cycling Championship and hosts IRONMAN Chattanooga, part of the VinFast IRONMAN North America Series, which races have brought in millions of dollars to the local economy. The Head of the Hooch Regatta is a 2-day rowing regatta held annually in the City on the first full weekend in November. It runs downstream on a 3.1-mile course on the Tennessee River and presently ranks as one of the largest rowing regattas in the United States. As part of its efforts to highlight and enhance its outdoor recreational offerings, the City has established "Outdoor Chattanooga," a division of the City's Parks and Outdoors Department focused on augmenting the quality and accessibility of the City's outdoor recreational activities.

In addition to outdoor activities, Chattanooga is also nationally known for its history and beauty found at its numerous facilities and parks. The area has a number of state and local parks, including the Tennessee Riverpark, featuring picturesque hiking trails, fishing piers, picnic facilities, playgrounds and open spaces. The Chattanooga Parks system consists of 80 passive and active recreation sites, including Coolidge Park and its historic carousel, the Walnut Street Bridge, 35 playgrounds, dozens of athletic fields, ChattTown SkatePark, three dog parks, numerous tennis courts and pickleball courts. Over 35 miles of hiking trails and greenways provide numerous walking and biking opportunities. Stringers Ridge is a 92-acre urban wilderness park in North Chattanooga overlooking the Tennessee River, featuring easy to moderately technical multi-use trails. The Tennessee Riverwalk is a 14-mile greenway running path along the Tennessee River from Chickamauga Dam to St. Elmo and the South Chickamauga Creek Greenway, featuring 7 miles, many of those boardwalks, along the ripples of the historic South Chickamauga Creek.

The activities and features of the City have been highlighted by various publications over recent years. Some notable recognitions are listed below:

- Featured in numerous publications in 2025, including *Forbes*, *Southern Living*, *Outside*, *Smithsonian* and more, as America's first National Park City celebrating the City's transformation to one of the greenest and most adventurous cities in America
- Named as one of the "Best Adventure Experiences in the U.S." in 2023 by *Travel + Leisure*
- Named by *Outside* magazine as one of the 24 "Best Mountain Towns in the U.S." in 2022 and previously twice named by *Outside* magazine as the "Best Town Ever" based on readers' votes
- Ranked #3 by travel media company, Lonely Planet, in its "Best in the U.S." list in 2018
- Named in 2018 as one of the "10 Best U.S. Mountain Bike Towns with the Lowest Cost of Living" by Singletracks.com
- Named in 2023 as the "Best All-Around City to Retire in the South" by *Southern Living* magazine
- Ranked #8 on *Southern Living*'s "The South's Best Cities 2025"

The City is a frequent destination for rock climbers and mountain bikers, with more rock to climb within a 25-mile radius than Boulder, Colorado and over 100 miles of single-track within 15 miles of downtown. Additionally, it is an hour from the Ocoee River, which was the site of the whitewater canoe and kayak events during the 1996 Olympic Games. The Middle Ocoee is the most popular and commercially rafted whitewater river in the country, seeing on average over 200,000 commercial rafting guests and 10,000 private boaters annually.

The City is also world-renowned for training hang gliding pilot hopefuls at the Lookout Mountain Flight Park and Training School. People from all over the world come to learn at the facility, and the school graduates more pilots than any other school in the world. The City is additionally home to (i) the deepest commercial cavern and tallest underground waterfall open to the public in the U.S., (ii) the first and largest national military park, Chickamauga and Chattanooga National Military Park, and (iii) Walnut Street Bridge, one of the world's longest pedestrian bridges, which was erected in 1891, is 2,376 feet long and has been preserved for the enjoyment of thousands yearly. This historic bridge officially reopened in October 2026 following an 18-month, $47 million restoration project, which restored direct pedestrian and cyclist connectivity between downtown Chattanooga and Frazier Avenue in the Northshore district, re-anchoring one of the city's most vital non-motorized river crossings.

Other Chattanooga recreational opportunities include the Bike Chattanooga Bike Transit System, Erlanger Park (home of the Class AA Chattanooga Lookouts, a minor league baseball team), and the Chattanooga Zoo. In 2024, the Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee, issued bonds to finance the construction of Erlanger Park, a state-of-the-art multi-use sports and entertainment stadium located in the City's South Broad District. Designed as the new home of the Chattanooga Lookouts, the stadium just completed its inaugural season setting new attendance records for the Lookouts. The venue serves as the central anchor for the broader South Broad District revitalization, which is actively transforming the former industrial corridor into a vibrant, mixed-use community featuring new residential units, neighborhood commercial space, and interconnected public green spaces and trails.

Also located in the City and surrounding area are the Summit of Softball complex and Warner Park, which have hosted the USA Softball, United States Specialty Sports Association, and the National Softball Association major tournaments. Chattanooga also offers other tournament-quality facilities that attract numerous sports, such as tennis. The City's Champions Club tennis facilities along with the Summit of Softball and Warner Park have generated over $154 million in economic impact for the City since 2021. The City has also secured bids to host the NCAA Division II National Softball Championship, the National Junior College Division II championship, and the Athletes Unlimited, which is a national professional women's softball league. Numerous upgrades were made to Frost Stadium and the Warner Park fields in 2023 that totaled almost $2 million dollars. Upgrades included the following: the addition of a state-of-the-art jumbotron LED scoreboard, the upgrade of existing sports lighting to LED, the transition to artificial turf for Frost Stadium and two additional fields, the addition of a new outfield and backstop padding, and the addition of new furniture for suites. The improvements were made to permit the City to host events held by the National Collegiate Athletic Association, National Junior College Athletic Association and various pro teams.

The Charles H. Coolidge National Medal of Honor Heritage Center opened in the City in February 2020. The 19,000-square-foot facility is located near the Tennessee Aquarium in downtown Chattanooga and features 14 permanent displays. This museum attempts to bring to life the history of the nation's highest military award with exhibits and technology that enable visitors to visualize and experience the events of the battlefield.

Chattanooga's Southside revitalization has filled the area with art, culture, cuisine and entertainment. Athletic and entertainment venues include the Tennessee Bouldering Authority, Chattanooga's first indoor bouldering and rock-climbing facility, Chattown SkatePark, a lighted outdoor park of skateboards, BMX bikes and inline skating, and the First Horizon Pavilion, which is the home to the Chattanooga Market, football game tailgating and many other events. Adjacent to the pavilion, Finley Stadium is home to the University of Tennessee at Chattanooga football team and the Chattanooga Football Club amateur soccer team. In recent years, the Chattanooga Riverwalk was extended to this area connecting the Southside to downtown Chattanooga as part of the 13-mile paved path along the southern banks of the Tennessee River.

The City's rich history is evidenced by the nation's largest military park, the Chickamauga and Chattanooga National Military Park. Historic Moccasin Bend, a unit of the Chickamauga and Chattanooga National Military Park, contains numerous Civil War fortifications, Native American burial grounds, and archaeological resources.

The City developed a Parks and Outdoors Plan ("POP") that will offer a road map and path forward to reinvent Chattanooga as a city in a park, where a system of parks and protected open spaces connect people to each other, where all neighborhoods have parks, and where nature and its benefits are integrated throughout the city. The POP is a high-level document, the first comprehensive plan that Chattanooga has had in 25 years. The City is also in the final stages of creating a recreation plan, bringing recreational access to communities for many years to come.

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Demographic Trends

The City, largely reflecting annexations, had a substantial expansion of its area and its population during the 1970s. Population and growth trends since 1970 are shown in the following table:

Census	Census	City of	Hamilton	State of	United	Decennial % Change			
Year	Area	Chattanooga	County	Tennessee	States	City	County	State	US
1970	52.5	119,923	255,077	3,926,018	205,050,000	(7.8)	7.2	10.1	13.3
1980	126.9	169,565	287,740	4,591,120	227,220,000	41.4	12.8	16.9	10.8
1990	126.9	152,466	285,536	4,877,855	249,620,000	(10.1)	(0.8)	6.2	9.9
2000	126.9	155,554	307,896	5,689,283	282,160,000	2.0	7.8	16.6	13.0
2010	137.2	167,674	336,463	6,346,105	308,745,538	7.8	9.3	11.5	9.4
2020	142.4	181,099	366,207	6,910,840	331,449,281	8.0	8.8	8.9	7.4
2025	142.4	194,144	390,833	7,315,076	341,784,857				

Source: www.census.gov. Figures for 1970 through 2020 are decennial Census counts, while the 2025 figures are American Community Survey estimates subject to sampling variability. Decennial national population counts prior to 2010 are rounded. From time to time, the U.S. Census Bureau restates previously reported data.

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Per Capita Personal Income and Median Age (Chattanooga MSA)

Fiscal Year	Per Capita Income ($)	Median Age
2016	39,744	39.5
2017	41,696	40.1
2018	42,437	39.6
2019	44,176	40.3
2020	45,844	40.4
2021	47,669	39.6
2022	50,292	39.4
2023	53,797	36.3
2024	56,016	37.2
2025	58,813	37.2

Source: City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025. Per Capital Income statistics were sourced by the City from the U.S. Department of Commerce and Bureau of Economic Analysis. Median age statistics were sourced by the City from the U.S. Census Bureau.

Housing Units – City of Chattanooga

	1980	1990	2000	2010 [(1)]	2020	2024[(2)]
Total Housing Units	66,630	69,562	71,953	81,046	85,266	89,451
Owner Occupied	52.4%	40.5%	40.4%	53.6%	45.7%	47.3%
Median value of Owner-Occupied Housing	$33,300	$54,483	$83,742	$126,500 [(2)]	$174,900[(2)]	$323,700

Sources: United States Census; Chattanooga Chamber of Commerce
[(1)] *Source*: Chattanooga Chamber of Commerce.
[(2)] *Source*: www.census.gov. American Community Survey 5-Year Estimates. Total Housing Units are from Chattanooga, TN American Community Survey 1-Year Estimates. From time to time, the U.S. Census Bureau restates previously reported data.

Building Permits Issued

Calendar Year	Valuation ($)	Number
2016	621,280,264	2,655
2017	674,712,821	2,780
2018	529,994,995	2,859
2019	453,208,529	1,856
2020	397,000,000	2,872
2021	776,491,251	2,806
2022	1,149,948,201	2,467
2023	895,955,346	2,293
2024	322,761,710	1,372
2025	1,188,175,640	2,684

Valuation is based on current industrial average as published by the Southern Building Code Congress International.

Source: City of Chattanooga Land Development Office.

Effective Buying Income

As of 2025, Metropolitan Chattanooga is the 100th largest population center in the nation and ranks 99th largest in total effective buying income (as shown below in dollars).

	Chattanooga			Chattanooga MSA		
Year	Net Dollars ($000)	Per Capita	Average Per Household	Net Dollars ($000)	Per Capita	Average Per Household
2016	3,944,880	22,152	52,047	12,459,490	22,671	56,610
2017	4,023,323	22,404	52,520	12,620,752	22,825	56,934
2018	4,340,612	23,912	55,882	13,448,984	24,135	60,066
2019	4,410,045	24,050	56,213	13,896,184	24,697	61,468
2020	4,839,359	26,267	61,217	15,178,929	26,780	66,610
2021	5,246,576	28,291	65,917	15,684,676	27,459	69,055
2022	5,792,092	30,818	71,749	17,375,722	30,041	74,634
2023	5,788,963	31,307	73,585	17,380,414	30,389	75,725
2024	6,215,667	32,942	77,200	18,946,288	32,577	81,075
2025	7,099,528	36,906	86,477	20,967,250	35,444	88,141

Source: Claritas, Inc.

Median Household Effective Buying Income

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Chattanooga MSA	42,988	43,819	45,899	45,531	48,112	50,836	55,913	56,666	61,076	65,579
Tennessee	41,940	42,348	45,579	46,712	49,483	49,886	56,989	58,181	61,623	63,929
United States	46,738	48,043	50,735	52,841	55,303	56,790	64,448	65,326	67,876	69,687

Source: Claritas, Inc.

Retail Sales Growth

Year	Chattanooga ($000)	Hamilton County ($000)	Chattanooga MSA ($000)
2016	5,453,159	7,173,422	9,434,781
2017	5,297,361	6,811,164	8,980,105
2018	4,764,621	6,451,922	8,500,844
2019	5,815,049	7,700,889	10,082,128
2020	5,944,131	7,856,449	10,294,655
2021	6,429,782	8,571,086	11,011,707
2022	7,062,876	9,359,265	11,978,194
2023	8,501,646	11,151,308	14,167,513
2024	7,583,392	9,938,066	12,788,012
2025	10,454,665	12,934,522	16,509,505

Source: Claritas, Inc.

Employment and Unemployment Statistics

Data for the total civilian labor force for the MSA for the past ten years is set forth below:

	MSA Civilian Labor Force			Civilian Labor Force % Unemployed		
Year	**Total**	**Employed**	**Unemployed**	**MSA**	**TN**	**U.S.**
2015	253,595	239,502	14,093	5.6	5.8	5.3
2016	260,695	247,310	13,385	5.1	5.0	4.9
2017	266,275	255,822	10,453	3.9	3.5	4.4
2018	270,586	261,002	9,584	3.5	3.5	3.9
2019	280,160	269,312	10,848	3.9	3.5	3.7
2020	272,876	255,207	17,669	6.5	7.5	8.1
2021	271,710	260,947	10,763	4.0	4.5	5.3
2022	274,046	264,994	9,052	3.3	3.4	3.6
2023	285,839	277,149	8,690	3.0	3.2	3.6
2024	291,583	282,272	9,311	3.2	3.4	4.0

Source: U.S. Bureau of Labor Statistics - www.bls.gov (Data is subject to later revision by the U.S. Bureau of Labor Statistics).

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Largest Employers in the Chattanooga Area

The largest employers within the Chattanooga area in the manufacturing and non-manufacturing sectors in 2025 are listed in the below tables.

TOP NON-MANUFACTURERS

Employer	Number of Full-Time Employees	Type of Product / Service
BlueCross BlueShield of Tennessee	6,303	Health Care Insurance
Erlanger Health System	5,681	Health System
Hamilton County Dept. of Education	5,605	Elementary & Secondary Schools
Tennessee Valley Authority	3,748	Utility - Electric Service
CHI Memorial	3,645	Health Care
Unum	3,219	Insurance
City of Chattanooga	2,437	Government
Hamilton County Government	1,942	Government
University of Tennessee at Chattanooga	1,536	University
Amazon.com LLC	1,508	Distribution Center
Cigna Health Care	1,382	Health Services

Source: Chattanooga Area Chamber of Commerce Major Employers List (includes self-reported information).

TOP MANUFACTURERS

Employer	Number of Full-Time Employees	Industry
Volkswagen Chattanooga	3,937	Automobiles
Roper Corporation	2,574	Cooking Products
Astec Industries, Inc	1,689	Asphalt & Construction Equip.
Pilgrim's Pride Corporation	1,102	Poultry Producer
Kenco Group	862	Supply Chain Solutions, Logistics
U.S. Xpress Enterprises, Inc.	747	Transportation Services
Humanist (Vision) Hospitality	734	Lodging
Southern Champion Tray	637	Mfr. Folding Cartons

Source: Chattanooga Area Chamber of Commerce Major Employers List (includes self-reported information).

APPENDIX C

ELECTRIC POWER BOARD OF THE CITY OF CHATTANOOGA

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

SUMMARY OF BOND RESOLUTION

General

Pursuant to Resolution No. 22629, as supplemented and amended ("Resolution"), the Series 2026 Bonds (the "Bonds") and any additional Obligations issued under the Resolution are payable from and secured by an irrevocable lien on and irrevocable pledge of (1) all Electric System Revenues, (2) the proceeds of sale of Obligations for Electric System purposes until expended for the purposes authorized by the Supplemental Resolution authorizing such Obligations, (3) all amounts held in the funds, accounts and subaccounts established by the Resolution derived from Electric System operations, including investment earnings thereon and (4) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Resolution for the Obligations by EPB or by anyone on its behalf, or with its written consent (collectively, the "Trust Estate"). The Trust Estate does not include any Separately Financed Project (as hereinafter defined) or any revenues related thereto.

"Revenues" are defined in the Resolution as (1) all rates, fees, charges, income, rents and receipts derived from or attributable to the ownership and operation of the Electric System, including all revenues attributable to the Electric System or to the payment of the costs thereof received under any contracts for the sale of power, energy, transmission or other use of the services, facilities or products of the Electric System or any part thereof or any contractual arrangement with respect to the use of the Electric System or any portion thereof or the services, output, facilities, capacity or products of the Electric System, (2) the proceeds of any insurance covering business interruption loss relating to the Electric System, (3) interest received on the investment or reinvestment of any moneys held in the Electric Fund and (4) payments received under a Qualified Swap; provided, however, that "Revenues" shall not include revenues from a Separately Financed Project or Contributions in Aid of Construction.

Pursuant to Section 9.08 of the Resolution, the City, acting through EPB, may add to the Electric System any facilities or equipment related to the generation, transmission and/or distribution of electricity or for the provision of other utility related services so long as, if any Tax-Exempt Obligations are Outstanding under the Resolution, the City, acting through EPB, shall have received an opinion of Bond Counsel that the addition to the Electric System will not cause the interest on such Tax-Exempt Obligations not to be excluded from the gross income of the owners thereof for federal income tax purposes. In addition, assets may be added to or removed from the Electric System in accordance with the provisions of the Resolution. Accordingly, under such circumstances the Electric System's Revenues and Costs of Operation and Maintenance will be affected. The City may also acquire or construct Separately Financed Projects (as described below) without including such Projects as part of the Electric System, or the revenues and expenses attributable thereto, a part of the Revenues and Costs of Operation and Maintenance of the Electric System.

The Bonds shall not be or constitute general obligations or indebtedness of the City within the meaning of the Constitution of Tennessee, but shall be payable solely from and secured by a lien upon and a pledge of the Trust Estate, in the manner and to the extent provided in the Resolution. No Bondholder of the Series 2026 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form on any real or personal property to pay such Bonds or the interest thereon, nor shall any Bondholder be entitled to payment of such principal and interest from any other funds of the City other than the Trust Estate, all in the manner and to the extent provided in the Resolution.

The Resolution allows the City, acting on behalf of and upon request by EPB, to authorize and issue bonds, notes, or other obligations or evidences of indebtedness, other than Obligations, for any project authorized by law, or for any project for the provision of goods or services other than the generation, transmission, distribution and sale of electric energy and capacity or related goods and services which are at the time the Resolution is adopted or thereafter may be authorized or permitted for municipal electric systems generally or the EPB specifically under any Tennessee or federal law or the Charter of the City of Chattanooga, or from financing or otherwise providing for any such project from other available funds (such project being defined as a "Separately Financed Project"), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, and the City's or EPB's share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project, from other available funds of EPB not constituting part of the Trust Estate or from other funds withdrawn by EPB from the Electric System funds of similar maturity dates pursuant to the Resolution.

Proceeds

Except as otherwise provided in the Resolution, the proceeds, including accrued interest and premium, if any, received from the sale of the Obligations of any Series shall be applied by EPB simultaneously with the delivery of such Obligations in accordance with the provisions of a Supplemental Resolution of the City enacted or adopted at or before the delivery of such Series of Obligations, in conformity with the Resolution.

Defeasance

If, at any time after the date of issuance of the Obligations, (1) all Obligations secured by the Resolution, or any Series thereof, or maturity or portion of a maturity within a Series, shall have become due and payable in accordance with their terms or otherwise as provided in the Resolution, or shall have been duly called for redemption, or the City gives the Paying Agent irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Obligations at maturity or at any earlier redemption date scheduled by the City or any combination thereof, (2) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Obligations then outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agent, an escrow agent or any Authorized Depository, in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created thereby) which, as verified by a report of a nationally recognized independent certified public accountant or nationally recognized firm of independent certified public accountants, when invested in Federal Securities maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Obligations at the maturity thereof or the date upon which such Obligations are to be called for redemption prior to maturity, and (3) provisions shall also be made for paying all other sums payable under the Resolution by the City, then and in that case the right, title and interest of such Bondholders under the Resolution and the pledge of and lien on the Trust Estate, and all other pledges and liens created by the Resolution or pursuant thereto, with respect to such Bondholders shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Obligations issued under the Resolution and then Outstanding, all balances remaining in any other funds or accounts created by the Resolution other than moneys held for redemption or payment of Obligations and to pay all other sums payable by the City under the Resolution shall be distributed to the City for any lawful purpose; otherwise the Resolution shall be, continue and remain in full force and effect.

For purposes of determining the amount of interest due and payable with respect to Variable Rate Obligations pursuant to (2) above, the interest on such Variable Rate Obligations shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Obligations having borne interest at less than such maximum rate for any period, the total amount of moneys and Federal Securities on deposit with the Paying Agent for the payment of interest on such Variable Rate Obligations is in excess of the total amount which would have been required to be deposited with the Paying Agent on such date in respect of such Variable Rate Obligations in order to satisfy the above provisions, the Paying Agent shall pay the amount of such excess to the City for use in such manner as required or permitted pursuant to an opinion of Bond Counsel in order not to cause interest on the Obligations (other than Taxable Bonds) or any bonds issued to refund the Obligations to cease to be excludable from gross income for federal income tax purposes.

For purposes of determining the amount of principal, premium, if any, and interest due and payable pursuant to Section 12.02(2) above with respect to Obligations subject to mandatory purchase or redemption by the City at the option of the Bondholder thereof ("Put Bonds"), as long as a liquidity credit facility remains in place such amount shall be the maximum amount of principal of and premium, if any, and interest on such Put Bonds which could become payable to the Bondholders of such Put Bonds upon the exercise of any such demand options provided to the Bondholders of such Put Bonds. If any portion of the moneys deposited with the Paying Agent for the payment of the principal of and premium, if any, and interest on Put Bonds is not required for such purpose the Paying Agent shall pay the amount of such excess to the City for use in such manner as required or permitted pursuant to an opinion of Bond Counsel in order not to cause interest on the Obligations (other than Taxable Bonds) or any bonds issued to refund the Obligations to cease to be excluded from gross income for federal income tax purposes.

If a portion of a maturity of a series of Obligations subject to mandatory sinking fund redemption shall be defeased as provided above, the principal amount of the Obligations so defeased shall be allocated to the mandatory sinking fund installments designated by the City or if no such designation is made, such principal amount shall be allocated to mandatory sinking fund installments in inverse order of maturity.

Event of Default

Each of the following events is declared an "event of default" by the Resolution: (1) payment of principal of any Obligation shall not be made when the same shall become due and payable, either at maturity (whether by acceleration or otherwise) or on required payment dates by proceedings for redemption or otherwise; or (2) payment of any installment of interest shall not be made when the same shall become due and payable; or (3) the City or EPB shall for any reason be rendered incapable of fulfilling their obligations under the Resolution to the extent that the payment of or security for the Obligations would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after the City becomes aware of such conditions; or (4) a final order or decree shall be entered, with the consent or acquiescence of the City appointing a receiver or receivers of the City, EPB, the Electric System, the Revenues, or any part thereof or the filing of a petition by EPB for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Tennessee, which shall not be dismissed, vacated, appealed or discharged within thirty (30) days after the filing thereof; or (5) any proceedings shall be instituted, with the consent or acquiescence of EPB, for the purpose of effecting a composition between EPB and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes at the time the Resolution is adopted or thereafter enacted, if the claims of such creditors are under any circumstances payable from the Revenues; or (6) the entry of a final judgment or judgments for the payment of money against EPB, as a result of the ownership, operation or control of the Electric System or which subjects any of the funds pledged under the Resolution to a valid lien under state or federal law and for the payment thereof in contravention of the provisions of the Resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or (7) EPB shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Obligations or in the Resolution on the part of EPB, to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Bondholders of not less than twenty-five percent (25%) of the Bond Obligation; notwithstanding the foregoing, however, an event of default shall not be deemed to have occurred under this paragraph (7) if the default of the EPB cannot be cured within sixty (60) days of such notice but can be cured within a reasonable period of time and EPB in good faith institutes curative action within such sixty-day period and diligently pursues such action until the default has been corrected. Notwithstanding the foregoing, with respect to the events described in clauses (3) and (7), the City or EPB shall not be deemed in default under the Resolution if such default can be cured within a reasonable period of time and if EPB in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

Remedies upon Default

Upon the happening and continuance of any event of default specified above under "Event of Default", then and in every such case the Bondholders of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Tennessee to serve as trustee for the benefit of the Bondholders of all Obligations then outstanding (the "Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the Bondholders of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Trustee shall have agreed to serve shall be filed with the City and the Chief Financial Officer with a copy to the Trustee and notice of such appointment shall be published in THE BOND BUYER or a financial journal of general circulation in the City of New York, New York and mailed to the Bondholders of the Obligations; provided, however, that if all Obligations then Outstanding are in registered form, no newspaper publication shall be required. After the appointment of a Trustee under the Resolution, no further Trustees may be appointed; however, the Bondholders of a majority of the Bond Obligation may remove the Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Trustee was appointed is cured or waived pursuant to the Resolution, the appointment of the Trustee shall terminate with respect to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of Bondholders of twenty-five percent (25%) of the Bond Obligation shall proceed, to protect and enforce the rights of the Bondholders under the laws of the State of Tennessee, including the Act, and under the Resolution, by such suits, actions or special proceedings in equity or at law in the Circuit or Chancery Courts of Hamilton County, Tennessee, or by regulatory or administrative proceedings in the office of any board, body or officer having

jurisdiction, either for the specific performance of any covenant or agreement contained in the Resolution or in aid of execution of any power in the Resolution granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the City or EPB, under the Resolution the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City or EPB, for principal, interest or other sums due under any provisions of the Resolution or of such Obligations and unpaid, with interest on overdue payments of principal and, if permitted by law, at the rate or rates of interest specified in such Obligations, together with any and all reasonable costs and expenses of collection and of all proceedings thereunder and under such Obligations, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the City or EPB, but solely as provided in the Resolution and in such Obligations, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Electric Fund, as the case may be, and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

Rate Covenant

The City has covenanted that so long as any Obligations remain Outstanding, EPB will fix, charge and collect, or cause to be fixed, charged and collected, subject to applicable requirements, approvals or restrictions imposed by law or regulations or the provisions, terms and conditions of EPB's wholesale power contract with the Tennessee Valley Authority or its successors and assigns, such rates, rentals, fees and charges for the use of and for the services and products provided by the Electric System as are expected to be sufficient in each Fiscal Year to produce Revenues, in an amount at least equal to the sum of (1) one hundred percent (100%) of the Costs of Operation and Maintenance for such Fiscal Year, (2) one hundred percent (100%) of the Debt Service Requirement for such Fiscal Year, (3) one hundred percent (100%) of the amounts payable with respect to Subordinated Indebtedness and Subordinated Contract Obligations in such Fiscal Year, and (4) one hundred percent (100%) of the amount required to maintain the Reserve Fund in accordance with the requirements of the Resolution.

Failure by EPB to comply with the rate covenant described in the immediately preceding paragraph in any Fiscal Year shall not constitute an event of default as described in the Resolution so long as EPB shall, no later than sixty (60) days after discovering such non-compliance and in all events no later than sixty (60) days of receipt by EPB of audited financial statements delivered pursuant to the Resolution which statements show such non-compliance, retain a Qualified Independent Consultant for the purpose of reviewing the Electric System fees, rates, rents, charges and surcharges and shall, subject to securing such approvals as may be required and that in good faith will be sought by EPB, implement the recommendations of such Qualified Independent Consultant with respect to such fees, rates, rents, charges and surcharges filed by the Qualified Independent Consultant with EPB in a written report or certificate, and such failure shall not be an event of default even though the Qualified Independent Consultant shall be of the opinion, as set forth in such report or certificate, that it would be impracticable at the time to charge such fees, rates, rents, charges and surcharges for the Electric System as would provide funds sufficient to comply with the requirements of the immediately preceding paragraph so long as EPB imposes such schedule of fees, rates, rents, charges and surcharges as in the opinion of such Qualified Independent Consultant will allow EPB to as nearly as then practicable comply with such requirements and EPB shall again be in compliance within the immediately preceding paragraph no later than twelve calendar months after its discovery of such non-compliance. EPB, acting with the authority of the City, also has agreed in the Resolution to provide notice of its failure to comply with the above-described rate covenant to the Bondholders by first class mail, postage prepaid, no later than thirty (30) days after engaging the services of a Qualified Independent Consultant pursuant to the requirements of the preceding sentence and to provide a copy of the report or certificate of the Qualified Independent Consultant to any Bondholder who shall request the same in writing. Furthermore, EPB, acting with the authority of the City, shall provide a copy of the report or certificate of the Qualified Independent Consultant to the Rating Agencies within thirty (30) days after receipt of same.

Debt Service Reserve Fund

Pursuant to the Resolution, the City has established the EPB Debt Service Reserve Fund (the "Reserve Fund") for the benefit of the Obligations. Amounts on deposit in the Reserve Fund may be used solely for the purpose of curing deficiencies in the Electric Fund for the payment when due of the principal of and interest on the Obligations. If funds on deposit in the Reserve Fund or the available amount under a Reserve Product on deposit in the Reserve Fund exceed in the aggregate the Reserve Requirement (as described below), the excess cash shall be deposited into

the Electric Fund. Upon the initial delivery of the Bonds the Reserve Fund shall be unfunded and the City shall only be required to fund the Reserve Fund upon the occurrence of the conditions described below.

So long as the Net Revenues for each Fiscal Year equal or exceed 150% of the Debt Service Requirement for each such Fiscal Year, the Issuer shall not be obligated to fund or maintain the Reserve Fund. If for any Fiscal Year the Net Revenues are less than 150% of the Debt Service Requirement for such Fiscal Year, the Issuer shall be obligated to fund and maintain in the Reserve Fund an amount equal to:

(1) ten percent (10%) of the maximum Debt Service Requirement if the Net Revenues for the previous Fiscal Year were less than 150% of the Debt Service Requirement for such Fiscal Year, but were greater than or equal to 140% of the Debt Service Requirement for such Fiscal Year;

(2) twenty percent (20%) of the maximum Debt Service Requirement if the Net Revenues for the previous Fiscal Year were less than 140% of the Debt Service Requirement for the previous Fiscal Year, but greater than or equal to 130% of the Debt Service Requirement for the previous Fiscal Year;

(3) thirty percent (30%) of the Maximum Debt Service Requirement if the Net Revenues for the previous Fiscal Year were less than 130% of the Debt Service Requirement for the previous Fiscal Year, but greater than or equal to 120% of the Debt Service Requirement for the previous Fiscal Year;

(4) forty percent (40%) of the Maximum Debt Service Requirement if the Net Revenues for the previous Fiscal Year were less than 120% of the Debt Service Requirement for the previous Fiscal Year, but greater than or equal to 110% of the Debt Service Requirement for the previous Fiscal Year; and

(5) fifty percent (50%) of the Maximum Debt Service Requirement if the Net Revenues for the previous Fiscal Year were less than 110% of the Debt Service Requirement for the previous Fiscal Year.

If at any time EPB is required to fund the Reserve Fund, or to increase the amount required to be maintained in the Reserve Fund pursuant to a Supplemental Resolution, the amount, or increase in the amount, as applicable, may be funded in up to twelve substantially equal consecutive monthly deposits commencing not later than the month following the receipt of audited financial statements for the Electric System for the preceding Fiscal Year in accordance with the terms of the Resolution.

The Reserve Requirement may be funded with cash or Investment Obligations, or one or more Reserve Products, or a combination thereof, all as described in the Resolution.

Additional Obligations

Additional Obligations may be issued or Parity Debt may be incurred from time to time under the Resolution on parity in all respects with the Bonds for any lawful purpose of the City in connection with the Electric System upon compliance with the following conditions:

(1) the City shall have enacted a Supplemental Resolution authorizing such Obligations or Parity Debt and providing the terms thereof as contemplated in the Resolution and reciting that all of the covenants contained in the Resolution will be fully applicable to such Obligations;

(2) the Chief Financial Officer of EPB shall certify in writing that, upon the delivery of such Obligations or incurrence of such Parity Debt, the City will not be in default in the performance of the terms and provisions of the Resolution or of any of the Obligations or Parity Debt;

(3) the Chief Financial Officer of EPB shall certify in writing that the Net Revenues of the Electric System as shown on the then-most recent available audited financial statements of the Electric System, adjusted as described below, equal or exceed 1.1 times the maximum annual Debt Service Requirement for all Outstanding Obligations and Parity Debt and the additional Obligations proposed to be issued or Parity Debt proposed to be incurred for the first complete Bond Year during which such additional Obligations or Parity Debt shall be Outstanding; and

(4) EPB shall have received an opinion or opinions from the City Attorney of the City, EPB's General Counsel or any attorney designated or appointed by him or her and/or from Bond Counsel to the effect that (a) the City has the right and power under the Act to enact the Resolution and the Resolution has been duly and lawfully enacted by the City, is in full force and effect and is valid and binding upon the City and is enforceable in accordance with its terms and no other authorization of the Resolution is required, (b) the Resolution creates a valid lien upon and pledge of the Trust Estate, (c) the Obligations are, or Parity Debt is, valid and binding limited obligations of the City, enforceable in accordance with their terms and the Resolution and have been duly and validly authorized and issued

in accordance with the Act and the Resolution, and (d) the City has the full lawful power and authority to issue the Obligations for the purposes for which they are authorized.

In calculating Net Revenues of the Electric System for purposes of paragraph (3) above, the Chief Financial Officer may, at his or her option, adjust the amount of Net Revenues shown on the most recent available audited financial statements of the Electric System in the following respects:

(a) If, prior to the issuance of the additional Obligations or incurrence of Parity Debt, EPB shall have increased the rates, fees, rentals or other charges for services of the Electric System, the Net Revenues may be adjusted to show the Net Revenues that would have been derived from the Electric System if such increased rates, fees, rentals or other charges had been in effect for the full Fiscal Year covered by such audited financial statements;

(b) If EPB shall have acquired or shall have contracted to acquire all or part of any privately or publicly owned utility system which is to be added to the Electric System and the cost of which is to be paid, in whole or in part, from proceeds of the proposed additional Obligations, then the Net Revenues shall be increased by adding thereto the Net Revenues that would have been derived if such addition to the Electric System had been included in the Electric System for the full Fiscal Year covered by such audited financial statements; and

(c) If EPB, in connection with the issuance of the additional Obligations or incurrence of Parity Debt, shall enter into a contract (with a duration or term not less than the final maturity of such additional Obligations) with any public or private entity whereby EPB agrees to furnish services of the Electric System to such entity, then the Net Revenues shown on the audited financial statements shall be increased by the estimated amount which such public or private entity has agreed to pay in one Fiscal Year for the furnishing of such services, after deducting therefrom the cost of operation, maintenance, repair, renewal and replacement allocable to providing such services.

Obligations issued or Parity Debt incurred pursuant to the terms and conditions of the foregoing paragraphs shall be deemed on a parity with all Obligations and Parity Debt then Outstanding, and all of the covenants and other provisions of the Resolution shall be for the equal benefit, protection and security of the Bondholders of any Obligations originally authorized and issued and Parity Debt incurred pursuant to the Resolution and the Bondholders of any Obligations and Parity Debt evidencing additional obligations subsequently created within the limitations of and in compliance with the Resolution.

Flow of Funds

The Resolution establishes three funds, the "EPB Electric Fund" (the "Electric Fund"), the "EPB Capital Fund" (the "Capital Fund") and the previously described Reserve Fund. See "Debt Service Reserve Fund" herein. The City may subsequently establish one or more separate accounts or subaccounts in the Electric Fund or the Capital Fund.

All Revenues received from the generation, transmission, distribution and sale of electric power and energy shall be deposited to the credit of the Electric Fund as and when received. EPB shall also pay into the Electric Fund such portion of the proceeds of any Series of Obligations which may have been issued to pay Costs of Operation and Maintenance as shall be specified pursuant to the Supplemental Resolution authorizing such Series of Obligations. Amounts in the Electric Fund shall be paid out, accumulated or withdrawn from time to time for the following purposes and, as of any time, in the following order of priority:

(l) Payment of reasonable and necessary Costs of Operation and Maintenance or accumulation in the Electric Fund as a reserve (a) for working capital, (b) for such Costs of Operation and Maintenance the payment of which is not immediately required, including, but not limited to amounts determined by EPB to be required as an operating reserve in accordance with the Resolution, or (c) deemed necessary or desirable by EPB to comply with orders or other rulings of an agency or regulatory body having lawful jurisdiction;

(2) Payment of, or accumulation in the Electric Fund as a debt service account or sinking fund for the payment of interest on and the principal of, or Redemption Price of, the Obligations and the payment of Parity Debt, on a parity basis, on their respective due dates or redemption dates, as the case may be;

(3) Withdrawal and deposit to the credit of the Reserve Fund of amounts necessary to fund or replenish the Reserve Fund in accordance with the provisions of the Resolution described herein under the heading "Debt Service Reserve Fund"; provided however, that any deficiency in the Reserve Fund resulting from a withdrawal therefrom to cure a debt service deficiency may be made up through not to exceed thirty-six (36) substantially equal consecutive monthly deposits commencing in the month following withdrawal;

(4) Payment of principal of and interest on and other amounts payable with respect to any Subordinated Indebtedness, or payment of amounts due under any Subordinated Contract Obligations; and

(5) Withdrawal for any lawful purpose, including payments in lieu of taxes; provided, however, that, prior to any application pursuant to subparagraphs (3), (4) or (5), respectively, EPB shall have determined, taking into account, among other considerations, anticipated future receipts of Revenues contained in the annual operating budget for the Electric System required by the Resolution and other moneys constituting part of the Trust Estate, that funds to be so applied are not needed for any of the purposes set forth in any of the preceding paragraphs (1) through (5).

EPB shall from time to time, and in all events prior to any withdrawal of moneys from the Electric Fund pursuant to paragraph (5) above, determine (a) the amount, to be held as a reserve in the Electric Fund, which in the judgment of EPB is adequate for the purpose of providing for the costs of emergency repairs or replacements essential to restore or prevent physical damage to, and prevent loss of Revenues from, the Electric System, and (b) the amount, to be held as a reserve in the Electric Fund, which in the judgment of EPB is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments and improvements with respect to the Electric System necessary to keep the Electric System in good operating condition or required by any governmental agency having jurisdiction over the Electric System.

Amounts, if any, set aside by EPB in any accounts in the Electric Fund may be used by EPB at such time or times and in such amounts as determined by EPB for the purpose of paying all or any portion of the interest on and principal of or Redemption Price of the Obligations and payment of Parity Debt, on their respective due dates, or redemption dates, as the case may be.

EPB shall pay into the Capital Fund the amounts required to be so paid by the provisions of the Resolution and any Supplemental Resolution authorizing the issuance of any Series of Obligations for the purpose of financing Capital Costs, including, without limitation, the portion of the proceeds of any such Obligations specified in such Supplemental Resolution, except as may be otherwise provided in a Supplemental Resolution with respect to certain Capital Costs. Amounts in the Capital Fund shall be applied solely to the Capital Costs of the Electric System. Any amounts in the Capital Fund which are in excess of the amounts required to pay for such Capital Costs may at the direction of EPB be transferred to the Electric Fund. When amounts are deposited in the Capital Fund to pay the capitalized cost of interest on Obligations, EPB shall pay from the Capital Fund to the Paying Agent, on or before the date or dates on which interest on such Obligations becomes due and payable, an amount equal to such interest. Notwithstanding the foregoing provisions of this paragraph, amounts in the Capital Fund must be applied to the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due at any time that other moneys are not available therefor.

Amendment to Resolution

No modification or amendment of the Resolution, or of any Supplemental Resolution, materially adverse to the Bondholders may be made without the consent in writing of the Bondholders of not less than a majority of the Bond Obligation, but no modification or amendment shall permit a change (1) in the maturity of any of the Obligations or a reduction in the rate of interest thereon, (2) in the amount of the principal obligation of any Obligation, (3) that would affect the unconditional obligation of the City and EPB, to collect and hold the Revenues as provided in the Resolution, or provide for the receipt and disbursement of such revenues as provided in the Resolution, or (4) that would reduce such percentage of Bondholders of the Bond Obligation, required above, for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Obligations, if any, owned by or held for the account of the City, directly or indirectly, shall not be counted. Notwithstanding the foregoing, and so long as the same shall not result in the interest on Obligations other than Taxable Obligations Outstanding under the Resolution being included in gross income of the Bondholders thereof for federal income tax purposes, EPB, acting with the authority of the City, may, from time to time without the consent of the Bondholders, enter into such supplemental ordinances or resolutions (which supplemental ordinances or resolutions shall thereafter form a part of the Resolution): (a) to cure any ambiguity, inconsistency or formal defect or omission in the Resolution or in any Supplemental Resolution, or (b) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or (c) to provide for the sale, authentication and delivery of additional Obligations or refunding Obligations and the disposition of the proceeds from the sale thereof, in the manner and to the extent authorized by the Resolution, or (d) to modify, amend or supplement the Resolution or any ordinance or resolution supplemental thereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute at the time the Resolution is adopted or thereafter in effect or to permit the qualification of the

Obligations for sale under the securities laws of any of the states of the United States of America, and, if EPB, acting with the authority of the City, so determines, to add to the Resolution or any ordinance or resolution supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute, or (e) to provide for the issuance of coupon Obligations or certificated or uncertificated registered public obligations as contemplated in the Resolution, or (f) to provide for changes suggested by a nationally recognized securities rating agency as necessary to secure or maintain the rating on the Obligations, or (g) to subject to the terms of the Resolution any additional funds, securities or properties, or (h) to make any other change or modification of the terms of the Resolution which, in the reasonable judgment of the City is not prejudicial to the rights or interests of the Bondholders of the Obligations under the Resolution. Notice of any amendments or modifications of the Resolution shall be given by the City to the Rating Agencies then rating any Obligations Outstanding under the Resolution.

Definitions

As used herein, unless the context otherwise requires:

"Accreted Values" means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to accrue at a rate not exceeding the maximum rate permitted by law, compounded periodically, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bonds, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date and the Accreted Value as of the immediately succeeding Compounding Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Act" means Sections 7-34-101 to 7-34-118 (originally Sections 6-1301 to 6-1318), inclusive, Tennessee Code Annotated, Constitution of the State of Tennessee, Chapter 455 of the 1935 Private Acts of the General Assembly of the State of Tennessee, as amended, the Charter of the City of Chattanooga, Tennessee and other applicable provisions of law.

"Annual Budget" means the annual operating and capital budget of the Electric System, as amended and supplemented from time to time, prepared by EPB, for each Fiscal Year in accordance with Section 9.02 below and in accordance with the laws of the State of Tennessee.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by EPB as a depository under the Resolution.

"BMA Municipal Index" means The Bond Market Association Municipal Swap Index as of the most recent date for which such index was published, or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Bond Market Association or any successor thereto; provided, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "BMA Municipal Index" shall mean such other reasonably comparable index selected by EPB.

"Bond Counsel" means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions selected by EPB.

"Bondholders" or "Holders" means the registered owners (or their authorized representatives) of Obligations issued in registered form and the holders of Obligations issued in bearer form.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Accreted Value on all Capital Appreciation Bonds then Outstanding.

"Bond Year" means the Fiscal Year; provided that when such term is used to describe the period during which deposits are to be made pursuant to Article VII of the Resolution to amortize the principal and interest on the Obligations maturing or becoming subject to redemption, or the amount of debt service to be included in the Debt Service Requirement for purposes of Section 9.03 below, the principal and interest maturing or becoming subject to redemption on the first day of any Bond Year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Business Day" means a day other than (i) a Saturday, Sunday, legal holiday or day on which banking institutions in the city in which the Paying Agent has its principal corporate trust office are authorized or required by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" means Obligations that bear interest which is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Accreted Values.

"Capital Costs" means the costs of (i) physical construction of or acquisition of real or personal property or interests therein for any Project, together with incidental costs (including legal, administrative, engineering, consulting and technical services, insurance and financing costs), working capital and reserves deemed necessary or desirable by EPB (including but not limited to costs of supplies, fuel, fuel assemblies and components or interests therein), and other costs properly attributable thereto; (ii) all capital improvements or additions, including but not limited to, renewals or replacements of or repairs, additions, improvements, modifications or betterments to or for any Project; (iii) the acquisition of any other real property, capital improvements or additions, or interests therein, deemed necessary or desirable by EPB for the conduct of its business; (iv) any other purpose for which bonds, notes or other obligations of EPB may be issued under the Act (whether or not also classifiable as a Cost of Operation and Maintenance); and (v) the payment of principal, interest, and redemption, tender or Purchase Price of any (a) Obligations issued by EPB, acting with the authority of the Issuer, for the payment of any of the costs specified above, (b) any Obligations issued to refund such Obligations, or (c) Obligations issued to pay capitalized interest; provided, however, that the term Capital Costs shall not include any costs of the Issuer or EPB relating to a Separately Financed Project.

"Capital Fund" means the fund by that name established in Section 7.01 of the Resolution.

"Chief Financial Officer" means the chief financial officer of EPB.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided in the Resolution or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court rulings.

"Commercial Paper Obligations" means all of the Obligations of a Series or a proportionate maturity thereof with a maturity of less than 271 days so designated by EPB, acting with the authority of the Issuer, by Supplemental Resolution prior to the issuance thereof.

"Compounding Date" means a date for compounding of interest on Capital Appreciation Bonds as shown on a table of Accreted Values for such Capital Appreciation Bonds.

"Contribution in Aid of Construction" means contributions to EPB by customers of EPB in consideration for Electric System improvements inuring to the benefit of said customer.

"Cost of Operation and Maintenance" means the current expenses, paid or accrued, of operation, including, without limitation, salaries, wages, cost of materials, and supplies, power at wholesale, and insurance, maintenance and ordinary, current repair of the Electric System and its facilities, and shall include, without limiting the generality of the foregoing, supplies, fuel, fuel adjustments, fuel assemblies and components required by EPB for the operation of the Electric System (including any payments made pursuant to a "take-or-pay" fuel supply or energy contract that obligates EPB to pay for fuel, fuel adjustments, energy or power regardless of whether fuel, energy or power is delivered or made available for delivery, other than any such contract or portion thereof that is designated by EPB pursuant to Article X, as either a Subordinated Contract Obligation or a Parity Contract Obligation), administrative expenses relating to the Electric System, legal and engineering expenses, consulting and technical services, payments for energy conservation and load management programs, payments relating to fuel or electricity hedging instruments, payments for employee benefits, including payments to savings, pension, retirement, health and hospitalization funds, charges payable by EPB, pursuant to any licenses, orders or mandates from any agency or regulatory body having lawful jurisdiction, and any taxes, assessments, governmental charges, fees and any other expenses required to be paid by EPB, all to the extent attributable to the Electric System; the expenses, liabilities and compensation of the Fiduciaries required to be paid under the Resolution or under any Supplemental Resolution or pursuant to any agreement executed by the Issuer, acting through EPB; all costs and expenses associated with or arising out of the research, development (including feasibility and other studies) and/or implementation of any project, facility, system,

task or measure deemed desirable or necessary by the Issuer, acting through EPB; and all other costs and expenses arising out of or in connection with the conduct of the business of the Electric System, including those expenses the payment of which is not immediately required, such as those expenses referred in Section 7.02(B). Notwithstanding the foregoing, Costs of Operation and Maintenance shall not include (i) any costs and expenses attributable to a Separately Financed Project, or (ii) any costs or expenses for new construction or for reconstruction other than restoration of any part of the Electric System to the condition of serviceability thereof when new, (iii) any payments-in-lieu of taxes or (iv) depreciation.

"Credit Facility" means a line of credit, letter of credit, standby bond purchase agreement, policy of bond insurance, surety bond, guaranty or similar credit or liquidity enhancement device or arrangement providing credit or liquidity support with respect to any Outstanding Obligations or Subordinated Indebtedness, or any agreement relating to reimbursement of advances under any such instrument.

"Current Interest Bonds" means Obligations that bear interest which is payable periodically rather than solely at the maturity of such Obligations.

"CUSIP" means a uniform securities identifying number assigned to Obligations by the CUSIP Service Bureau, or such similar identifying number system by any entity succeeding to the offering of services by CUSIP Service Bureau.

"Debt Service Requirement" means for a given Bond Year the remainder after subtracting any accrued interest paid by the purchasers of Obligations and capitalized interest for that year that has been deposited into the Electric Fund for that purpose from the sum of the principal of and interest and premium, if any, or other payments on Parity Debt coming due in such Bond Year on Obligations issued under the Resolution and any Parity Debt issued in accordance with the terms of the Resolution.

For the purpose of determining the Debt Service Requirement, if the interest rate is fixed for the duration of the applicable Bond Year, the actual interest rate shall be used. If Variable Rate Obligations are Outstanding at the time of such determination, the interest rate shall be assumed to be one hundred ten percent (110%) of the average interest rate on such Variable Rate Obligations during the twelve months ending with the month preceding the date of calculation (or such shorter period of time as such Variable Rate Obligations shall have been Outstanding). If such Variable Rate Obligations are not Outstanding on the date of such calculation, the interest rate used to calculate the Debt Service Requirement shall be 110% of the BMA Municipal Index on the date of calculation. And if the Variable Rate Obligations are Taxable Obligations, the interest rate used to calculate the Debt Service Requirement shall be the interest rate on U.S. Treasury Obligation with comparable maturities, plus 50 basis points, on the date of calculation.

If a Series of Variable Rate Obligations is subject to purchase by EPB, acting with the authority of the Issuer, pursuant to a mandatory or optional tender by the Bondholder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

For all purposes of the Resolution, if, with respect to any Series or portion of a Series of Variable Rate Obligations, EPB, acting with the authority of the Issuer, enters into a Qualified Swap providing for payments to EPB which are included in Revenues in an amount equal to interest on a notional amount equal to the principal amount of such Obligations (which may include all or any portion of the principal amount of a Series of Variable Rate Obligations) Outstanding, based upon a fixed rate or a variable index or formula different from that used to calculate interest on such Obligations, then the effective rate of interest to EPB with respect to such Obligations taking into account (i) the actual interest rate borne by such Obligations, (ii) payments to be received by EPB pursuant to such Qualified Swap and (iii) payment obligations of EPB, to the counterparty under such Qualified Swap, all based upon interest on such notional amount as determined by reference to a fixed rate or variable index or formula, shall be used for purposes of this definition as the actual rate of interest with respect to such Obligations.

If two Series of Variable Rate Obligations, or one or more maturities within a Series, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Obligations taken as a whole, such composite fixed rate shall be used in determining the Debt Service Requirement with respect to such Obligations.

For purposes of calculating the Debt Service Requirement with respect to Designated Maturity Obligations, the unamortized principal coming due on the final maturity date thereof that EPB reasonably anticipates refinancing, as reflected in the Annual Budget, shall not be included and in lieu thereof, there shall be included in the Debt Service

Requirement for the Bond Year in which such final maturity occurs only the principal amount thereof EPB reasonably anticipates to become due in such Bond Year, taking into account any such anticipated refinancing of such Designated Maturity Obligations.

For purposes of calculating the Debt Service Requirement with respect to Commercial Paper Obligations, only the interest obligations with respect to such Commercial Paper Obligations and the principal amount of the Commercial Paper Obligations EPB reasonably expects to retire and not to pay with the proceeds of roll-over Commercial Paper Obligations in such Bond Year (as reflected in the Annual Budget) shall be included in the calculation of the Debt Service Requirement. The interest rate on the Commercial Paper Obligations shall be assumed for purposes of calculating the Debt Service Requirement, to be equal to the greater of (i) 110% of the BMA Municipal Index or (ii) the actual rate on such Commercial Paper Obligations.

"Designated Maturity Obligations" means all of the Obligations of a Series or a particular maturity thereof, with a maturity longer than 270 days, so designated by EPB, acting with the authority of the Issuer, by Supplemental Resolution prior to the issuance thereof, for which no mandatory sinking fund redemption requirements have been established.

"Electric Fund" means the fund by that name established in Section 7.01 of the Resolution.

"Electric System" means the complete electric power system for the supply, transmission, distribution, and sale of electric power and energy and other electric system services now owned, in whole or in part, by Issuer and under the exclusive management and control of EPB and any leasehold or other interest in any other electric plants or facilities which the Issuer or EPB acquires, together with any and all additions, extensions and improvements thereto hereafter acquired or constructed and any joint venture or ownership or other interest in any electric plant or facility or any right to use the capacity or to receive the output from any electric plant or facility. The Electric System shall not include any Separately Financed Project, even though such Separately Financed Project may be the beneficiary or recipient of Electric System funds loaned to or invested in such Separately Financed Project.

"EPB" means the Electric Power Board, a board with exclusive authority granted to it for the management and control of the City of Chattanooga's electric power and distribution system, municipally owned by the Issuer and created by Chapter 455 of the 1935 Private Acts of the General Assembly of the State of Tennessee legislature, as from time to time amended, and adopted as provisions in the Charter of the City of Chattanooga, Tennessee.

"Exposure on Guaranteed Debt" means, with respect to the period of time for which calculated, (i) as to each Guaranteed Debt as to which EPB has not been required to make any payments under its guaranty an amount equal to twenty percent (20%) of the debt service requirement for such period (calculated in the same manner as the Debt Service Requirement) on that Guaranteed Debt, and (ii) as to any Guaranteed Debt as to which EPB has been required to make any payments under its guaranty, an amount equal to one hundred percent (100%) of the debt service requirement for such period (calculated in the same manner as the Debt Service Requirement) on that Guaranteed Debt.

"Federal Securities" means direct non-callable obligations of the United States of America or obligations the timely payment when due of the principal of and interest on which is unconditionally guaranteed by the United States of America, to which the direct obligation or guarantee of the full faith and credit of the United States of America has been pledged, stripped interest obligations on bonds, notes, debentures and similar obligations issued by the Resolution Funding Corporation and defeased municipal bonds that have been rated in the highest Rating Category by the Rating Agencies.

"Fiduciary" or "Fiduciaries" means any trustee or Paying Agent, or any or all of them, as may be appropriate.

"Fiscal Year" means the period commencing on July 1 of each year and ending on the succeeding June 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer in accordance with applicable law.

"Fund Balance" means the value of all unrestricted cash, investments and accounts receivable (less allowance for doubtful accounts) of the Electric System.

"Funds" has the meaning provided in Section 8.02 of the Resolution.

"Governing Body of Issuer" means the City Council of the Issuer.

"Future Financial Products" has the meaning provided in Section 5.02 of the Resolution.

"Guaranteed Debt" means any indebtedness or obligation for borrowed money of any Person which EPB has guaranteed to pay from Revenues of the Electric System on parity with debt service on the Obligations.

"Investment Obligations" means any obligations in which municipal funds or the funds of municipally owned electric systems may be lawfully invested.

"Issuer" means the City of Chattanooga, Tennessee.

"Net Revenues" means, for any Fiscal Year, the amount of Revenues less the Cost of Operation and Maintenance of the Electric System for such Fiscal Year.

"Obligations" means any obligations, issued in any form of debt, authorized by a Supplemental Resolution, including but not limited to, bonds, notes, bond anticipation notes, and commercial paper, which are delivered under the Resolution, but such term shall not include any Subordinated Contract Obligation or Subordinated Indebtedness.

"Outstanding" when used in reference to Obligations or Obligations of a Series, means all Obligations which have been issued pursuant to the Resolution except:

(a) Obligations cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Obligations for the payment or redemption of which cash funds or Federal Securities or any combination thereof shall have been theretofore irrevocably set aside in a special account with the Paying Agent or other Authorized Depository (whether upon or prior to the maturity or redemption date of any such Obligations) in an amount which, together with earnings on such Federal Securities, will be sufficient to pay the principal of and interest and redemption premiums, if any, on such Obligations at maturity or upon their earlier redemption; provided that, if such Obligations are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of the Resolution or irrevocable instructions directing the timely giving of such notice and directing the payment of the principal of and interest and redemption premiums, if any, on such Obligations at such redemption dates shall have been given to the Paying Agent; and

(c) Obligations which are deemed paid pursuant to Section 5.08 of the Resolution or in lieu of which other Obligations have been issued under Section 5.04 of the Resolution.

"Parity Contract Obligation" means that portion of any rates, fees, charges or payments which the EPB is contractually obligated to pay to another entity for fuel, energy or power, for the specific purpose of paying principal or interest or both on that entity's obligations directly associated with such contract and payable to such entity regardless of whether fuel, energy or power is delivered or made available for delivery which is secured by a pledge of and lien on the Trust Estate on a parity with the lien created by Section 10.04(g) of the Resolution to secure the Obligations.

"Parity Debt" means any Parity Contract Obligation, Parity Reimbursement Obligation, Parity Swap Obligation or Guaranteed Debt; provided, however, that for purposes of the definition of the term "Debt Service Requirement," Parity Debt shall with respect to Guaranteed Debt include only Exposure on Guaranteed Debt. For purposes of Section 11.05 of the Resolution, any Parity Debt shall specify, to the extent applicable, the interest and principal components of, or the scheduled payments corresponding to interest under, such Parity Debt.

"Parity Reimbursement Obligation" has the meaning provided in Section 10.04(d) of the Resolution.

"Parity Swap Obligation" means the obligation to pay any amount under a Qualified Swap calculated as interest on a notional amount (but excluding any termination payments and payments of any other fees, expenses, indemnification or other obligations to a counterparty), that is secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by Section 6.02 to secure the Obligations.

"Paying Agent" means any Authorized Depository designated by EPB to serve as a paying agent or place of payment for the Obligations issued under the Resolution which shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Obligations to the Bondholders thereof, from funds made available therefor by EPB and any successors designated pursuant to the Resolution. The Paying Agent shall also be charged with the responsibility for maintain the registration books for the Obligations of any Series issued under the Resolution or to perform other duties with respect to registering the transfer of Obligations.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision or other similar entity.

"Project" means any project, facility, system, equipment, or material related to or necessary or desirable in connection with the Electric System, whether owned jointly or singly by EPB including any output in which EPB has an interest, heretofore or hereafter authorized by the Act; provided, however, that the term "Project" shall not include any Separately Financed Project.

"Purchase Price" means, with respect to any Obligation, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of an Obligation subject to mandatory tender for purchase on a date when such Obligation is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Obligation if redeemed on such date.

"Put Bonds" has the meaning provided in Section 12.02 of the Resolution.

"Qualified Independent Consultant" means any one or more qualified and recognized independent consultants or firm of consultants (which may include, without limitation, independent accountants and engineers), having favorable repute, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or sections of the Resolution, as shall from time to time be retained by EPB for the purposes of the Resolution.

"Qualified Swap" means, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by EPB with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; an interest rate, forward rate or future rate swap (such swap may be based on an amount equal either to the principal amount of such Obligations of EPB as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, entered into by EPB for the purpose of moderating interest rate fluctuations or otherwise, and (iii) which has been designated in writing by EPB as a Qualified Swap with respect to such Obligations.

"Qualified Swap Provider" means an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims-paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims-paying ability, are rated either (i) at least as high as the third highest Rating Category of each nationally recognized securities rating agency then maintaining a rating for the Qualified Swap Provider, but in no event lower than any Rating Category designated by each such Rating Agency for the Obligations subject to such Qualified Swap, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to EPB will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

"Rating Agency" means a nationally recognized securities rating agency then maintaining a rating on the Obligations at the request of EPB.

"Rating Category" means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"Rebate Amount" has the meaning provided in Section 12.03(1) of the Resolution.

"Redemption Price" means, with respect to any Obligation, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to the Resolution.

"Reimbursement Obligation" has the meaning provided in Section 10.04(d) of the Resolution.

"Reserve Product" means a policy of bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Reserve Fund meeting the terms and conditions of Section 7.05 of the Resolution.

"Reserve Product Provider" means a bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities, at the time such Reserve Product is obtained, result in such issues being rated in one of the two highest full rating

categories by each of the Rating Agencies; provided, however, that nothing in the Resolution shall require EPB or Issuer to obtain a rating on any Bonds issued under the Resolution.

"Reserve Fund" means the Fund by that name established in Section 7.01 of the Resolution.

"Reserve Requirement" means the amount, or available amount under one or more Reserve Products, required to be maintained in the Reserve Fund pursuant to Section 7.05 of the Resolution.

"Revenues" means (i) all rates, fees, charges, income, rents and receipts derived from or attributable to the ownership and operation of the Electric System, including all revenues attributable to the Electric System or to the payment of the costs thereof received under any contracts for the sale of power, energy, transmission or other use of the services, facilities or products of the Electric System or any part thereof or any contractual arrangement with respect to the use of the Electric System or any portion thereof or the services, output, facilities, capacity or products of the Electric System, (ii) the proceeds of any insurance covering business interruption loss relating to the Electric System, (iii) interest received on the investment or reinvestment of any moneys held in the Electric Fund and (iv) payments received under a Qualified Swap; provided, however, that "Revenues" shall not include revenues from a Separately Financed Project or Contributions in Aid of Construction.

"Separately Financed Project" has the meaning provided in Section 10.03 of the Resolution.

"Series" means any portion of the Obligations of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to a Supplemental Resolution authorizing such Obligations as a separate Series of Obligations, regardless of variations in maturity, interest rate, redemption requirements or other provisions, and any Obligations thereafter authenticated and delivered in lieu of or in substitution of a Series of Obligations issued pursuant to the Resolution.

"Subordinated Contract Obligation" means any payment obligation (other than a payment obligation constituting Parity Debt or Subordinated Indebtedness) arising under (a) any Credit Facility which has been designated in writing by EPB as constituting a "Subordinated Contract Obligation," (b) any Qualified Swap which has been designated in writing by EPB as constituting a "Subordinated Contract Obligation," and (c) any other contract, agreement or other obligation authorized by ordinance or resolution of the Issuer and designated in writing by EPB as constituting a "Subordinated Contract Obligation." Each Subordinated Contract Obligation shall be payable from the Trust Estate subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in Section 7.02(A) of the Resolution, and shall be secured by a lien on and pledge of the Trust Estate junior and inferior to the lien on and pledge of the Trust Estate in the Resolution created for the payment of the Obligations and Parity Debt.

"Subordinated Indebtedness" means any bond, note or other indebtedness authorized by ordinance or resolution of EPB and designated in such ordinance or resolution by EPB as constituting "Subordinated Indebtedness," which shall be payable from the Trust Estate subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in Section 7.02(A) of the Resolution, and which shall be secured by a lien on and pledge of the Trust Estate junior and inferior to the lien on and pledge of the Trust Estate in the Resolution created for the payment of the Obligations and Parity Debt.

"Supplemental Resolution" means any ordinance or resolution supplemental to or amendatory of the Resolution, enacted or adopted by EPB, acting with the authority of the Issuer, in accordance with Article XII of the Resolution.

"Taxable Obligations" means any Obligations which are not Tax-Exempt Obligations.

"Tax-Exempt Obligations" means any Obligations the interest on which is intended by EPB, acting with the authority of the Issuer, to be excluded from gross income of the owners thereof for federal income tax purposes.

"Trustee" has the meaning provided in Section 11.02 of the Resolution.

"Trust Estate" means, collectively:

i all Electric System Revenues;

ii the proceeds of sale of Obligations for Electric System purposes until expended for the purposes authorized by the Supplemental Resolution authorizing such Obligations;

iii all amounts held in the funds, accounts and subaccounts established by the Resolution derived from Electric System operations, including investment earnings thereon; and

iv all funds, moneys and securities and any and all other right and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Resolution for the Obligations by EPB or by anyone on its behalf, or with its written consent; provided, however, Trust Estate does not include any Separately Financed Project or any revenues related thereto.

"Variable Rate Obligations" means Obligations issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the remaining term thereof.

APPENDIX D

ELECTRIC POWER BOARD OF THE CITY OF CHATTANOOGA

PROPOSED FORM OF OPINION OF BOND COUNSEL

(Proposed Form of Opinion for Series 2026 Bonds)

(Closing Date)

City Council of the City of Chattanooga
Chattanooga, Tennessee

_____
_____

Re: City of Chattanooga, Tennessee – Electric System Revenue Bonds, Series 2026A and Electric System Variable Rate Revenue Bonds, Series 2026B (Term Rate) (collectively, the "Series 2026 Bonds")

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Chattanooga, Tennessee (the "Issuer") of $_____ Electric System Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and $_____ Electric System Variable Rate Revenue Bonds, Series 2026B (Term Rate), dated the date hereof (the "Series 2026B Bonds" and together with the Series 2026A Bonds, the "Series 2026 Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

1. The Series 2026 Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the City Council of the Issuer authorizing the Series 2026 Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Series 2026 Bonds are limited obligations of the Issuer, payable solely from and secured by a pledge of revenues to be derived from the operation of the electrical power transmission and distribution system of the Issuer, subject only to the payment of the costs of operating such system, on a parity and equality of lien with the Issuer's outstanding, to the extent outstanding, Electric System Revenue Bonds, Series 2021, Electric System Revenue Bonds, Series 2023, Electric System Refunding Revenue Bonds, Series 2025 and any parity bonds hereafter issued. We express no opinion as to the sufficiency of such revenues for the payment of principal of and interest on the Series 2026 Bonds.

4. Interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Series 2026 Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026 Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Series 2026 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Series 2026 Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2026 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.

It is to be understood that the rights of the owners of the Series 2026 Bonds and the enforceability of the Series 2026 Bonds and the resolution authorizing the Series 2026 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2026 Bonds.

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

Yours truly,

APPENDIX E

ELECTRIC POWER BOARD OF THE CITY OF CHATTANOOGA

FORM OF CONTINUING DISCLOSURE AGREEMENT

(Form of Continuing Disclosure Agreement)

CITY OF CHATTANOOGA, TENNESSEE

$_____ ELECTRIC SYSTEM REVENUE BONDS, SERIES 2026A
$_____ ELECTRIC SYSTEM VARIABLE RATE REVENUE BONDS, SERIES 2026B (TERM RATE)

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by the Electric Power Board of the City of Chattanooga ("EPB") in connection with the issuance by the City of Chattanooga, Tennessee (the "Issuer") of the captioned bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the City Council on September 5, 2000, as heretofore supplemented and amended, and as amended and supplemented by the Tenth Supplemental Resolution adopted November 10, 2026 (collectively, the "Resolution"), authorizing the issuance of the Bonds and vesting responsibility for compliance with this Agreement in EPB. EPB on behalf of the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Agreement. This Agreement is being executed and delivered by EPB on behalf of the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC"). This Agreement is being executed and delivered by EPB under the authority of the Resolution.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by EPB as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" shall mean the Official Statement, dated _____, 2026, relating to the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Registered Owner" means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private depository or entity designated by the State as a state depository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Agreement, there is no State Repository.

SECTION 3. Continuing Disclosure. EPB hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2027, EPB shall provide annual financial information and operating data within 180 days after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) EPB's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if EPB's audited financial statements are not available, then EPB's unaudited financial statements; and

(ii) The statistical information included in the Official Statement under the heading "FINANCIAL INFORMATION", which data may be presented in a manner other than as set forth in the Official Statement.

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2027, EPB shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. EPB will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults, if material;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
(v) Substitution of credit or liquidity providers, or their failure to perform;
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(vii) Modifications to rights of Bondholders, if material;
(viii) Bond calls, if material, and tender offers;
(ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
(x) Release, substitution, or sale of property securing repayment of the securities, if material;
(xi) Rating changes;
(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
(xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(xv) Incurrence of a financial obligation (as defined in the Rule) of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as defined in the Rule) of the obligated person, any of which reflect financial difficulties.

(d) *Notice of Failure to File Annual Financial Information*. EPB will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Agreement*. EPB will provide timely notice of an amendment to this Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. EPB shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

(a) This Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with EPB (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolutions at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, EPB shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by EPB. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. EPB's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Agreement shall be deemed to prevent EPB from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, in addition to that which is required by this Agreement. If EPB chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Agreement, EPB shall have no obligation under this Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of EPB to comply with any provision of this Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause EPB to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolutions, and the sole remedy under this Agreement in the event of any failure of any party to comply with this Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Date: _____, 2026

ELECTRIC POWER BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

By: _____
Title:

APPENDIX F

ELECTRIC POWER BOARD OF THE CITY OF CHATTANOOGA

ELECTRIC SYSTEM RATE SCHEDULE

ELECTRIC SYSTEM RATE SCHEDULE

Note: Charges reflect TVA rate change in October 2026 but do not include fuel cost adjustment

Customer Rate Class	Charge Type		Monthly Rate
Residential			
	Customer Charge		$ 9.81
	Usage Charge (per kWh)		$ 0.09464
Residential Time of Use (TOU)			
	Customer Charge		$ 9.81
	Summer Usage Charge (per kWh)		
		Onpeak	$ 0.17744
		Offpeak	$ 0.08075
	Non Summer Usage Charge (per kWh)		
		Onpeak	$ 0.17744
		Offpeak	$ 0.08075
Supplemental Residential (SRS)			
	Customer Charge		$ 16.55
	Usage Charge (per kWh)		$ 0.10859
Small Commercial (GSA1)			
Demand of 50 kW or less			
(Metered Accounts)	Customer Charge		$ 16.55
	Usage Charge (per kWh)		$ 0.10859
(Non-Metered Accounts)	Customer Charge		$ 3.59
	Usage Charge (per kWh)		$ 0.10859
Commercial (GSA2)			
Demand greater than 50 kW, but not more than 1000 kW	Customer Charge		$ 16.55
	Demand Charge above 50 kW (per kw)		$ 18.30
	Usage Charge (per kWh) - First 15,000 kWh		$ 0.10859
	Usage Charge (per kWh) - Above 15,000 kWh		$ 0.04640
Commercial/Manufacturing (GSA3)			
Demand greater than 1000 kW, but not more than 5000 kW	Customer Charge		$ 198.25
	Demand Charge for the first 1,000 kW (per kW)		$ 18.32
	Demand Charge above 1,000 kW (per kW)		$ 20.94
	Usage Charge (per kWh)		$ 0.04640
TDHUD Commercial (TDGSA)			
Demand greater than 1000 kW, but not more than 5000 kW	Customer Charge		$ 1,560.00
	Administration Charge		$ 350.00
	Summer Demand Charge		
		Onpeak	$ 12.29
		Maximum	$ 5.87
	Winter/Transition Demand Charge		
		Onpeak	$ 11.24
		Maximum	$ 5.87

	Summer Usage Charge (per kWh)			
		Onpeak	$	0.09290
		Offpeak First 200 Hours	$	0.05604
		Offpeak Next 200 Hours	$	0.00933
		Offpeak Excess of 400 Hours	$	0.00600
	Winter Usage Charge (per kWh)			
		Onpeak	$	0.07607
		Offpeak First 200 Hours	$	0.05931
		Offpeak Next 200 Hours	$	0.00933
		Offpeak Excess of 400 Hours	$	0.00600
	Transition Usage Charge (per kWh)			
		Onpeak	$	0.06063
		Offpeak First 200 Hours	$	0.06063
		Offpeak Next 200 Hours	$	0.00933
		Offpeak Excess of 400 Hours	$	0.00600
Large Commercial (GSB) Demand greater than 5,000 kW, but not more than 15,000 kW	Customer Charge		$	1,560.00
	Administration Charge		$	350.00
	Summer Demand Charge			
		Onpeak	$	11.95
		Maximum	$	5.83
	Winter/Transition Demand Charge			
		Onpeak	$	10.89
		Maximum	$	5.83
	Summer Usage Charge (per kWh)			
		Onpeak	$	0.07290
		Offpeak First 200 Hours	$	0.04549
		Offpeak Next 200 Hours	$	0.00747
		Offpeak Excess of 400 Hours	$	0.00371
	Winter Usage Charge (per kWh)			
		Onpeak	$	0.06041
		Offpeak First 200 Hours	$	0.04794
		Offpeak Next 200 Hours	$	0.00747
		Offpeak Excess of 400 Hours	$	0.00371
	Transition Usage Charge (per kWh)			
		Onpeak	$	0.04514
		Offpeak First 200 Hours	$	0.04514
		Offpeak Next 200 Hours	$	0.00747
		Offpeak Excess of 400 Hours	$	0.00371
Very Large Commercial (GSC) Demand greater than 15,000 kW, but not more than 25,000 kW	Customer Charge		$	1,560.00
	Administration Charge		$	350.00
	Summer Demand Charge			
		Onpeak	$	11.95
		Maximum	$	5.50

	Winter/Transition Demand Charge		
		Onpeak	$ 10.89
		Maximum	$ 5.50
	Summer Usage Charge (per kWh)		
		Onpeak	$ 0.07290
		Offpeak First 200 Hours	$ 0.04549
		Offpeak Next 200 Hours	$ 0.00747
		Offpeak Excess of 400 Hours	$ 0.00371
	Winter Usage Charge (per kWh)		
		Onpeak	$ 0.06041
		Offpeak First 200 Hours	$ 0.04794
		Offpeak Next 200 Hours	$ 0.00747
		Offpeak Excess of 400 Hours	$ 0.00371
	Transition Usage Charge (per kWh)		
		Onpeak	$ 0.04514
		Offpeak First 200 Hours	$ 0.04514
		Offpeak Next 200 Hours	$ 0.00747
		Offpeak Excess of 400 Hours	$ 0.00371
Extra Large Commercial (GSD) Demand greater than 25,000 kW	Customer Charge		$ 1,560.00
	Administration Charge		$ 350.00
	Summer Demand Charge		
		Onpeak	$ 11.95
		Maximum	$ 5.61
	Winter/Transition Demand Charge		
		Onpeak	$ 10.89
		Maximum	$ 5.61
	Summer Usage Charge (per kWh)		
		Onpeak	$ 0.07263
		Offpeak First 200 Hours	$ 0.04522
		Offpeak Next 200 Hours	$ 0.00594
		Offpeak Excess of 400 Hours	$ 0.00344
	Winter Usage Charge (per kWh)		
		Onpeak	$ 0.06014
		Offpeak First 200 Hours	$ 0.04767
		Offpeak Next 200 Hours	$ 0.00594
		Offpeak Excess of 400 Hours	$ 0.00344
	Transition Usage Charge (per kWh)		
		Onpeak	$ 0.04487
		Offpeak First 200 Hours	$ 0.04487
		Offpeak Next 200 Hours	$ 0.00594
		Offpeak Excess of 400 Hours	$ 0.00344
TDHUD Manufacturing (TDMSA) Demand greater than	Customer Charge		$ 1,560.00
	Administration Charge		$ 350.00

1000 kW, but not more than 5000 kW (SIC Codes 20-39)	Summer Demand Charge			
		Onpeak	$	11.52
		Maximum	$	3.96
	Winter/Transition Demand Charge			
		Onpeak	$	10.44
		Maximum	$	3.96
	Summer Usage Charge (per kWh)			
		Onpeak	$	0.06356
		Offpeak First 200 Hours	$	0.03699
		Offpeak Next 200 Hours	$	0.00682
		Offpeak Excess of 400 Hours	$	0.00473
	Winter Usage Charge (per kWh)			
		Onpeak	$	0.05104
		Offpeak First 200 Hours	$	0.03942
		Offpeak Next 200 Hours	$	0.00682
		Offpeak Excess of 400 Hours	$	0.00473
	Transition Usage Charge (per kWh)			
		Onpeak	$	0.04040
		Offpeak First 200 Hours	$	0.04040
		Offpeak Next 200 Hours	$	0.00682
		Offpeak Excess of 400 Hours	$	0.00473
Large Manufacturing (MSB) Demand greater than 5,000 kW, but not more than 15,000 kW (SIC Codes 20-39)	Customer Charge		$	1,560.00
	Administration Charge		$	350.00
	Summer Demand Charge			
		Onpeak	$	11.27
		Maximum	$	2.48
	Winter/Transition Demand Charge			
		Onpeak	$	10.19
		Maximum	$	2.48
	Summer Usage Charge (per kWh)			
		Onpeak	$	0.06306
		Offpeak First 200 Hours	$	0.03706
		Offpeak Next 200 Hours	$	0.00442
		Offpeak Excess of 400 Hours	$	0.00233
	Winter Usage Charge (per kWh)			
		Onpeak	$	0.05095
		Offpeak First 200 Hours	$	0.03952
		Offpeak Next 200 Hours	$	0.00442
		Offpeak Excess of 400 Hours	$	0.00233
	Transition Usage Charge (per kWh)			
		Onpeak	$	0.04047
		Offpeak First 200 Hours	$	0.04047
		Offpeak Next 200 Hours	$	0.00442
		Offpeak Excess of 400 Hours	$	0.00233

Very Large Manufacturing (MSC) Demand greater than 15,000 kW, but not more than 25,000 kW (SIC Codes 20-39)	Customer Charge		$ 1,560.00
	Administration Charge		$ 350.00
	Summer Demand Charge		
		Onpeak	$ 11.27
		Maximum	$ 2.16
	Winter/Transition Demand Charge		
		Onpeak	$ 10.19
		Maximum	$ 2.16
	Summer Usage Charge (per kWh)		
		Onpeak	$ 0.06333
		Offpeak First 200 Hours	$ 0.03582
		Offpeak Next 200 Hours	$ 0.00596
		Offpeak Excess of 400 Hours	$ 0.00596
	Winter Usage Charge (per kWh)		
		Onpeak	$ 0.05078
		Offpeak First 200 Hours	$ 0.03827
		Offpeak Next 200 Hours	$ 0.00596
		Offpeak Excess of 400 Hours	$ 0.00596
	Transition Usage Charge (per kWh)		
		Onpeak	$ 0.03923
		Offpeak First 200 Hours	$ 0.03923
		Offpeak Next 200 Hours	$ 0.00596
		Offpeak Excess of 400 Hours	$ 0.00596
Extra Large Manufacturing (MSD) Demand greater than 25,000 kW (SIC Codes 20-39)	Customer Charge		$ 1,560.00
	Administration Charge		$ 350.00
	Summer Demand Charge		
		Onpeak	$ 11.27
		Maximum	$ 2.24
	Winter/Transition Demand Charge		
		Onpeak	$ 10.19
		Maximum	$ 2.24
	Summer Usage Charge (per kWh)		
		Onpeak	$ 0.06061
		Offpeak First 200 Hours	$ 0.03311
		Offpeak Next 200 Hours	$ 0.00388
		Offpeak Excess of 400 Hours	$ 0.00323
	Winter Usage Charge (per kWh)		
		Onpeak	$ 0.04805
		Offpeak First 200 Hours	$ 0.03554
		Offpeak Next 200 Hours	$ 0.00388
		Offpeak Excess of 400 Hours	$ 0.00323
	Transition Usage Charge (per kWh)		
		Onpeak	$ 0.03650

		Offpeak First 200 Hours	$ 0.03650
		Offpeak Next 200 Hours	$ 0.00388
		Offpeak Excess of 400 Hours	$ 0.00323
Pumping Station			
	Customer Charge		$ 10.55
	Usage Charge (per kWh)		$ 0.04452
Outdoor Lighting (Street and Park Lighting Systems, Traffic Signal Systems, and Athletic Field Lighting Installations)	Customer Charge (Traffic Signal System and Athletic Field Lighting Installations Only)		$ 3.59
	Usage Charge (per kWh)		$ 0.05763
Electric Vehicle Stations (EVC)	Customer Charge		$ 100.00
	Usage Charge (per kWh)		$ 0.21773

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