

In the opinion of Bass, Berry & Sims PLC, Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Authority and the Metropolitan Government, interest on the Series 2013A Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. In the further opinion of Bass, Berry & Sims PLC, Bond Counsel, interest on the Series 2013B Bonds is not excluded from the gross income of the owners thereof for federal income tax purposes. For a more detailed explanation of certain tax consequences under federal law which may result from the ownership of the Series 2013 Bonds, see the discussion under the heading "TAX MATTERS" herein. Under existing law, the Series 2013 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. (See "TAX MATTERS" herein).

\$65,000,000

**THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)**

\$53,760,000

**PUBLIC IMPROVEMENT REVENUE BONDS (BALLPARK
PROJECT), SERIES 2013A**

\$11,240,000

**PUBLIC IMPROVEMENT REVENUE BONDS (BALLPARK
PROJECT), SERIES 2013B (FEDERALLY TAXABLE)**

Dated: Date of Delivery**Due: August 1, as shown on inside cover**

The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Authority") is issuing its \$53,760,000 Public Improvement Revenue Bonds (Ballpark Project), Series 2013A (the "Series 2013A Bonds") and its \$11,240,000 Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable) (the "Series 2013B Bonds"). The Series 2013A Bonds and the Series 2013B Bonds are collectively referred to herein as the "Series 2013 Bonds". The Series 2013 Bonds are being issued in fully registered form, without coupons, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2013 Bonds. Individual purchases of beneficial ownership interests in the Series 2013 Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants (as hereinafter defined). Interest on the Series 2013 Bonds will be payable semi-annually on February 1 and August 1 of each year, commencing on August 1, 2014, calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2013 Bonds are to be issued under and subject to the Constitution and the laws of the State of Tennessee (the "State"), including particularly, Title 7, Chapter 67, Tennessee Code Annotated, as amended, and the applicable provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended. The Series 2013 Bonds shall also be issued pursuant to a Trust Indenture, dated as of December 19, 2013 (the "Indenture"), by and among the Authority, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee"). The Trustee shall also serve as registration and paying agent for the Series 2013 Bonds.

The proceeds of the Series 2013 Bonds will be used to pay (i) costs to acquire and construct a minor league baseball ballpark and related public improvements; (ii) land acquisition costs; (iii) architectural engineering, legal and consulting costs incident thereto; (iv) capitalized interest; and (v) costs incident to the issuance and sale of the Series 2013 Bonds. Payments of principal of, premium, if any, and interest on the Series 2013 Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Series 2013 Bonds purchased by them. See "DESCRIPTION OF THE SERIES 2013 BONDS-Book Entry Only System" herein. The Series 2013 Bonds are subject to redemption prior to their stated maturities as more fully set forth herein.

The principal of, premium, if any, and interest on the Series 2013 Bonds shall be secured solely by and payable from (i) Sales Tax Rebate Revenues, (ii) TIF Payments, if any, (iii) in the case of Series 2013B Bonds only, Team Lease Payments and (iv) to the extent the foregoing revenues are not sufficient to pay debt service, from Urban Service District Non-Tax Revenues ("USD Non-Tax Revenues") of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"). All capitalized terms not defined above are defined herein.

The Series 2013 Bonds are not general obligations of the Authority but are limited obligations secured solely by the revenues and receipts pledged to the payment of such Series 2013 Bonds as provided above and more fully discussed herein. Neither the State of Tennessee (the "State") nor any political subdivision thereof, including the Authority and the Metropolitan Government, shall be obligated to pay the principal of, premium, if any, or interest on the Series 2013 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and the Metropolitan Government, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2013 Bonds or other costs incident thereto. The Authority has no taxing power.

The Series 2013 Bonds are offered for delivery when, as, and if issued, subject to the legal opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed on for the Authority and the Metropolitan Government by Saul Solomon, Director of Law, and for the Underwriters by their counsel, Charles E. Carpenter, A Professional Corporation, Nashville, Tennessee. The Series 2013 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about December 19, 2013.

RAYMOND JAMES**PIPER JAFFRAY & CO.****LOOP CAPITAL MARKETS, LLC**

**THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY (TENNESSEE)**

MATURITY SCHEDULE

\$53,760,000

PUBLIC IMPROVEMENT REVENUE BONDS (BALLPARK PROJECT), SERIES 2013A

<u>Maturity Date</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2016	\$ 995,000	3.000%	0.750%	592090EP5
2017	1,025,000	3.000%	1.100%	592090EQ3
2018	1,055,000	4.000%	1.580%	592090ER1
2019	1,095,000	4.000%	2.030%	592090ES9
2020	1,140,000	4.000%	2.540%	592090ET7
2021	1,185,000	5.000%	2.940%	592090EU4
2022	1,245,000	5.000%	3.220%	592090EV2
2023	1,305,000	5.000%	3.420%	592090EW0
2024	1,370,000	5.250% *	3.660% *	592090EX8
2025	1,445,000	5.250% *	3.790% *	592090EY6
2026	1,520,000	5.250% *	3.910% *	592090EZ3
2027	1,600,000	4.000%	4.100%	592090FA7
2028	1,665,000	5.000%	4.170% *	592090FB5
2029	1,745,000	4.125%	4.340%	592090FC3
2030	1,820,000	5.000% *	4.400% *	592090FD1
2031	1,910,000	5.000%	4.490% *	592090FE9

\$ 4,100,000	4.500%	Term Bond Due August 1, 2033, Yield 4.610%	CUSIP ⁽¹⁾ 592090FF6
\$ 12,100,000	5.000%	Term Bond Due August 1, 2038, Yield 4.770%*	CUSIP ⁽¹⁾ 592090FG4
\$ 15,440,000	5.000%	Term Bond Due August 1, 2043, Yield 4.860%*	CUSIP ⁽¹⁾ 592090FH2

\$11,240,000

**PUBLIC IMPROVEMENT REVENUE BONDS (BALLPARK PROJECT), SERIES 2013B (FEDERALLY
TAXABLE)**

<u>Maturity Date</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2016	\$ 220,000	1.250%	1.250%	592090FJ8
2017	225,000	1.850%	1.850%	592090FK5
2018	225,000	2.350%	2.350%	592090FL3
2019	235,000	2.900%	2.900%	592090FM1
2020	240,000	3.400%	3.400%	592090FN9
2021	245,000	3.750%	3.750%	592090FP4
2022	255,000	3.950%	3.950%	592090FQ2
2023	265,000	4.150%	4.150%	592090FR0

\$ 1,530,000	4.625%	Term Bond Due August 1, 2028, Yield 4.750% *	CUSIP ⁽¹⁾ 592090FS8
\$ 1,935,000	5.375%	Term Bond Due August 1, 2033, Yield 5.550% *	CUSIP ⁽¹⁾ 592090FT6
\$ 5,865,000	5.625%	Term Bond Due August 1, 2043, Yield 5.800% *	CUSIP ⁽¹⁾ 592090FU3

*Priced to August 1, 2023 par call.

⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard and Poor's CUSIP Service Bureau, a Division of the McGraw-Hill Companies, Inc. These data are not intended to create a database and do not serve in any way as a substitute for the CUSIP Services. The Authority is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, in connection with the offering of the Series 2013 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Authority, the Underwriters or their respective consultants and attorneys. This Official Statement does not constitute an offer or solicitation in any jurisdiction which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from the Authority, the Metropolitan Government and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and it not to be construed as a representation by, the Underwriters.

This Official Statement is not to be construed as a contract with the purchaser of the Series 2013 Bonds. Statements contained in this Official Statement which involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such, and are not to be construed as a representation of fact. This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

The information and expressions of opinions contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Metropolitan Government since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2013 Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture (as defined herein), and the provisions with respect thereto included in the aforementioned documents and agreements.

Due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2013 Bonds, could be adversely affected as described in the following sentence. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and liquidity, and market value of outstanding debt obligations, such as the Series 2013 Bonds.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT MATERIAL FACTS AND CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2013 BONDS SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE SERIES 2013 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") BY REASON OF CERTAIN EXEMPTIONS CONTAINED IN THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE AUTHORITY, THE METROPOLITAN GOVERNMENT, THE SERIES 2013 BONDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE FINANCIAL ADVISOR HAS BEEN EMPLOYED BY THE AUTHORITY AND THE METROPOLITAN GOVERNMENT TO ADVISE THEM WITH RESPECT TO CERTAIN MATTERS RELATING TO THE PROPOSED STRUCTURE OF THE SERIES 2013 BONDS. THE FINANCIAL ADVISOR HAS NOT BEEN EMPLOYED AND ASSUMES NO DUTY OR OBLIGATION TO ADVISE ANY OTHER PARTY AS TO ANY ASPECT OF THE TRANSACTION, INCLUDING THE HOLDERS OF THE SERIES 2013 BONDS.

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 CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE SERIES 2013 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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Official Statement

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**THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY**

J.D. ELLIOTT, Chair

KIM ADKINS, Vice-Chair

CATHY BENDER, Secretary/Treasurer

TOBY COMPTON, Executive Director

ALFONZO D. ALEXANDER
MARGARET BEHM
JULIUS MERRIWETHER
STEVE NORTH
RALPH PERREY

EDWARD S. TEMPLE
NANCY VINCENT
HELEN WALKER
EMMETT WYNN

Metropolitan Mayor

THE HONORABLE KARL F. DEAN

Vice Mayor, President of the Metropolitan County Council

DIANE NEIGHBORS

Director of Finance

RICHARD M. RIEBELING

Director of Law

SAUL SOLOMON

Chief Accountant

KIM MCDONIEL

Metropolitan Treasurer

LANNIE B. HOLLAND

Metropolitan Clerk

SHANNON HALL

Consultants and Advisors

Metropolitan Government Counsel Metropolitan Department of Law
Nashville, Tennessee

Bond Counsel Bass, Berry & Sims PLC
Nashville, Tennessee

Financial Advisor First Southwest Company
Dallas, Texas

This Summary Statement is not intended to be complete. Before purchasing the Series 2013 Bonds, the purchaser should refer to the Official Statement in its entirety.

SUMMARY OF THE OFFERING

- THE SERIES 2013 BONDS**..... The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) \$53,760,000 Public Improvement Revenue Bonds (Ballpark Project), Series 2013A and its \$11,240,000 Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable).
- BOOK ENTRY SYSTEM**..... The Series 2013 Bonds will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments on the Series 2013 Bonds will be made. Individual purchases will be made in book-entry form only, in principal amounts of \$5,000 or any integral multiple thereof. Beneficial owners of the Series 2013 Bonds will not receive physical delivery of bond certificates, but each beneficial owner will receive a credit balance on the books of the Participant (as defined herein) from whom the beneficial owner purchased the Series 2013 Bonds. The credit balance will be confirmed by an initial transaction statement stating the details of the Series 2013 Bonds purchased.
- DENOMINATION** Fully registered bonds, \$5,000 or any integral multiple thereof.
- DATE OF ISSUE; DELIVERY** The Series 2013 Bonds will be delivered on or about December 19, 2013 and will be dated the delivery date.
- INTEREST PAYMENTS**..... Interest is payable on February 1 and August 1, commencing on August 1, 2014.
- OPTIONAL REDEMPTION** The Series 2013A Bonds maturing on or after August 1, 2024, are subject to redemption by the Authority prior to maturity on or after August 1, 2023, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par, plus interest accrued to the redemption date. The Series 2013B Bonds maturing on or after August 1, 2024, are subject to redemption by the Authority prior to maturity on or after August 1, 2023, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par, plus interest accrued to the redemption date.
- PURPOSE** The Series 2013 Bonds will be issued to fund (i) costs to construct a minor league baseball ballpark and related public improvements; (ii) land acquisition costs; (iii) architectural, engineering, legal and consulting costs incident thereto; (iv) the payment of capitalized interest on the Series 2013 Bonds and (v) costs incident to the issuance and sale of the Series 2013 Bonds.
- AUTHORITY** The Series 2013 Bonds are being issued pursuant to a Trust Indenture entered into by and among the Authority, Metropolitan Government, and Regions Bank, as trustee, dated as of December 19, 2013 (the “Indenture”).
- SECURITY** The Series 2013 Bonds are not general obligations of the Authority or the Metropolitan Government but are limited obligations secured solely by and payable from (i) Sales Tax Rebate Revenues, (ii) TIF Payments, if any, (iii) in the case of Series 2013B Bonds only, Team Lease Payments and (iv) to the extent the foregoing revenues are not sufficient to pay debt service, from USD

Non-Tax Revenues of the Metropolitan Government (as all such terms are defined herein). See “SECURITY AND SOURCES OF PAYMENT” herein.

BOND COUNSEL Bass, Berry & Sims PLC, Nashville, Tennessee.

TAX STATUS..... In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Authority and Metropolitan Government, interest on the Series 2013A Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. In the further opinion of Bond Counsel, interest on the Series 2013B Bonds is not excluded from gross income of the owners thereof for federal income tax purposes. For an explanation of certain tax consequences under federal law that may result from the ownership of the Series 2013 Bonds, see the discussion under the heading “TAX MATTERS” herein.

Under existing law, the Series 2013 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. See “TAX MATTERS” herein.

FINANCIAL ADVISOR..... First Southwest Company, Dallas, Texas.

TRUSTEE AND REGISTRATION AND PAYING AGENT..... Regions Bank, Nashville, Tennessee will serve as trustee and, registration and paying agent for the Series 2013 Bonds.

**OFFICIAL STATEMENT
RELATING TO**

\$65,000,000

**THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)**

\$53,760,000

**PUBLIC IMPROVEMENT REVENUE BONDS
(BALLPARK PROJECT), SERIES 2013A**

\$11,240,000

**PUBLIC IMPROVEMENT REVENUE BONDS (BALLPARK
PROJECT), SERIES 2013B (FEDERALLY TAXABLE)**

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the financial information contained in the Appendices attached hereto, is to furnish information in connection with the sale by The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Authority") of its \$53,760,000 Public Improvement Revenue Bonds (Ballpark Project), Series 2013A (the "Series 2013A Bonds") and its \$11,240,000 Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable) (the "Series 2013B Bonds"). The Series 2013A Bonds and the Series 2013B Bonds are collectively referred to herein as the "Series 2013 Bonds".

The Series 2013 Bonds are to be issued under and subject to the Constitution and the laws of the State of Tennessee (the "State"), including particularly, Title 7, Chapter 67, Tennessee Code Annotated, as amended, and the applicable provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended. The Series 2013 Bonds shall also be issued pursuant to a Trust Indenture, dated as of December 19, 2013 (the "Indenture"), by and among the Authority, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee"). The Trustee shall also serve as registration and paying agent for the Series 2013 Bonds (with the Trustee sometimes referred to herein as the "Registration Agent"). Unless otherwise provided, all terms used herein in connection with the Series 2013 Bonds and not defined herein shall have the meanings given in the Indenture and provided in Appendix E hereto.

This Official Statement should be considered in its entirety, and no one subject discussed should be considered less important than any other by reason of its location in the text. Reference should be made to laws, reports or other documents referred to in this Official Statement for more complete information regarding their contents. Terms used in this Official Statement in connection with the Series 2013 Bonds and not otherwise defined herein shall have the same meanings as given to them in the Indenture. (See APPENDIX E - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE").

DESCRIPTION OF THE SERIES 2013 BONDS

Purpose of the Series 2013 Bonds

The Series 2013 Bonds are being offered to fund (i) costs to construct a minor league baseball ballpark and related public improvements; (ii) land acquisition costs; (iii) architectural, engineering, legal and consulting costs incident thereto; (iv) the payment of capitalized interest on the Series 2013 Bonds and (v) costs incident to the issuance and sale of the Series 2013 Bonds.

Book-Entry-Only System

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Series 2013 Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a

"clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The Rules applicable to DTC and its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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, but Beneficial Owners are expected to receive written confirmation 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 interest in the Series 2013 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2013 Bonds, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 2013 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2013 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 the Series 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2013 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in 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 Registration Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to the Authority or the Registration Agent. Under such circumstances, in the

event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates 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 Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE SERIES 2013 BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

REDEMPTION OF SERIES 2013 BONDS

General Provisions Regarding Redemption

The Series 2013 Bonds shall be redeemable pursuant to the terms of the Indenture. See APPENDIX E - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE". The Authority covenants that any and all such moneys received by it which are to be used to redeem the Series 2013 Bonds shall be paid to the Trustee under the Indenture, and, in such event, the Trustee shall use any and all such moneys to redeem the Series 2013 Bonds when and as the Series 2013 Bonds shall in accordance with their terms be redeemable.

Optional Redemption

The Series 2013A Bonds maturing on or after August 1, 2024, are subject to redemption by the Authority on or after August 1, 2023, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par, plus interest accrued to the redemption date.

The Series 2013B Bonds maturing on or after August 1, 2024, are subject to redemption by the Authority on or after August 1, 2023, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par, plus interest accrued to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2013A Bonds maturing August 1, 2033, 2038, and 2043 are subject to mandatory sinking fund redemption on August 1 of each of the dates set forth below at a redemption price equal to 100% of the principal amount of the Series 2013A Bond to be redeemed plus accrued interest to the date of redemption in the years and in the principal amounts indicated below:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Series 2013A Bonds Redeemed</u>
August 1, 2033	August 1, 2032	\$ 2,005,000
	August 1, 2033†	\$ 2,095,000

†Final Maturity

August 1, 2038	August 1, 2034	\$ 2,190,000
	August 1, 2035	2,300,000
	August 1, 2036	2,415,000
	August 1, 2037	2,535,000
	August 1, 2038†	2,660,000
August 1, 2043	August 1, 2039	\$ 2,795,000
	August 1, 2040	2,935,000
	August 1, 2041	3,080,000
	August 1, 2042	3,235,000
	August 1, 2043†	3,395,000

† Final Maturity

The Series 2013B Bonds maturing August 1, 2028, 2033, and 2043 are subject to mandatory sinking fund redemption on August 1 of each of the dates set forth below at a redemption price equal to 100% of the principal amount of the Series 2013B Bonds to be redeemed plus accrued interest to the date of redemption in the years and in the principal amounts indicated below:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Series 2013B Bonds Redeemed</u>
August 1, 2028	August 1, 2024	\$ 280,000
	August 1, 2025	290,000
	August 1, 2026	305,000
	August 1, 2027	320,000
	August 1, 2028†	335,000
August 1, 2033	August 1, 2029	\$ 350,000
	August 1, 2030	365,000
	August 1, 2031	385,000
	August 1, 2032	405,000
	August 1, 2033†	430,000
August 1, 2043	August 1, 2034	\$ 450,000
	August 1, 2035	480,000
	August 1, 2036	505,000
	August 1, 2037	535,000
	August 1, 2038	565,000
	August 1, 2039	595,000
	August 1, 2040	630,000
	August 1, 2041	665,000
	August 1, 2042	700,000
	August 1, 2043†	740,000

† Final Maturity

The principal amount of the Series 2013A Bonds and the Series 2013B Bonds to be called for mandatory sinking fund redemption shall, at the option of the Authority, be reduced by the principal amount of such Series of Bonds which, at least 60 days prior to the redemption date specified above, have been (1) purchased by the Authority and delivered to the Trustee for cancellation or (2) redeemed otherwise than by this mandatory sinking fund redemption provision and, in either case, not previously applied as a credit against the obligation to redeem the Series 2013A Bonds or Series 2013B Bonds, as applicable, pursuant to this mandatory sinking fund redemption provision.

Notice of Redemption

Notice of redemption, whether optional or mandatory, shall be given by the Trustee, as applicable, by first-class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the registered owner of each Series 2013 Bond designated for redemption. Interest on the Series 2013 Bonds, or portions of Series 2013 Bonds, shall cease to accrue from and after such redemption date and on said date there will become due and payable on the Series 2013 Bonds, the principal amount thereof to be redeemed, premium, if any, and interest accrued thereon to the redemption date. Any notice of redemption which is mailed in the manner provided in the Indenture shall be conclusively presumed to have been duly-given whether or not the owner receives the notice. Failure to give notice by mail or any defect in the notice to the owner of the Series 2013 Bonds designated for redemption shall not affect the validity of the proceedings for redemption. Failure of DTC, or any successor, to provide notice to any DTC Participant will not affect the validity of such redemption.

PLAN OF FINANCE

Approximately \$61,008,270.99 of the proceeds of the Series 2013 Bonds will be used to fund the acquisition of land for and the construction of a minor league baseball ballpark in an undeveloped area north of the Capitol between downtown Nashville and the Germantown area (“Ballpark”) and the construction and installation of related public improvements. The Ballpark will be constructed on land acquired by the Authority and will be leased to MFP Baseball, LLC (the “Team”), the owners of the Nashville Sounds, the AAA minor-league affiliate of major league baseball’s Milwaukee Brewers, pursuant to a lease agreement dated on or about December 19, 2013 between the Authority and the Team (the “Team Lease Agreement”). In connection with the Authority’s construction of the Ballpark, the State of Tennessee (the “State”) has agreed to construct an approximate 1,000-car parking garage and to lease the garage to the Authority for use during Team games at the Ballpark. The parking garage will be constructed on land owned by the State. The Authority intends to sub-lease its rights to this parking garage to the Team, and any revenues generated therefrom will not be available to pay debt service on the Series 2013 Bonds.

The Ballpark will be constructed within an area of the Metropolitan Government known as the Phillips Jackson Redevelopment Area (the “Phillips Jackson Redevelopment Area”), within which the Metropolitan Development and Housing Agency, an instrumentality and agency of the Metropolitan Government (“MDHA”), is empowered to incur debt to finance redevelopment projects and to repay the debt from incremental property tax revenues. A portion of the proceeds of the Series 2013 Bonds will be loaned by the Authority to MDHA to finance land acquisition and construction costs that qualify as eligible redevelopment expenses within the Phillips Jackson Redevelopment Area. MDHA will repay the loan from the Authority together with interest at a rate approximating the interest rates on the Series 2013A Bonds, from certain incremental tax revenues collected by MDHA within the Phillips Jackson Redevelopment Area. MDHA’s obligation to repay the Authority will be evidenced by a note and loan agreement to be delivered by MDHA to the Authority (the “TIF Documents”). The Authority will assign its rights to payments received under the TIF Documents (“TIF Payments”) to the Trustee to secure payment of the Series 2013 Bonds. The loan to MDHA will be repaid only to the extent incremental property taxes are available therefor, and the Authority cannot predict the amount or timing of its receipt of any TIF Payments. See “Security and Sources of Payment” and “Investment Considerations” for more detail regarding the TIF Documents and TIF Payments.

The balance of the proceeds of the Series 2013 Bonds will be used to fund capitalized interest on the Series 2013 Bonds and to pay costs of issuing the Series 2013 Bonds.

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SOURCES AND USES OF FUNDS

The table below sets forth the sources and uses of funds in connection with the issuance of the Series 2013 Bonds.

	<u>Series 2013A</u>	<u>Series 2013B</u>	<u>Total</u>
SOURCES			
Par Amount	\$ 53,760,000.00	\$ 11,240,000.00	\$ 65,000,000.00
Net Original Issue Premium(Discount)	<u>1,986,297.40</u>	<u>(205,245.15)</u>	<u>1,781,052.25</u>
Total Sources	\$ 55,746,297.40	\$ 11,034,754.85	\$ 66,781,052.25
USES			
Project Fund Deposits*	55,164,719.27	10,908,740.58	66,073,459.85
Cost of Issuance**	<u>581,578.13</u>	<u>126,014.27</u>	<u>707,592.40</u>
Total Uses	<u>\$ 55,746,297.40</u>	<u>\$ 11,034,754.85</u>	<u>\$ 66,781,052.25</u>

* Includes \$5,069,666.76 to pay capitalized interest on the Series 2013 Bonds.

** Includes underwriters' discount, legal counsel fees, financial advisor fees, rating agencies fees, printing and mailing expenses and other costs of issuance of the Series 2013 Bonds.

SECURITY AND SOURCES OF PAYMENT

The principal of, premium, if any, and interest on the Series 2013 Bonds shall be solely secured by and payable from (i) Sales Tax Rebate Revenues, (ii) TIF Payments, if any, (iii) in the case of Series 2013B Bonds only, Team Lease Payments and (iv) to the extent the foregoing revenues are not sufficient to pay principal, premium, if any, and interest, from USD Non-Tax Revenues of the Metropolitan Government (as all such terms are defined herein).

The Series 2013 Bonds are not general obligations of the Authority or the Metropolitan Government but are limited obligations secured solely by the revenues and receipts pledged to such Series 2013 Bonds as provided above. Neither the State nor any political subdivision thereof, including the Authority and the Metropolitan Government, shall be obligated to pay the principal of, premium, if any, or interest on the Series 2013 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and the Metropolitan Government, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2013 Bonds or other costs incident thereto. The Authority has no taxing power.

Except as provided in the following sentence, the Series 2013 Bonds are payable from and secured by the following sources of funds on parity with each other and any parity bonds hereafter issued under the Indenture. The Series 2013A Bonds are neither payable from nor secured by the Team Lease Payments (as hereinafter defined), and the Team Lease Payments shall only be used to secure the payment of principal, premium, if any, and interest on the Series 2013B Bonds.

Sales Tax Rebate Revenues

Pursuant to Section 67-6-103(d)(1)(A)(iii), Tennessee Code Annotated, state and local tax revenue derived from the sale of admissions to Team games at the Ballpark, the sale of food and drink on the site in conjunction with

those games, parking charges and related services, and the sale by the Team of authorized franchise goods and products associated with its operations as a professional sports franchise, less local option sales taxes collected in the year preceding the original occupancy of the Ballpark are required to be paid to the Authority to pay debt service on the Series 2013 Bonds. The Authority has pledged its right to the payments (“Sales Tax Rebate Payments”) to the payment of debt service on the Series 2013 Bonds.

TIF Payments

The Authority has pledged to the payment of the Series 2013 Bonds all payments it receives from MDHA pursuant to the TIF Documents. The loan made to MDHA will be repaid only to the extent incremental property taxes are available therefor, and the Authority cannot predict the amount or timing of its receipt of any TIF Payments.

Team Lease Payments

The Authority has pledged to the payment of Series 2013B Bonds only all payments of rent made by the Team to the Authority pursuant to the terms of the Team Lease Agreement. Team Lease Payments will equal \$700,000 per year.

USD Non-Tax Revenues

The Metropolitan Government has pledged its USD Non-Tax Revenues to pay that portion of debt service on the Series 2013 Bonds and any other parity bonds hereafter issued under the Indenture, that is not covered by the Sales Tax Rebate Payments, TIF Revenues, in the case of Series 2013B Bonds only, Team Lease Payments, and other funds on deposit in the Bond Fund, with such pledge of USD Non-Tax Revenues being on a parity and equality of lien with the holders of all Bonds Outstanding under the Indenture. "USD Non-Tax Revenues" shall mean all income and revenues collected from the Urban Services District (“USD”) of the Metropolitan Government which, according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and normal and customary accounting practices of the Metropolitan Government, are deposited to and become assets of the USD General Fund of the Metropolitan Government and derived from any source other than income and revenues derived from the exercise by the Metropolitan Government of its powers to levy and collect taxes of any kind. The term "USD Non-Tax Revenues" does not include Non-Tax Revenues collected by the Metropolitan Government to its General Services District (“GSD”) General Fund. These GSD Non-Tax Revenues have been pledged to pay debt service on all other outstanding bond issues of the Authority, as well as certain Tourism Tax Revenue Bonds issued in 2010 by the Metropolitan Government’s Convention Center Authority. GSD Non-Tax Revenues are not pledged to, or available for, the payment of the Series 2013 Bonds. Likewise, the USD Non-Tax Revenues collected will secure payment of the Series 2013 Bonds but will not secure payment of any other Sports Authority bonds, Convention Center Authority bonds or other indebtedness, except upon the terms and conditions set forth in the Indenture.

The following table describes the Metropolitan Government’s historical USD Non-Tax Revenue collections. The USD Non-Tax Revenues have not been previously pledged.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**USD Non-Tax Revenues (1)
Fiscal Years Ending June 30, 2008 through June 30, 2013
and Projected Fiscal Year Ending June 30, 2014**

	<i>Projected</i> <u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<i>Other Payments in Lieu of Taxes</i>	\$ 15,926,300	16,649,593	14,571,148	13,783,297	13,751,642	14,104,532	13,449,545
<i>Revenue from the Use of Money or Property</i>	-	-	-	6,515	32,243	144,323	481,979
<i>Charges for Current Services</i>	1,315,800	1,558,707	1,401,942	1,431,705	816,640	979,550	937,530
<i>Compensation from Property</i>	100,000	-	-	-	-	-	-
<i>Miscellaneous Revenue</i>	-	-	400	-	-	-	-
TOTAL	<u>\$ 17,342,100</u>	<u>\$ 18,208,300</u>	<u>\$ 15,973,490</u>	<u>\$ 15,221,517</u>	<u>\$ 14,600,525</u>	<u>\$ 15,228,405</u>	<u>\$ 14,869,054</u>

(1) Includes only collections within the Urban Services District General Fund of the Metropolitan Government.

Flow and Maintenance of Funds

Deposit and Application of Sales Tax Rebate Revenues, TIF Payments and Team Lease Payments. Sales Tax Rebate Revenues, TIF Payments and Team Lease Payments will be deposited as collected in the Bond Fund, which will be held by the Trustee and used solely to pay debt service on the Series 2013 Bonds. Within the Bond Fund, there will be two accounts: the Series 2013A Account and the Series 2013B Account. Team Lease Payments will be deposited to the Series 2013B Account, which is reserved solely for the payment of the Series 2013B Bonds. Sales Tax Rebate Revenues and TIF Payments will be deposited pro rata between the Series 2013A Account and the Series 2013B Account.

Deposit and Application of USD Non-Tax Revenues. In the event amounts on deposit in the Bond Fund on the 30th day prior to any debt service payment date are insufficient to provide for the payment of all debt service then coming due, the Trustee shall immediately notify the Metropolitan Government and the Authority of such event and the amount of such insufficiency that exists in either account of the Bond Fund. If there still remains a deficiency in either account of the Bond Fund as of the 10th day prior to such debt service payment date, the Trustee shall immediately, and in no event later than the close of business such 10th day prior to the debt service payment date, notify the Metropolitan Government and the Authority of such remaining deficiency and the amount of such deficiency in the Bond Fund. Upon being so notified by the Trustee of the remaining deficiency, the Metropolitan Government shall deposit to the applicable account of the Bond Fund an amount of USD Non-Tax Revenues equal to such insufficiency no later than three business days prior to such debt service payment date. The Trustee shall use such funds on the ensuing debt service payment date, along with all other funds on deposit therein, to pay principal and interest then coming due.

Maintenance of Sales Tax Rebate Revenues, TIF Payments, Team Lease Payments and USD Non-Tax Revenues. The Authority and the Metropolitan Government, as applicable, covenanted under the Indenture to continue to collect and receive the Sales Tax Rebate Revenues, TIF Payments, and USD Non-Tax Revenues and not take any action or permit to be taken any action which would cause the Sales Tax Rebate Revenues or TIF Payments to be applied to any purpose other than the payment of debt service on the Series 2013 Bonds, or other parity bonds hereafter issued under the Indenture. The Authority further covenants that, upon execution of the Team Lease, and continuing so long as any Bonds are Outstanding, the Authority will be lawfully possessed of the Team Lease Payments; that the covenants contained in the Team Lease will be valid and binding and not inconsistent with the terms of the Indenture; that the Authority will have good right, full power and lawful authority to grant, bargain and assign, and to transfer in trust, convey and pledge the Team Lease and the Team Lease Payments in the manner and form provided in the Indenture; and that it will not do or permit anything to be done, or omit or refrain from doing anything in any case where any such act done, or permitted to be done, or any such omission of or refraining from action would or might be a ground for declaring a forfeiture of the Team Lease.

The Metropolitan Government covenants and agrees that, so long as any Bonds are Outstanding under the Indenture, it will maintain the USD Non-Tax Revenues in an amount which equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to Bonds issued and outstanding under the Indenture and any other Additional Secured Indebtedness (as described below).

Additional Secured Debt

Additional Bonds. The Authority covenants under the Indenture that no additional series of bonds shall be issued under the Indenture except in accordance with the terms and conditions of the Indenture. Additional Bonds may be issued on a parity and equality of lien on the Trust Estate with the Series 2013 Bonds if all the following conditions are met:

- (1) all of the payments into the respective funds and accounts provided for under the Indenture shall have been made in full to the date of issuance of said Additional Bonds;
- (2) the Authority and the Metropolitan Government shall be in substantial compliance with all the covenants, agreements, and terms of the Indenture;

- (3) the Additional Bonds shall be issued only for the purpose of providing funds to (i) pay the costs of construction of the Project, or (ii) refund any or all of the Outstanding Bonds; and
- (4) either (i) the Additional Bonds are issued solely for the purpose of refunding any Outstanding Bonds and the refunding results in a reduction in Debt Service payable by the Authority under the Indenture or (ii) following the issuance of the Additional Bonds, the total amount of USD Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded Fiscal Year of the Metropolitan Government equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to the Outstanding Bonds under the Indenture and any other Additional Secured Indebtedness.

Additional Secured Indebtedness Payable from USD Non-Tax Revenues. The Metropolitan Government covenants and agrees that so long as any Bonds are outstanding under the Indenture, it will not issue or incur any indebtedness payable from or secured by a pledge of or lien on the USD Non-Tax Revenues, nor will it pledge the USD Non-Tax Revenues or create a lien on or security interest in USD Non-Tax Revenues to secure by indebtedness or obligation of the Metropolitan Government, the Authority, or any other Person (“Additional Secured Indebtedness”), unless all the following conditions are met and in which case, such pledge, lien and/or security interest shall be subordinate to the pledge in favor of the Bonds:

- (1) all of the payments into the respective funds and accounts provided for in the Indenture shall have been made in full to the date of issuance of said Additional Secured Indebtedness or the creation of the lien, security interest or pledge described above;
- (2) the Authority and the Metropolitan Government shall be in substantial compliance with all of the covenants, agreements and terms of the Indenture; and
- (3) following the issuance of such additional indebtedness or the creation of such lien, pledge or security interest, the total amount of USD Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded Fiscal Year of the Metropolitan Government equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to any Bonds Outstanding under the Indenture and all Additional Secured Indebtedness.

See APPENDIX E: SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE for more information regarding security and sources of payment of the Series 2013 Bonds and the covenants of the Authority and the Metropolitan Government related thereto.

THE AUTHORITY

The Authority is a public non-profit corporation and instrumentality of the Metropolitan Government organized in 1995 pursuant to Chapter 67, Title 7 of Tennessee Code Annotated, as amended (the "Act"). The purpose of the Act as stated therein is to promote and develop recreational opportunities by facilitating the acquisition, construction, and rehabilitation of sports complexes, stadiums, arenas, and other recreational facilities for the holding of professional and amateur athletic events by authorizing the incorporation of public corporations to plan, promote, arenas, structures, amid facilities for public participation and enjoyment of professional and amateur sports activities for the people in the State of Tennessee.

Although the Authority is a public instrumentality of the Metropolitan Government, the Metropolitan Government is not liable for the payment of the principal of, or premium (if any) or interest on the Series 2013 Bonds, or any other bonds of the Authority, or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Authority under the Indenture or otherwise, except to the extent the Metropolitan Government has expressly pledged its revenues or income under the Indenture. (See "SECURITY AND SOURCES OF PAYMENT".)

The Act provides that the Authority shall be governed by a Board of Directors of not less than seven directors who are appointed by the Metropolitan Mayor and confirmed by the Metropolitan Council. The Authority's

charter, as amended, provides for governance by thirteen directors. Directors hold office for staggered terms and receive no compensation except reimbursement for actual expenses incurred in the performance of their duties.

The Act empowers the Authority, among other things, to (i) acquire, improve, repair, extend, equip, furnish, operate, and maintain one or more projects, including all real and personal properties which the Board of Directors of the Authority may deem necessary in connection therewith, (ii) operate, maintain, manage, and enter into contracts for the operation, maintenance, and management of any project undertaken, (iii) lease, rent, and contract for the operation of all or any part of any project for sports and recreational facilities, (iv) lease space in a project as from time to time may not be needed for sports purposes, (v) fix and collect rates, rentals, fees, and charges for the use of any and all facilities of the Authority, (vi) borrow money, and issue and sell its revenue bonds for the purpose of carrying out any of its powers, and (vii) pledge the revenues and receipts therefrom, as security for the payment of the principal of, and premium (if any) and interest on, any bonds so issued and any agreements made in connection therewith. The Authority is authorized by the Act to issue the Series 2013 Bonds for the purposes described herein, and to enter into the Indenture.

The incorporators, members, directors, and officers of the Authority shall not be personally liable for any costs, losses, damages or liabilities, including payments on the Series 2013 Bonds, caused or incurred by the Authority in connection with the Indenture. The Series 2013 Bonds are limited obligations of the Authority, secured solely by the sources pledged under the Indenture. The Series 2013 Bonds and the premium (if any) and interest thereon shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof (other than the Authority), and their issuance shall not, directly or indirectly or contingently, obligate the State or any political subdivision thereof (including the Authority and the Metropolitan Government) to levy any form of taxation therefore or make any appropriation for their payment. The Series 2013 Bonds shall never constitute general obligations of the Authority within the meaning of any constitutional or statutory provision or limitation and shall never constitute or give rise to a pecuniary liability of the Authority. The Authority has no taxing power. (See APPENDIX B – “FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT”) for more information regarding the Authority.

THE METROPOLITAN GOVERNMENT

Metropolitan Nashville and Davidson County, located in the north central part of Tennessee, is the capital of the State and the State's second largest city. As defined by the United States Bureau of the Census, Nashville and the seven surrounding counties, which form a Metropolitan Statistical Area, had an aggregate population in 2010 of 1,589,935. On April 1, 1963, the governments of the City of Nashville and Davidson County were consolidated into a single unit of government, The Metropolitan Government of Nashville and Davidson County, under which the boundaries of the City of Nashville and Davidson County are coextensive. (See APPENDIX B – “FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT”.)

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INVESTMENT CONSIDERATIONS

General

Attention should be given to the investment considerations described below, which, among others, could affect the ability of the Authority to pay principal of, premium if any, and interest on the Series 2013 Bonds, and which could also affect the marketability of or the market price for, the Series 2013 Bonds.

The purchase of the Series 2013 Bonds involves certain investment considerations that are discussed throughout this Official Statement. Certain of these investment considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement. Each prospective purchaser of any Series 2013 Bonds should read this Official Statement in its entirety and consult such prospective purchaser's own investment and/or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Series 2013 Bonds.

Limited Obligations

The Series 2013 Bonds are not general obligations of the Authority but are limited obligations secured solely by the revenues and receipts pledged to the payment of such Series 2013 Bonds as provided above and more fully discussed herein. Neither the State nor any political subdivision thereof, including the Authority and the Metropolitan Government, shall be obligated to pay the principal of, premium, if any, or interest on the Series 2013 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and the Metropolitan Government, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2013 Bonds or other costs incident thereto. The Authority has no taxing power.

Team Lease Payments and Sales Tax Rebate Revenues Dependent upon Continued Baseball Operations at the Ballpark

The security and source of payment for the Series 2013 Bonds is comprised in part of Team Lease Payments and Sales Tax Rebate Payments. These payment streams are dependent upon continued Team operations at the Ballpark. The Team Lease has a term longer than the final term of the Series 2013 Bonds. However, the Authority cannot guarantee that the Team will be capable of maintaining baseball operations at the Ballpark during the entire term of the Team Lease. Conditions affecting professional baseball generally, the Team's financial condition or its professional baseball franchise, or the Nashville area generally could impact the ability of the Team to continue operations at the Ballpark. As a result, the Authority may not be able to collect the Team Lease Payments in a timely manner. Furthermore, Sales Tax Rebate collections, which are derived primarily from Ballpark-related sales, could be materially impacted.

The Authority procured the land on which the Ballpark is located from the State of Tennessee under a Real Estate Agreement dated on or about December 19, 2013 (the "State Agreement"). The State Agreement provides the State with a right of repossession of the Ballpark land if, for a period of 30 consecutive months, the Team Lease (or a successor lease) is not in effect or professional baseball is not played at the Ballpark. If the State were to exercise this repossession right, the Authority would be unable to locate another team to the Ballpark and thereby generate rent payments and sales tax rebate payments that might be used to pay debt service on the Series 2013 Bonds.

TIF Payments Largely Dependent upon Future Development

The TIF Payments are dependent largely upon the development of certain properties adjacent to the Ballpark. The Authority cannot guarantee if or when such properties will be developed, and thus cannot predict the amount or the timing of its receipt of any TIF Payments.

Ratings

There is no assurance that the ratings assigned to the Series 2013 Bonds at the time of issuance (see "RATINGS") will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2013 Bonds.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Series 2013 Bonds will be available, and no assurance can be given that the initial offering prices for the Series 2013 Bonds will continue for any period of time.

The Series 2013 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2013 Bonds in the event an owner thereof determines to solicit purchasers of the Series 2013 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2013 Bonds may be sold. Such price may be lower than that paid by the current owner of the Series 2013 Bonds, depending on existing market conditions and other factors.

LITIGATION AND OTHER PROCEEDINGS

The Authority

At the time of delivery of any payment for the Series 2013 Bonds, the Authority will deliver, or cause to be delivered, a certificate of the Authority stating that there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2013 Bonds, or in any way contesting or affecting the validity of the Series 2013 Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof or the pledge or application of any monies or security provided for the payment of the Series 2013 Bonds or the corporate existence, boundaries or powers of the Authority, or the title of its officials to their respective offices.

The Metropolitan Government

At the time of delivery of any payment for the Series 2013 Bonds, the Metropolitan Government will deliver, or cause to be delivered, a certificate of the Metropolitan Government stating that there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2013 Bonds, or in any way contesting or affecting the validity of the Series 2013 Bonds or any proceedings of the Metropolitan Government taken with respect to the issuance or sale thereof or the pledge or application of any monies or security provided for the payment of the Series 2013 Bonds or the corporate existence, boundaries or powers of the Metropolitan Government, or the title of its officials to their respective offices.

CONTINUING DISCLOSURE

The Authority and the Metropolitan Government have agreed that the Metropolitan Government shall undertake, for the benefit of the holders and beneficial owners of the Series 2013 Bonds, to distribute certain financial information and operating data relating to the Metropolitan Government by not later than nine months following the end of the Metropolitan Government's fiscal year, commencing with the fiscal year ending June 30, 2013 (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. A copy of the form of the Continuing Disclosure Certificate is attached hereto as Appendix D.

The Metropolitan Government has agreed to provide the foregoing information only as described in the Continuing Disclosure Undertaking. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at emma.msrb.org.

The Authority and the Metropolitan Government have not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in SEC Rule 15c2-12(b)(5) within the last five years.

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2013 Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose approving opinions in substantially the forms attached hereto as Appendix C will be delivered with the Series 2013 Bonds. Other than the descriptions of legal documents and Bond Counsel's legal opinions set forth herein under the captions "DESCRIPTION OF THE SERIES 2013 BONDS" (other than the information relating to DTC and its book-entry system), "SECURITY AND SOURCES OF PAYMENT" (excluding financial and statistical data as to which no opinion is expressed), "TAX MATTERS," and APPENDIX C – FORMS OF OPINIONS OF BOND COUNSEL, which have been reviewed by Bond Counsel, Bond Counsel has not undertaken any responsibility for any of the information contained in this Official Statement. Certain legal matters with respect to the Authority and the Metropolitan Government will be passed upon by the Metropolitan Government's Director of Law. Certain legal matters will be passed upon for the Underwriters by their counsel Charles E. Carpenter, A Professional Corporation, Nashville, Tennessee.

The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

TAX MATTERS

Tennessee State Tax Exemption

Under existing law, the Series 2013 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Series 2013 Bonds during the period the Series 2013 Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership doing business in the State, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2013 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.

Federal Tax Matters relating to the Series 2013A Bonds

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Series 2013 Bonds. Bond Counsel is of the opinion that, under existing law, relying on certain statements by the Authority and the Metropolitan Government and assuming compliance by the Authority and the Metropolitan Government with certain covenants, interest on the Series 2013A Bonds is:

- excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"); and
- not a preference item for a bondholder under the federal alternative minimum tax; but
- taken into account in determining the adjusted current earnings of certain corporations for purposes of the federal corporate alternative minimum tax.

The Code imposes requirements on the Series 2013A Bonds that the Authority and the Metropolitan Government must continue to meet after the Series 2013A Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the Authority or the Metropolitan Government does not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2013A Bonds in its federal gross income on a retroactive basis to the date of issue. The Authority and the Metropolitan Government 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 2013A Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Series 2013A 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 2013A Bonds or affect the market price of the Series 2013A Bonds.

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 2013A Bonds, or under state, local or foreign tax law.

Original Issue Discount. A Series 2013A Bond will have “original issue discount” if the price paid by the original purchaser of such Series 2013A Bond is less than the principal amount of such Series 2013A Bond. Bond Counsel’s opinion is that any original issue discount on the Series 2013A Bonds as it accrues is excluded from a bondholder’s federal gross income under the Internal Revenue 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 the Series 2013A Bonds will be increased. If a bondholder owns one of the Series 2013A Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Bond Premium. If a bondholder purchases a Series 2013A Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Series 2013A 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 Series 2013A Bond will be reduced. The holder of a Series 2013A Bond that called before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2013A Bond. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Series 2013A Bond with bond premium, even though the Series 2013A Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Series 2013A Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Future Changes in Law. Proposed, pending or future tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of the interest on the Series 2013A Bonds subsequent to their issuance under federal or state law and could affect the market price or marketability of the Series 2013A Bonds. Future legislation could directly or indirectly reduce or eliminate the value of certain deductions and exclusions, including the benefit of the exclusion of tax-exempt interest on the Series 2013A Bonds from gross income for federal income tax purposes. Any such proposed legislation, actions or decisions, whether or not enacted, taken or rendered, could also adversely affect the value and liquidity of the Series 2013A Bonds.

Miscellaneous. Prospective bondholders should consult their own tax advisors regarding the foregoing matters.

Federal Tax Matters relating to the Series 2013B Bonds

Disclaimer. Any discussion of the tax issues relating to the Series 2013B Bonds in this Official Statement was written to support the promotion or marketing of the Series 2013B Bonds. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be

imposed on such person. Each investor should seek advice with respect to the Series 2013B Bonds based on its particular circumstances from an independent tax advisor.

General. The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2013B Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses Series 2013B Bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, those holding such bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or those whose functional currency is not the United States dollar. Potential purchasers of the Series 2013B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2013B Bonds.

Interest on the Series 2013B Bonds is not excluded from gross income for federal income tax purposes. Purchasers other than those who purchase Series 2013B Bonds in the initial offering at their stated principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2013B Bonds. In general, interest paid on the Series 2013B Bonds, accrual of original issue discount and market discount, if any, will be treated as ordinary income to an owner of Series 2013B Bonds and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Original Issue Discount. The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2013B Bonds issued with original issue discount (“Discount Bonds”). A Series 2013B Bond will be treated as having original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price at which a substantial amount of the Series 2013B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2013B Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity.

A Discount Bond’s “stated redemption price at maturity” is the total of all payments provided by the Discount Bond that are not payments of “qualified stated interest.” Generally, the term “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includable in income by the initial holder of a Discount Bond is the sum of the “daily portions” of original issue discount with respect to such Discount Bond for each day during the taxable year in which such holder held such Discount Bond. The daily portion of original issue discount on any Discount Bond is determined by allocating to each day in any “accrual period” a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Discount Bond at the beginning of any accrual period is the sum of the issue price of the Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Bond that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Discount Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount. Any owner who purchases a Series 2013B Bond at a price which includes market discount in excess of a prescribed de minimis amount (*i.e.*, at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2013B Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner who acquires a Series 2013B Bond at a market discount also may be required to defer, until the maturity date of such Series 2013B Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2013B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Series 2013B Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2013B Bond for the days during the taxable year on which the owner held the Series 2013B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2013B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondowner elects to include such market discount in income currently as described above.

Bond Premium. A purchaser who purchases a Series 2013B Bond at a cost greater than its then principal amount (or, in the case of a Series 2013B Bond issued with original issue premium, at a price in excess of its adjusted issue price) will have amortizable bond premium. If the holder elects to amortize the premium under Section 171 of the Code (which election will apply to all bonds held by the holder on the first day of the taxable year to which the election applies, and to all bonds thereafter acquired by the holder), such a purchaser must amortize the premium using constant yield principles based on the purchaser's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of any Series 2013B Bonds who acquire such Series 2013B Bonds at a premium (or with acquisition premium) should consult with their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2013B Bonds.

Sale or Redemption of Bonds. A bondowner's tax basis for a Series 2013B Bond is the price such owner pays for the Series 2013B Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified stated interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2013B Bond, measured by the difference between the amount realized and the basis

of the Bond as so adjusted, will generally give rise to capital gain or loss if the Series 2013B Bond is held as a capital asset (except as discussed above under “—Market Discount”). The legal defeasance of Series 2013B Bonds may result in a deemed sale or exchange of such Series 2013B Bonds under certain circumstances; owners of such Series 2013B Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

Backup Withholding. A bondowner may, under certain circumstances, be subject to “backup withholding” (currently the rate of this withholding obligation is 28%, but the rate may change in the future) with respect to interest or original issue discount on the Series 2013B Bonds. This withholding generally applies if the owner of a Series 2013B Bond (a) fails to furnish the registration agent or other payor with its taxpayer identification number; (b) furnishes the registration agent or other payor an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other “reportable payments” as defined in the Code; or (d) under certain circumstances, fails to provide the registration agent or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as hereafter defined). Owners of the Series 2013B Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

Backup withholding is not an additional tax. Any amount paid as backup withholding would be credited against the bondholder’s U.S. federal income tax liability, provided that the requisite information is timely provided to the Internal Revenue Service. The amount of “reportable payments” for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series 2013B Bonds will be reported to the bondowners and to the Internal Revenue Service.

Nonresident Borrowers. Under the Code, interest and original issue discount income with respect to Series 2013B Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons (“Nonresidents”) generally will not be subject to the United States withholding tax (or backup withholding) if the Authority (or other who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series 2013B Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA. The Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the “Plans”) and those who, with respect to a Plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2013B Bonds.

RATINGS

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. have assigned ratings of "Aa2" with a negative outlook and "AA-" with a stable outlook, respectively, to the Series 2013 Bonds. The ratings reflect only the respective views of such organizations and neither the Authority nor the Metropolitan Government makes any representation as to the appropriateness of the ratings. Any explanation of the significance of the ratings may be obtained only from the respective rating agency furnishing the same at the following addresses: Moody's Investors Services, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Group, 55 Water Street, New York, New York 10041. The Authority and the Metropolitan Government furnished to each rating agency certain information and materials, some of which may not have been included in this Official Statement, relating to the Authority and the Metropolitan Government as well as outstanding debt of the Authority and the Metropolitan Government. Generally, rating agencies base their ratings upon such information and materials and upon

investigations, studies and assumptions by the ratings agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Series 2013 Bonds.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2013 Bonds, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the Series 2013 Bonds.

UNDERWRITING

Raymond James & Associates, Inc. (the “Representative”), on behalf of itself and the other underwriters listed on the front cover page of this Official Statement (collectively, the “Underwriters”) of the Series 2013 Bonds have agreed, subject to certain conditions, to purchase all of the Series 2013 Bonds from the Authority at an aggregate purchase price to be paid by the Underwriters (a) for the Series 2013A Bonds of \$55,429,383.88 (representing the principal amount of the Series 2013A Bonds of \$53,760,000.00, plus a net original issue premium of \$1,986,297.40, less an Underwriters' discount of \$316,913.52), (b) for the Series 2013B Bonds of \$10,968,553.87 (representing the principal amount of the Series 2013B Bonds of \$11,240,000.00, less a net original issue discount of \$205,245.15, less an Underwriters' discount of \$66,200.98).

The Bond Purchase Agreement between the Authority and the Underwriters provides, with respect to the Series 2013 Bonds, that all of the Series 2013 Bonds will be purchased by the Underwriters, if any of the Series 2013 Bonds of such issue are purchased.

The Series 2013 Bonds will be offered at the respective initial public offering prices or yields shown on the inside cover page of this Official Statement. The Underwriters may offer and sell the Series 2013 Bonds to certain dealers (including dealers depositing the Series 2013 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. Following the initial public offering, the initial public offering prices may be changed from time to time by the Underwriters in their discretion.

Piper Jaffray & Co., one of the Underwriters of the Series 2013 Bonds, and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the “Agreement”) which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Series 2013 Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper Jaffray & Co.

Loop Capital has entered into distribution agreements (each a “Distribution Agreement”) with each of UBS Financial Services Inc. (“UBSFS”) and Deutsche Bank Securities Inc. (“DBS”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement (if applicable to this transaction), each of UBSFS and DBS will purchase Series 2013 Bonds from Loop Capital at the original issue prices less a negotiated portion of the selling concession applicable to any Series 2013 Bonds that such firm sells.

FINANCIAL ADVISOR

First Southwest Company is employed as Financial Advisor to the Authority and the Metropolitan Government in connection with the issuance of the Series 2013 Bonds. The Financial Advisor's fees for services rendered with respect to the sale of the Series 2013 Bonds are contingent upon the issuance and delivery of the Series 2013 Bonds. First Southwest Company, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and

representations contained in any of the legal documents with respect to the federal income tax status of the Series 2013 Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, First Southwest Company may from time to time sell investment securities to the Authority or the Metropolitan Government for the investment of bond proceeds or other funds of the Authority or the Metropolitan Government upon the request of the Authority or the Metropolitan Government.

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

INDEPENDENT AUDITORS

An electronic link to the Metropolitan Government's comprehensive annual financial statements as of the fiscal year ended June 30, 2013 is included in Appendix A, and such financial statements have been audited by Crosslin & Associates, independent auditors, as stated in its report.

Crosslin & Associates, the Metropolitan Government's current independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Crosslin & Associates also has not performed any procedures relating to this Official Statement.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Authority and the Metropolitan Government, that are not purely historical, are forward-looking statements, including certain statements regarding the Authority's and the Metropolitan Government's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority and the Metropolitan Government on the date hereof, and the Authority and the Metropolitan Government assume no obligation to update any such forward-looking statements. It is important to note that the Authority's and the Metropolitan Government's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority and the Metropolitan Government. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

In considering the matters set forth in this Official Statement, prospective investors should carefully review all information included herein (particularly the information under the captions "INVESTMENT CONSIDERATIONS" and "FORWARD-LOOKING STATEMENTS") to identify any investment considerations. Potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto, and should have accessed whatever additional financial and other information any such investor may deem necessary, prior to making an investment decision with respect to the Series 2013 Bonds.

MISCELLANEOUS INFORMATION

There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information. Reference is made to original documents in all respects.

The references, excerpts and summaries of all documents referred to in this Official Statement and in the Appendices to this Official Statement do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2013 Bonds, the security for the payment of the Series 2013 Bonds and the rights and obligations of the holders thereof.

The information contained in this Official Statement has been compiled from sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2013 Bonds. The Trustee has not participated in the preparation of this Official Statement and hereby disclaims any responsibility for the accuracy or completeness of the information set forth in this Official Statement.

The execution and delivery of this Official Statement on behalf of the Authority by its Chair have been duly authorized.

THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

/s/J. D. Elliott

J. D. Elliott, Chair

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APPENDIX A

**ELECTRONIC LINK TO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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General Purpose Financial Statements

Audited Financial Statements of the Metropolitan Government and supplementary information as of and for the fiscal year ending June 30, 2013, together with the independent auditors' report from Crosslin & Associates, are available through the website of the Metropolitan Government's Department of Finance at <http://www.nashville.gov/Finance/Office-of-the-Treasurer/Debt/Investor-Relations.aspx> and are hereby incorporated by reference as part of this Appendix A. To the extent there are any differences between the electronically posted financial statements of the Metropolitan Government and the printed financial statements of the Metropolitan Government, the printed version shall control.

Crosslin & Associates has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report and have not performed any procedures relating to this Official Statement.

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APPENDIX B

FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT

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The Metropolitan Government

Organization

On June 28, 1962, the voters of Nashville and Davidson County approved the Charter of the Metropolitan Government (the "Charter"). The Tennessee Supreme Court upheld the validity of the Charter in October 1962. On April 1, 1963 the governments of the City of Nashville and of Davidson County were consolidated to form "The Metropolitan Government of Nashville and Davidson County" (the "Metropolitan Government"), under which the boundaries of Nashville and Davidson County are co-extensive.

The executive and administrative powers are vested in the Metropolitan Mayor (the "Mayor"), who is elected at large for a four-year term. The Mayor is authorized to administer, supervise and control all departments and to appoint all members of boards and commissions created by the Charter or by ordinance enacted pursuant to the Charter unless otherwise excepted. A two-thirds vote of the Metropolitan County Council is required to override the Mayor's veto. The Charter also provides for a Vice Mayor, who is elected at large for a four-year term and is the presiding officer of the Metropolitan County Council. The Metropolitan County Council is the legislative body of the Metropolitan Government and is composed of 40 members who are elected for four-year terms: 35 are elected from council districts and five are elected at large.

The Charter provides a framework for the Metropolitan Government in Nashville to serve the needs of two service districts: (i) the General Services District ("GSD") and (ii) the Urban Services District ("USD"). The GSD embraces the entire area of Davidson County and is taxed to support those services, functions and debt obligations, which are deemed properly chargeable to the whole population. Such services include general administration, police, fire protection, courts, jails, health, welfare, hospitals, streets and roads, traffic, schools, parks and recreation, auditoriums, public housing, urban renewal, planning and public libraries. The original USD conformed to the corporate limits of the City of Nashville as they existed on April 1, 1963, the date of consolidation. The residents of the USD are charged an additional tax to support those services, functions and debt obligations, which benefit only the USD. Such services include additional police and fire protection, storm sewers, street lighting and refuse collection. The Charter provides: "The area of the Urban Services District may be expanded and its territorial limits extended by annexation whenever particular areas of the General Services District come to need urban services, and the Metropolitan Government becomes able to provide such services within a reasonable period which shall be not greater than one year after ad valorem taxes in the annexed area become due." Since April 1, 1963, the area of the USD has been expanded from 72 square miles to 184 square miles.

Fiscal Year

The Metropolitan Government operates on a fiscal year, which commences July 1 and ends June 30.

Budgeting Procedures

Operating Budget. The Charter requires the Director of Finance to obtain information necessary to compile the annual operating budget of the Metropolitan Government from all officers, departments, boards, commissions and other agencies for which appropriations are made by the Metropolitan Government or which collect revenues for the Metropolitan Government.

The Mayor reviews the operating budget submitted by the Director of Finance, and may make such revisions in the budget deemed necessary or desirable before it is submitted to the Metropolitan County Council for consideration no later than May 1st. In no event can the total appropriations from any fund exceed the total anticipated revenues plus the estimated unappropriated fund balance and applicable reserves. After the Metropolitan County Council has passed the budget ordinance on first reading, it will hold public hearings. After the conclusion of the public hearings, the Metropolitan County Council may amend the operating budget prepared by the Mayor. The budget as finally amended and adopted, however, must provide for all expenditures required by law or by provisions of the Charter and for all debt service requirements for the ensuing fiscal year as certified by the Director of Finance. If the Metropolitan County Council fails to adopt a budget by July 1st, the budget submitted by the Mayor is deemed to be the adopted budget.

The Charter requires that following the adoption of the Metropolitan Government's annual operating budget, an annual tax is to be levied on all taxable property within the GSD and an additional annual tax on all taxable property within the USD. These annual taxes must be at rates sufficient to finance the GSD and USD budgets adopted for their respective service districts.

Capital Improvements Budget. As provided by the Charter, the capital improvements budget and program for the Metropolitan Government is prepared annually to "include a program of proposed capital expenditures for the ensuing fiscal year and the five fiscal years thereafter...." The Mayor submits to the Metropolitan County Council the capital improvements budget, based on information from all officers, departments, boards, commissions and other agencies requesting funds from the Metropolitan Government for capital improvements, and recommends those projects to be undertaken during the ensuing fiscal year and the method of financing them. The Mayor's recommendation notes the impact of proposed projects on the debt structure of the Metropolitan Government and includes in the appropriate current operating budget any projects to be financed from current revenues for the ensuing fiscal year.

The Metropolitan County Council has the power to accept, with or without amendment, or reject, the proposed program and proposed means of financing. The Metropolitan County Council cannot authorize an expenditure for the construction of any building, structure, work or improvement, unless the appropriation for such project is included in its capital improvements budget, except to meet a public emergency threatening the lives, health or property of the inhabitants, when passed by two-thirds vote of the membership of the Metropolitan County Council.

The following information identifies recommended capital projects in the 2013-2014 Capital Improvements Budget, which are given priority for funding by the Mayor and the Metropolitan County Council for fiscal year 2013-2014 and the following five fiscal years.

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2013-2014 to 2018-2019 Capital Improvements Budget – Final – By Agency

Departments	% of '13-'14		2014-15	2015-16	2016-17	2017-18	2018-19	Total	% of '14-'19
	2013-14	Total							
Arts Commission	\$2,420,000	0.148%						2,420,000	0.053%
Bordeaux Long Term Care	\$500,000	0.031%	\$400,000	\$300,000	\$300,000	\$200,000		1,700,000	0.037%
District Energy System-USD	1,656,000	0.101%	1,530,000	630,000	510,000	450,000		4,776,000	0.105%
Finance	90,300,000	5.515%	2,000,000	2,000,000	2,000,000			96,300,000	2.118%
Fire Department-GSD	3,950,000	0.241%	150,000					4,100,000	0.090%
General Hospital	6,267,100	0.383%	1,427,100	770,700				8,464,900	0.186%
General Services	161,779,700	9.880%	20,583,100					182,362,800	4.010%
Health	1,850,000	0.113%						1,850,000	0.041%
Historical Commission	1,850,000	0.113%						1,850,000	0.041%
Human Resources	400,000	0.024%						400,000	0.009%
Information Technology Services	7,000,000	0.427%						7,000,000	0.154%
Justice Integration Services	1,938,100	0.118%						1,938,100	0.043%
Juvenile Court	1,228,000	0.075%						1,228,000	0.027%
Juvenile Court Clerk	380,000	0.023%						380,000	0.008%
Knowles Home	259,100	0.016%	100,000	181,100				540,200	0.012%
Mayor's Office	6,000,000	0.366%						6,000,000	0.132%
MDHA-GSD	134,800,000	8.232%	126,800,000	53,000,000				314,600,000	6.918%
Metro Action Commission	12,704,800	0.776%						12,704,800	0.279%
MNPS (Schools)	170,885,500	10.436%	156,245,704	227,323,461	152,384,781	136,225,529	100,652,236	943,717,211	20.753%
MTA	106,865,000	6.526%						106,865,000	2.350%
Municipal Auditorium	575,000	0.035%	1,500,000	250,000	450,000	500,000	1,000,000	4,275,000	0.094%
Nashville Electric Service	35,000,000	2.137%						35,000,000	0.770%
Parks & Recreation	54,373,000	3.321%						54,373,000	1.196%
Planning-GSD	5,900,000	0.360%	4,700,000	4,700,000	4,700,000			20,000,000	0.440%
Planning-USD	250,000	0.015%						250,000	0.005%
Police	36,759,100	2.245%						36,759,100	0.808%
Public Library	24,638,400	1.505%	8,480,000	8,230,000	11,257,800	8,490,000	8,510,000	69,606,200	1.531%
Public Works-GSD	448,209,323	27.372%	165,343,000	163,510,000	169,210,000	173,102,000	205,800,000	1,325,174,323	29.142%
Public Works-USD	85,557,918	5.225%	21,950,000	21,700,000	21,875,000	5,675,000	275,000	157,032,918	3.453%
Sheriff	14,980,000	0.915%						14,980,000	0.329%
Social Services	772,500	0.047%						772,500	0.017%
State Fair Board	2,030,000	0.124%	100,000	400,000				2,530,000	0.056%
State Trial Courts	1,000,000	0.061%						1,000,000	0.022%
Water & Sewer GSD	205,385,000	12.543%	164,846,000	209,222,000	230,604,000	271,330,000		1,081,387,000	23.781%
Water & Sewer USD	9,000,000	0.550%	9,000,000	9,000,000	9,000,000	9,000,000		45,000,000	0.990%
Totals	\$1,637,463,541	100.000%	\$685,154,904	\$701,217,261	\$602,291,581	\$604,972,529	\$316,237,236	\$4,547,337,052	100.00%

District Energy System of the Metropolitan Government

The Metropolitan Government’s District Energy System (“DES”) began operations in December 2003. DES is a district heating and cooling system that provides steam and chilled water to 40 buildings in the downtown Metropolitan Nashville area for the purposes of general heating and air conditioning. DES is managed by Constellation NewEnergy Projects (“CNE”) of Baltimore, MD. CNE has been involved in the development of many other district energy plants, including those in Chicago, Las Vegas, Old Hickory, TN, Pittsburgh and Baltimore. The Metropolitan Government is the owner of the DES and the site on which the facility is located.

The primary components of the DES include (i) the steam production subsystem consisting of four 65,000 PPH forced draft, dual-fuel boilers and associated appurtenances; (ii) the chilled water subsystem comprised of nine 2,600-ton electrical motor drive chillers, 18 single-cell, cross flow cooling towers and 6 chilled water and 5 condenser water pump/motor sets; (iii) a 69/13/8 KV supply substation and two 69/13.8 KV transformers; and (iv) 22,829 linear feet of chilled water supply, 22,829 linear feet of chilled water return piping, 22,086 linear feet of steam piping and 23,015 linear feet of condensate piping in the underground energy distribution system.

The Metropolitan Government is a customer of DES and purchased approximately 33.1% of the steam and 33.7% of the chilled water sold by the system. In addition, the Metropolitan Government has covenanted to provide funding in an amount equal to any shortage in revenues necessary to pay debt service and operating expenses (the “Metro

Funding Amount”) and to replenish the DES debt service reserve fund and operating reserve fund if necessary. To date, no amounts have been required to replenish the reserve funds and the amounts paid as the Metro Funding Amounts are as follows:

Fiscal Year	Amount
2004	\$2,000,000
2005	1,698,900
2006	2,173,100
2007	2,291,300
2008	1,214,050
2009	2,256,100
2010	2,444,100
2011	2,444,100
2012	2,363,000
2013	2,358,300
2014	1,958,300*

*Budgeted Amount

The Sports Authority of the Metropolitan Government

The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority") is a public non-profit corporation and instrumentality of the Metropolitan Government organized in 1995 pursuant to Chapter 67, Title 7 of Tennessee Code Annotated, as amended; it is a Component Unit of the Metropolitan Government and is included in the Metropolitan Government's CAFR. The purpose of the Authority is to plan, promote, finance, construct, and acquire sports complexes, stadiums, arenas, and facilities for public participation and enjoyment of professional and amateur sports activities for the people in the State of Tennessee. The Authority has no taxing power.

The Authority, on behalf of the Metropolitan Government, issued revenue bonds in 1996, 1998, 2012 and 2013 to assist in the funding of certain sports projects. The proceeds of the Series 1996 Bonds were used for a portion of the construction of the Coliseum (now LP Field) for the National Football League's Tennessee Titans and Tennessee State University, the Series 1998 Bonds were issued to fund a portion of the franchise payment to the National Hockey League ("NHL") for the NHL's Nashville Predators, the Series 2012A Bonds were issued for upgrades to LP Field and the Series 2013A Bonds were issued to fund ice skating and hockey rinks in the southeastern part of Davidson County. These bond issues were primarily funded with new, dedicated revenue streams (consisting of a payment in lieu of tax from the Water and Sewerage Department, parking revenues, lease payments from Tennessee State University, a ticket surcharge at the Bridgestone Arena and a ticket surcharge at LP Field). However, a portion of the debt service as well as any deficiencies from the other pledged revenue streams for these prior bonds are backed by a pledge of the Metropolitan Government's non-tax GSD General Fund revenues. In 2004, a portion of the Authority's Series 1996 Bonds were advance refunded for debt service savings, and in 2012, the Authority's Series 1998 Bonds were refunded for debt service savings. In 2013, a portion of the Authority's Series 2004 Bonds were refunded for debt service savings. In total, the annual debt service for these bond issues is approximately \$9.1 million through 2019, \$7.5 million through 2027, and \$2.8 million thereafter until 2034.

Convention Center Authority of the Metropolitan Government

The Convention Center Authority ("CCA") of the Metropolitan Government of Nashville and Davidson County is a nonprofit public corporation created in 2009 by the Metropolitan Government pursuant Chapter 89 of Title 7 of the Tennessee Code Annotated, as amended (the "Act"), for the purposes set forth in the Act, including, without limitation, owning, operating and financing a convention center in order to promote economic development and to stimulate business and commercial activity in the Metropolitan Government. The Metropolitan Council approved the creation of the CCA, its charter and the appointment by the Metropolitan Mayor of its Board members.

On April 21, 2010, the CCA issued \$51,730,000 of its Tourism Tax Revenue Bonds, Series 2010A-1 and \$152,395,000 Tourism Tax Revenue Bonds Federally Taxable, Series 2010A-2 (Build America Bonds-Direct Payment) (together, the "CCA Series 2010A Bonds"), and \$419,090,000 Subordinate Tourism Tax Revenue Bonds

Federally Taxable, Series 2010B (Build America Bonds-Direct Payment) (the “CCA Series 2010B Bonds”), to finance the development, construction, equipping, furnishing, repair, refurbishment and opening of a new downtown convention center facility (the “Convention Center” or “Music City Center”). For more information on the Convention Center and the Omni Hotel discussed below, see “Tourism” herein. The CCA Series 2010A Bonds are payable solely from certain hotel/motel tax revenues and certain other designated tourism tax revenues (the “Tourism Tax Revenues”). The CCA Series 2010B Bonds are payable from Tourism Tax Revenues, subordinate to the payment of the CCA Series 2010A Bonds, and from Convention Center operating income. If those funds are insufficient to pay debt service when due on the CCA Series 2010B Bonds, the Metropolitan Government has pledged its non-tax GSD General Fund revenues (as it has with respect to the Authority bonds described above) to the payment of debt service on the CCA Series 2010B Bonds. The maximum annual debt service on the CCA Series 2010B Bonds is approximately \$26.5 million. The CCA has established a debt service reserve equal to the maximum annual debt service on the CCA Series 2010B Bonds.

Omni Hotels & Resorts (“Omni”) has constructed an 800-room hotel adjacent to the Convention Center that serves as the Center’s headquarters hotel. The hotel opened on October 1, 2013. The CCA has entered into a development agreement with Omni, under which the CCA has agreed to pay approximately \$100 million in present value financial incentives for Omni to develop the hotel, which incentives are payable over the course of approximately 20 years from Omni’s completion of the hotel. The Metropolitan Government has pledged its non-tax GSD General Fund revenues (as it has with respect to the Authority bonds and the CCA Series 2010B Bonds described above) to the payment of these incentives, in the event the CCA is unable to make payment. The maximum annual incentive payment is approximately \$15 million. The incentive payments are conditioned upon Omni’s construction and continued operation of the hotel.

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Economic and Demographic Profile of the Metropolitan Government

Introduction

The Metropolitan Government as created in 1963, is in the north central part of Tennessee and covers 533 square miles. Nashville is the capital of the State of Tennessee and is situated in the Nashville Basin, between the Tennessee River on the west and the Eastern Highland Rim on the east.

Population Growth

The following table sets forth information concerning population growth in the Metropolitan Government. A comparison with the Nashville Metropolitan Statistical Area ("MSA"), the State and the United States serves to illustrate relative growth.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY DEMOGRAPHIC STATISTICS - POPULATION GROWTH

Area	2000	2010	Change 2000 – 2010	2012
Nashville/Davidson	569,891	626,681	10.0%	648,295
MSA	1,311,789	1,670,890	7.4%	1,726,693
State	5,689,283	6,346,105	11.5%	6,456,243
United States	281,421,906	308,745,538	9.7%	313,914,040

Census Bureau (census.gov)

Growth within the MSA has occurred to the greatest extent in surrounding communities, which, although suburbs of Nashville, are in themselves residential, manufacturing and agricultural communities.

Per Capita Personal Income

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Davidson County	\$37,479	\$38,404	\$39,986	\$40,953	\$43,827	\$45,213	\$45,988	\$43,748	\$45,788	\$47,318
Nashville MSA	32,668	33,560	35,135	36,382	38,471	39,794	40,668	38,563	40,551	42,129
Tennessee	28,162	29,041	30,285	31,327	32,885	34,221	35,112	33,711	35,103	36,567
United States	31,481	32,295	33,909	35,452	37,725	39,506	40,947	38,637	39,791	41,560

Source – Bureau of Economic Analysis (bea.gov)

Economy of the Metropolitan Area

Nashville has a diverse economy, having considerable involvement in commerce and industry, education and government. Agriculture is also a major factor in the economy of the surrounding counties. Insurance, finance, publishing, banking, health care, music, tourism, manufacturing and distribution are all mainstays of the economy. Lack of dependency on one industry has helped to insulate Nashville from the impact of product business cycles. Businesses have been attracted to Nashville because of its location, work force, services and taxes. The central location of Nashville, approximately halfway between Houston and New York, has contributed to its emergence as an important wholesale and retail center.

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Employment

The following table shows the labor force segments of the eight-county Nashville Metropolitan Statistical Area for calendar years 2003 through 2012.

NASHVILLE MSA EMPLOYMENT BY INDUSTRY ⁽¹⁾

Industry	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Education & Health Services	94.9	98.4	101.4	104.4	108.1	112	114.9	118.5	121.5	125
Financial Activities	44.7	44.5	45.2	45.7	46.2	45.9	45	46.2	47.4	48.3
Government	94.2	95.9	96.9	98.6	99.9	103.1	104.6	106	105.1	104.4
Information	19.9	19.4	19.7	19.3	19.8	21.1	20	19.3	19.3	20.2
Leisure & Hospitality	71.7	72	74.6	77.6	80.7	79.5	76.5	76.9	79	83.7
Manufacturing	81.8	83.6	84.5	84.1	79.3	73.4	62.4	60.4	62.7	67.3
Professional & Business Services	84.1	91.5	96.7	98.9	101.9	100.6	93	98.6	106.6	114.5
Trade, Transportation, Utilities	141.8	146	150.7	153.7	154.6	154.6	147.7	147.8	152.4	158.6
Total Non-Agriculture Employment	697.6	715.3	735.4	751.8	762.5	760.6	726	734.3	756.7	786.2

Source – Bureau of Labor Statics (bls.gov)

(1) Employment numbers in thousands

PERCENTAGE OF PERSONS EMPLOYED BY INDUSTRY: MSA, STATE, AND NATION

	<u>Nashville MSA</u>					<u>Tennessee</u>					<u>United States</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total All Industries ⁽¹⁾	786	752	734	726	761	2,714	2,656	2,615	2,620	2,775	130,100	131,359	129,874	130,807	136,790
In Percentages:															
Education & Health Services	15.90%	16.10%	16.14%	15.83%	14.73%	14.42%	14.42%	14.30%	13.97%	12.93%	15.62%	15.14%	15.07%	14.67%	13.77%
Financial Activities	6.14%	6.24%	6.29%	6.20%	6.03%	5.07%	5.10%	5.24%	5.37%	5.23%	5.98%	5.85%	5.88%	5.94%	5.95%
Government	13.28%	13.86%	14.44%	14.41%	13.56%	15.61%	16.26%	16.55%	16.36%	15.42%	16.85%	16.83%	17.32%	17.24%	16.46%
Information	2.57%	2.50%	2.63%	2.75%	2.77%	1.58%	1.6%	1.72%	1.79%	1.82%	2.06%	2.02%	2.09%	2.14%	2.18%
Leisure & Hospitality	10.65%	10.34%	10.47%	10.54%	10.45%	10.21%	10.01%	10.02%	10.06%	9.87%	10.57%	1.014%	10.03%	10.00%	9.82%
Manufacturing	8.56%	8.26%	8.23%	8.60%	9.65%	11.55%	11.45%	11.43%	11.80%	13.01%	9.16%	8.93%	8.88%	9.06%	9.80%
Professional & Business Services	14.56%	14.17%	13.43%	12.81%	13.23%	12.40%	12.12%	11.63%	11.22%	11.57%	13.78%	13.19%	12.85%	12.67%	12.97%
Trade, Transportation Utilities	20.17%	20.03%	20.13%	20.34%	20.33%	21.18%	21.04%	21.23%	21.36%	21.63%	19.61%	19.05%	18.95%	19.04%	19.22%
Other	8.17%	8.34%	4.07%	8.53%	9.26%	7.97%	7.94%	7.89%	8.09%	8.53%	6.37%	8.85%	8.93%	9.23%	9.83%

(1)Total Nonfarm Employment in thousands

Source: Bureau of Labor Statistics (bls.gov)

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**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Unaudited - See Accompanying Accountants' Report

Employer	June 30, 2013			June 30, 2004		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Vanderbilt University and Medical Center	22,933	1	2.87 %	16,327	3	2.22 %
State of Tennessee	18,210	2	2.28	19,234	2	2.61
Metro Nashville-Davidson Co. Government and Public Schools	18,088	3	2.26	21,608	1	2.93
U.S. Government	12,407	4	1.55	11,116	4	1.51
Nissan North America Inc.	8,150	5	1.02	6,600	7	0.90
HCA (including Tri-Star Health System)(1)	7,000	6	0.88	9,657	5	1.31
St. Thomas Health Services	6,350	7	0.79	8,500	6	1.15
Randstad	3,495	8	0.44	-		(2)
Shoney's Inc.	3,000	9	0.38	4,000	8	0.54
The Kroger Company	2,753	10	0.34	-		(2)
CBRL Group Inc.	-	-	- (2)	3,675	9	0.50
Gaylord Entertainment Co. (1)	-	-	- (2)	3,451	10	0.47
	<u>102,386</u>		<u>12.80 %</u>	<u>104,168</u>		<u>14.15 %</u>

Sources:

Principal Employers and Number of Employees - Nashville Area Chamber of Commerce, Nashville Business Journal
Total Employment - TN Department of Labor & Workforce Development

(1)National, State or Corporate Headquarters.

(2)Values for employers that are outside the top ten ranking are excluded.

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Investment and Job Creation

In the past two years, the Nashville Area Chamber of Commerce announced some 268 business relocations or expansions into the Nashville MSA, collectively bringing 24,399 new jobs to the Metro area. Continued expansion has occurred in recent years in corporate and regional headquarters, information processing operations, the automotive industry, health care management and many areas where the local economy has established strength and growth potential.

Over the past several years, many sizable headquarters, shared service operations, and manufacturing operations have relocated and/ or expanded in Nashville. Asurion, which provides enhanced services to the wireless telecommunications industry, expanded its headquarter operations in 2011, adding 500 jobs to Nashville's employment base. Parrallon Business Services, as subsidiary of HCA, and Sarah Cannon Research, together will expand and add 2,000 jobs in Mid-Town Nashville. Aegis Sciences, a provider of scientific services and programs, expanded its headquarters in Nashville in 2011 adding 275 new jobs. Pillsbury Winthrop Shaw & Pitman located their first Shared Service office in downtown Nashville adding 150 jobs in 2012. Oberto Brands, a national leader in the meat snacks category and maker of the popular "Oh Boy, Oberto!" jerky line opened a new production facility in Nashville in 2013, bringing 300 jobs to Davidson County. Inside Track, which works with colleges and universities to improve student and institutional success, opened a Coaching Center in downtown Nashville adding 250 new jobs in 2013. AmSurg, who is a national leader in the development, management and operation of outpatient surgery centers, expanded its headquarter operations in Green Hills adding 300 new jobs to Nashville. Service Source expanded its downtown operations once again in 2013 adding 300 jobs in Nashville. Sony/ATV expanded adding 50,000 square feet of new office space and 60 new jobs in 2013. American Blue Ribbon's Holding, the premiere diversified food service company that currently operates more than 650 company and franchise restaurants in 43 states under the Village Inn, Bakers Square, Max and Erma's, O'Charley's and Ninety Nine brands, relocated to Nashville in 2012. The company created 40 new jobs for Nashville.

Unemployment Rates

The following table sets forth the unemployment percentage rates in Davidson County, the MSA, the State and the United States for the calendar years 2003-2012.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Davidson County	4.6	4.6	4.5	4.2	3.9	5.4	8.9	8.9	8.2	6.6
Nashville MSA	4.7	4.5	4.5	4.2	4.0	5.7	9.3	8.7	8.1	6.6
Tennessee	5.7	5.4	5.6	5.2	4.8	6.6	10.5	9.8	9.3	8.0
United States	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1

Source: Bureau of Labor Statistics (bls.gov)

2003-2012 Annual average rate

Manufacturing

As of December 2012, an average of 67,300 persons were employed in the manufacturing industries in the MSA, engaging in a wide range of activities and producing a variety of products, including food, tobacco, textiles and furnishings, lumber and paper, printing and publishing, chemical and plastics, leather, concrete, glass, stone, primary metals, machinery and electronics, motor vehicle equipment, measuring and controlling devices, and consumer products.

Nashville MSA's largest manufacturing employers include Nissan North America, Bridgestone Americas, Electrolux Home Products, A.O. Smith Water Products and Vought Aircraft Industries.

Trade

Nashville is the major wholesale and retail trade center for the MSA and some 50 counties in the central region of the State, southern Kentucky and northern Alabama, a retail trade area of more than 2.3 million people with consumer spending by Nashville MSA residents exceeding \$32.0 billion. Nashville is one of the top 50 retail markets in the country. In the Nashville region, there are 245 shopping centers with 37.3 million square feet of gross leasable area. Nine of these centers are super-regional and 15 are regional.

Agriculture

Nashville is surrounded by agricultural-based economies. The area encompassing middle Tennessee produces livestock, dairy products, soybeans, small grain, feed lot cattle, strawberries, hay and tobacco. Additionally, the area surrounding Nashville is the home of the Tennessee Walking Horse.

Transportation

Nashville serves as a conduit or trans-shipment point for much of the traffic between the northeast and southeast United States. Three interstate highways extending in six directions intersect in Nashville in addition to nine Federal highways and four State highways. Barge service on the Cumberland River, together with good rail and air services, give Nashville an excellent four-way transportation network.

The Cumberland River, connecting Nashville and the surrounding area to the Gulf of Mexico and intermediate points on the Ohio and Mississippi Rivers, is used by 51 commercial operators, 18 of which serve Nashville. With the completion of the Tennessee-Tombigbee Waterway in 1985, Cumberland River freight is able to reach the Port of Mobile, thereby eliminating approximately 600 miles of the distance from Nashville to the open sea and contributing to the development of foreign trade in Nashville. In addition, the Federal Government in 1982 approved Nashville as a Foreign Trade Zone, a secured area supervised by the United States Customs Service, which provides for the storing of foreign merchandise without duty payments.

The CSX System, a major national railroad, serves Nashville. In addition, five major rail lines link Nashville to all major markets in the nation. Rail carriers interchange freight and cooperate in providing and extending transit privileges covering both dry and cold storage and the processing or conversion of materials.

A commuter rail service from Lebanon, Tennessee to Nashville, approximately 32 miles, known as the Music City Star commenced transportation services in the September of 2006. It is operated under the direction of the Regional Transportation Authority, a multi-county agency. The ticket price includes Metropolitan Transportation Authority ("MTA") bus service on circulator routes in the downtown area.

In 1973, the Metropolitan Government acquired the net assets of the Nashville Transit Company and the Metropolitan Transit Authority was established. MTA provides a comprehensive public transportation system covering the entire metropolitan area. In addition to regularly scheduled bus routes, MTA provides special transportation services for the handicapped and operates bus service in the downtown area for shoppers, tourists and downtown workers. The revenues derived from the transit system are not sufficient to pay the expenses incurred in the operation of the system. The Metropolitan Government and the State of Tennessee contributed in the fiscal year ending June 30, 2012, approximately \$26,321,000 and \$3,940,000 respectively, to pay approximately 55.7% of the Authority's operating expenses. The State directs revenues from a two cent per gallon gasoline tax, which it

imposes on local governments that may be applied to mass transit. The contribution of the Metropolitan Government was paid from its general revenues.

The Metropolitan Nashville Airport Authority (the "Airport Authority") owns Nashville International and John C. Tune airports. Nashville International Airport (the "Airport") is situated approximately eight miles from downtown Nashville.

Airport Facts:

- 1 million+-square-foot terminal
- 44 gates and 15 commuter aircraft parking positions
- Up to 78 commuter aircraft parking positions on 4,500 acres
- Four runways
- Ranked sixth in the nation of airports its size in customer satisfaction in 2008 by J.D. Power and Associates
- Nearly 10 million passengers a year
- \$1.18 billion in wages and more than 39,700 jobs annually
- 45,000-plus tons of cargo in 2011
- Serving 70 markets; 50 nonstop
- 380 daily flights

The Airport Authority also operates the John C. Tune Airport in the Cockrill Bend Industrial area west of Nashville. It serves the needs of regional corporate and private aircraft and allows Nashville International's air carrier traffic to flow with fewer constraints. Tune Airport also provides a pilot training environment and modern facilities for the transient and corporate operator.

Construction

Construction in Nashville is illustrated by the table on the following page describing the number and value of building permits issued by the Department of Codes Administration of the Metropolitan Government.

Of the nine major areas of office development in Nashville, the Central Business District ("CBD") is by far the largest, with approximately 11.4 million square feet of leasable space. The CBD achieved positive absorption of 120,000 square feet in 2012. Office vacancy in the CBD at the end of the fourth quarter of 2012 was 12.6%, down from the third quarter. There continues to be renewed interest in Downtown and in the new Music City Center, which could spark new interest in office space downtown. Five other important office submarkets in Davidson County- Green Hills, West End, MetroCenter, Airport North and Rivergate have vacancy rates at 10% or lower, reflecting the overall vitality of the city and improvement over 2011. Leasing activity remains steady and growing in many Nashville office submarkets, which is a positive sign of economic recovery in Nashville. There is continued national interest in Nashville, and Tennessee's attractiveness has been evident with new relocations, renewals and expansions.

**NUMBER AND VALUE OF BUILDING PERMITS IN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

Calendar Year	Residential Construction		Non-Residential Construction		Repairs, Alterations and Installations		Other (1)		Number of Permits	Total Permit Value
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value		
	2003	3,207	536,278,115	693	279,867,295	4,531	356,979,647	1,222		
2004	3,708	655,382,120	849	398,788,311	4,023	351,762,279	1,291	23,195,687	9,871	1,429,128,397
2005	3,794	747,525,151	865	428,627,829	4,431	462,950,966	1,434	24,073,860	10,524	1,663,177,806
2006	3,801	758,964,847	620	503,077,069	5,094	553,177,902	1,422	15,722,367	10,937	1,830,942,185
2007	5,965	851,544,710	1,453	619,951,806	2,754	267,721,486	1,469	17,293,882	11,641	1,756,511,884
2008	4,361	412,842,242	489	408,945,106	3,597	460,743,268	858	21,723,839	9,305	1,304,254,455
2009	3,149	318,357,857	495	375,074,904	1,913	205,828,855	1,730	14,464,364	7,287	913,725,980
2010	2,067	294,470,986	528	647,479,914	6,722	424,461,986	1,663	15,189,625	10,980	1,381,602,481
2011	2,166	372,440,931	444	382,483,854	3,163	377,053,306	1,840	18,738,180	7,613	1,150,716,271
2012	2,678	529,515,687	747	622,114,545	4,873	433,102,596	2,076	34,658,997	10,374	1,619,391,825

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(1) Includes moved residential buildings, house trailers, and the demolition of residential and non-residential buildings and signs & billboard permits

Metropolitan Government Department of Code Administration

Medical and Cultural Facilities

Nashville is one of the nation's leaders in the healthcare field. HCA Healthcare has its headquarters and operates several hospitals in the surrounding area. Baptist Hospital, Vanderbilt University Medical Center, and St. Thomas Hospital are the city's other primary hospitals.

The Metropolitan Government relocated the city-owned hospital, the Metropolitan Nashville General Hospital, to Hubbard Hospital of Meharry Medical College in 1998. In addition, Meharry provides medical staff to the Metropolitan Nashville General Hospital. The arrangement provides the city with a renovated facility staffed with residents from Meharry Medical College.

The Nashville Public Library system includes a 300,000 square foot downtown main library and 20 community branches located across the county. In addition, an extensive online offering of books and resources has extended its reach beyond the traditional branch system. The library facilities host numerous in-house programs and community events throughout the year.

The Tennessee Performing Arts Center is the first state-funded facility of its kind in the nation and is home to the Nashville Ballet, the Nashville Opera Association, and the Tennessee Repertory Theatre. The arts center occupies an entire city block, and its venues include Andrew Jackson Hall (2,472 seats), the James Polk Theater (1,075 seats), the Andrew Jackson Theater (256 seats), and the War Memorial Auditorium (1,661 seats). The center plays host to numerous events each year, including an annual series of Broadway plays.

The Frist Center for the Visual Arts occupies the former Nashville's historic downtown former post office building. A public-private partnership between the Metropolitan Government, the Frist Foundation and the Dr. Thomas F. Frist, Jr. family, the Frist Center contains more than 24,000 square feet of gallery space capable of showcasing major national and international visual arts exhibitions. The Frist Center does not house a permanent art collection but instead places special emphasis on education, arts-related programs for the school children of Nashville, and community outreach. The Center has given Nashville the ability to host significant art shows.

The Parthenon, located in Nashville's Centennial Park, is a full-scale replica of the original building in Athens, Greece. The reproduction was built to honor Nashville's reputation for education and has attracted visitors since 1897. The recently restored building features a 41' tall gilded statue of Athena. Close ties have been established between Nashville and Athens, Greece to market and promote the two complimentary buildings.

The Nashville Children's Theater is home to the oldest professional theater for children in the county. Thousands of school age children and adults are treated to a variety of productions each year. The 2013-2014 season will be the 82nd year for the theater.

Cheekwood Botanical Garden and Art Museum is a fifty-five acre site that includes the original Cheek gardens, with pools, fountains, statuary, extensive boxwood plantings and breathtaking views of the rolling Tennessee hills. The Museum of Art is housed in a 30,000-square foot Georgian-style mansion, and contains world-class collections of American and contemporary painting and sculpture, English and American decorative arts and traveling exhibitions. Collections also include silver, and the most comprehensive collection of Worcester porcelain in America.

Vanderbilt University's Fine Arts Gallery showcases six exhibitions each year that represent Eastern and Western art and an international collection of works. The Van Vechten Gallery at Fisk University houses more than 100 pieces from artists like Picasso, Renoir, and O'Keeffe. For religious art, there's a wooden 8-foot-by-17-foot carving of "The Last Supper" based on Leonardo da Vinci's masterpiece at The Upper Room Chapel along with a striking 9,000-mosaic stained glass World Christian Fellowship Window. The museum at the Upper Room also has outstanding religious works, besides two annual displays of nearly 70 Ukrainian Easter eggs in April and more than 100 Nativity scenes in December.

Tourism

Tourism is a major industry in Nashville. The Convention and Visitors Bureau (“CVB”) and U. S. Travel Data Center estimate more than 11.2 million tourists came to Nashville in 2012 and spent approximately \$4.2 billion. Music, history, art and generous hospitality attract convention delegates and leisure visitors. Excellent air service combined with geographic location and a superior highway system contribute to the city’s success.

Nashville’s new Music City Center opened in May 2013 and features a 350,000 square foot exhibit hall, 75,000 square feet of ballroom space (consisting of a 57,000 square foot grand ballroom and an 18,000 square foot junior ballroom), 90,000 square feet of meeting rooms, 31 loading docks and a parking garage with 1,800 spaces. Music City Center management and the CVB exceeded their goal of over 1 million room nights booked prior to opening of the center.

The 800-room Omni Hotel located next to the Music City Center serves as a full-service headquarters hotel for the Music City Center and features 4 restaurants, 2 ballrooms, 64,000 square feet of meeting space, pool and Spa fitness center. A feature unique to Nashville is the hotel’s physical connection to the adjacent Country Music Hall of Fame and Museum. Omni, through an agreement with the Museum and the City, built an addition to the Museum, almost doubling exhibit space and adding an 800 seat performance theater. The shared space provides access to the Museum directly from the hotel. A 765 underground parking garage provides additional onsite parking.

The new Convention Center and Omni hotel are located downtown in the Metropolitan Government's Central Business District, and are within walking distance of many notable attractions, including, but not limited to, the Bridgestone Arena, the Ryman Auditorium, Frist Center for the Visual Arts, Schermerhorn Symphony Center and the Johnny Cash Museum.

Each year, the Country Music Association coordinates a music festival known as CMA Music Festival. The event includes performances by more than 100 entertainers and groups, autograph sessions and activities directed at the attendees. In 2001, the music festival moved to downtown Nashville and attendance has steadily increased, with 80,000 attendees in 2013. The last three years ABC has broadcast a 2 hour show of highlights with Nashville featured as much as the music.

In 2013, ABC TV network began broadcasting a weekly music/drama “Nashville.” The hour-long show was shot entirely in Nashville and featured well known locales. Songs from top songwriters drove the storyline, enticing millions of viewers to watch an extended commercial for the city.

Opry Mills is a 1.1 million square foot megamall, which opened in Nashville in May 2000. The mall contains 200 stores, theme restaurants, a 20 screen multi-theater complex and an IMAX theater. It is visited by more than 12 million customers annually.

The downtown entertainment district features the Hard Rock Café, Jimmy Buffett’s Margaritaville and the Wild Horse Saloon, a concert hall, restaurant, dance hall and TV production facility. The Ryman Auditorium (2,362 seats), former home of the Grand Ole Opry, is known for outstanding acoustics. The Ryman has become a venue of choice by entertainers visiting Nashville and five times has been named Pollstar Magazines venue of the year for the United States. A four block section of the downtown area, called lower Broadway, features bars and clubs known as Honky Tonks. These venues are housed in historic brick buildings and feature live bands performing 15 hours a day, 7 days a week and are in close proximity of the Bridgestone Arena (20,000 seats) and LP Field.

The Grand Ole Opry is America’s longest running live radio show. The Opry first broadcast in 1925 and the country music variety show now plays in a 4,372 seat theater in the Opryland complex near Opry Mills Mall and a few miles from downtown. Each show features 10 to 20 acts or performers and is broadcast on WSM terrestrial and internet radio drawing fans from around the world.

The Bridgestone Arena is now in its 14th year of operation as a premier entertainment facility and in 2011 and 2012 ranked 6th in the United States in concert attendance. The Arena is home of the Nashville Predators, an NHL team that in 2012 played two rounds into the Stanley Cup playoffs, and is in its thirteenth season in Nashville.

The Tennessee NFL Stadium, opened in 1999 and now named LP Field, is the home of the 1999 AFC Champion and 2002 AFC South Division Champion Tennessee Titans and the 1999 OVC Champion Tennessee State University Tigers. Now in its twelfth year of operation, the Titans have sold out the nearly 69,000 seat Stadium for each of its games.

The Tennessee State Museum, the Cheekwood Botanical Gardens and Fine Arts Center, President Andrew Jackson’s Home: The Hermitage, Belmont Mansion, The Tennessee Performing Arts Center, the Adventure Science Center, and the Parthenon supplement educational and cultural opportunities in the City.

The Adventure Science Center and the Nashville Zoo provide opportunities for Nashville's adults and children to learn how science and wildlife affect their lives. The Center features a state-of-the-art Planetarium as well as exhibits and programs which focus on geology, zoology, ecology, physics and other sciences. The Nashville Zoo is continuing a multi-year, multi-million dollar expansion program which will make it one of the largest zoos in the country. The Zoo property is built around the historic Grassmere Home and features an ever-expanding display of animals from throughout the world.

The Nashville MSA has more than 319 hotels and motels offering more than 36,000 rooms. In addition to the 800-room Omni Hotel that opened in 2013, a 255- room Hyatt Place also opened in 2013 near the new Music City Center. Developers are in the due diligence stage for 9 additional hotel properties in the downtown area. The Gaylord Opryland Resort and Convention Center is the third largest hotel/convention center under one roof in the United States. The complex features 2,881 hotel rooms, 263,000 square feet of exhibit space and 300,000 square feet of meeting space.

MSA HOTEL AND MOTEL ROOMS / OCCUPANCY RATE

Calendar Year	Rooms Available	Occupancy Rate
1998	30,122	61.90%
1999	31,106	61.00%
2000	32,385	59.90%
2001	33,316	56.50%
2002	33,474	56.90%
2003	32,661	58.50%
2004	32,727	60.70%
2005	32,983	62.30%
2006	33,052	66.20%
2007	33,056	66.90%
2008	34,921	62.50%
2009	35,662	57.00%
2010	35,639	59.50%
2011	35,727	63.50%
2012	36,263	66.80%

Source: Nashville Conventions and Visitors Bureau

Education

The school system had its beginning in 1963 with the merger of Nashville and Davidson County. The Nashville public schools make up the second largest school system in Tennessee. In the 2012-2013 school year, Nashville had 153 public schools, with more than 81,000 students and 5,300 teachers. In addition, there are approximately 70 independent schools, which are attended by over 2,600 students from pre-kindergarten through 12th grade.

The Metropolitan Board of Education (“MBE”), consisting of 9 members, administers the school system. The Metropolitan Government voters elect one member from each school district to a four-year term. The terms are staggered so that at least four members are elected every two years. The MBE holds regular meetings on the second and fourth Tuesday of each month. These meetings are open to the public.

The current members of the MBE, the office held by each and the date their term of office expires are listed below.

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Cheryl D. Mayes	Chair	2014
Anna Shepherd	Vice-Chair	2014
Dr. Jo Ann Brannon	Member	2014
Amy Frogge	Member	2016
Sharon Dixon Gentry, Ed.D.	Member	2016
Michael W. Hayes	Member	2014
Elissa Kim	Member	2016
Will Pinkston	Member	2016
Jill Speering	Member	2016

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The following tables summarize certain information regarding the school system's building facilities and enrollment and attendance trends.

SCHOOL SYSTEM
Public Education Facilities
2012-2013

<u>Education Level</u>	<u>Number of Schools</u>	<u>School Year Enrollment</u>
Pre-School	**	141
Pre-Kindergarten	**	1,978
Elementary	72	34,793
Middle	33	22,656
High	25	19,895
Alternative	3	***
Exceptional Education	4	1,570
Charter Schools	15	***
Total	153	81,033

**No Separate Facilities

***Included in grade totals

SCHOOL SYSTEM
Public Schools Enrollment and Attendance

School Year	Enrollment	Average Attendance
2000-2001	69,457	65,289
2001-2002	69,700	66,319
2002-2003	70,028	66,554
2003-2004	70,760	65,857
2004-2005	71,651	65,960
2005-2006	72,735	67,530
2006-2007	74,163	69,360
2007-2008	74,733	70,231
2008-2009	75,043	69,686
2009-2010	76,329	70,979
2010-2011	78,096	73,808
2011-2012	79,117	75,072
2012-2013	81,077	76,946

The Nashville Metropolitan Statistical Area has 15 colleges and universities, including Vanderbilt University, Belmont University, Tennessee State University, David Lipscomb University, Meharry Medical College, Nashville State Technical Institute and Fisk University. Total higher education enrollment exceeds 65,000 students annually.

Seven of Nashville's institutions of higher education offer graduate programs. Nashville is also a leading center for medical research and education with Vanderbilt University emphasizing medical research in addition to its programs in other disciplines and with Meharry Medical College specializing in health care delivery.

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Financial

Accounting

Pursuant to the Charter, independent auditors annually audit the financial statements of the Metropolitan Government. The Basic Financial Statements and other financial information, which are presented in the Comprehensive Annual Financial Report (CAFR), are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and with those standards and procedures recommended by the State Comptroller of the Treasury. Copies of CAFRs are available on the Metropolitan Government's website, <http://www.nashville.gov/Finance/Office-of-the-Treasurer/Debt/Investor-Relations.aspx>.

The Metropolitan Government reports the following major governmental funds:

The **General Fund** is the Metropolitan Government's primary operating fund which is used to account for all financial resources of the general operations of the Metropolitan Government, except those required to be accounted for in another fund.

The **General Purpose School Fund** is used to account for the receipt and disbursement of federal, state and local funds for education purposes, except those required to be accounted for in another fund.

The **GSD General Purposes Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest for the GSD general obligation debt.

The **GSD School Purposes Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest for the debt related to schools.

The **USD General Purposes Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest for the USD general obligation debt.

The **GSD Capital Projects Fund** is used to account for the use of bond proceeds for the construction and equipping of various public projects in the GSD.

The **Education Capital Projects Fund** is used to account for the use of bond proceeds for the construction and equipping of various school facilities.

The **USD Capital Projects Fund** is used to account for the use of bond proceeds for the construction and equipping of various public projects in the USD.

The Metropolitan Government reports the following major enterprise funds:

The **Department of Water and Sewerage Services** provides services to customers on a self-supporting basis utilizing a rate structure designed to produce revenues sufficient to fund debt service requirements, operating expenses and adequate working capital.

The **District Energy System** provides heating and cooling services to the Metropolitan Government and downtown businesses. The District Energy System is managed by a third party and is self-supporting by utilizing a rate structure designed to fund debt service requirements, pay for operating expenses and generate adequate working capital.

Additionally, the Metropolitan Government reports the following fund types:

Internal service funds are used to account for the operations of self-sustaining agencies rendering services to other agencies of the Metropolitan Government on a cost reimbursement basis. These services included fleet management, information systems, radio maintenance, insurance, postal services, treasury management, general services and printing.

Pension (and other employee benefit) trust funds are used to account for assets and liabilities held by the Metropolitan Government in a fiduciary capacity to provide retirement and disability benefits for employees and retirees.

Agency funds are used to account for assets held by elected officials as agents for individuals, collections by the Metropolitan Government due to the purchasers of certain outstanding property tax receivables, funds held by the Sheriff's Department for inmates, and funds held by the Planning Commission for performance bonds for contractors.

Revenues

The Metropolitan Government derives its revenues from a direct tax levy on real property, sales tax, fees, and State of Tennessee (the "State") and Federal payments. During the fiscal year ended June 30, 2013, property taxes totaled \$892.4 million dollars and accounted for 56.60% of all revenues available to the GSD General Fund and for GSD Debt Service; 87.76% of all revenues available to the USD General and Debt Service Funds; 40.75% of revenues available to the Schools funds, including Debt Service; and 0.50% of revenues available to the other governmental funds. Sales tax collections totaled \$301.4 million in the fiscal year ended June 30, 2013. A description of each major revenue category available to both the GSD and USD follows:

Property Taxes – The levy is without legal limit. An amendment to the Charter states that certain increases in the ad valorem tax rate must be approved by referendum.

Sales Tax – A local option sales tax is collected at the rate of 2-1/4% on all sales of tangible personal property and certain services, except for sales of certain energy sources and other limited exemptions. This local option sales tax is currently levied, in accordance with State law, only on the first \$1,600 of a transaction.

Other Taxes, Licenses, and Permits – This category includes charges for licenses and permits issued by departments, agencies, boards and commissions of the Metropolitan Government. Also included is the Hotel/Motel Tax, which is assessed against the gross receipts of hotels and motels within the Metropolitan Government, based on occupancy. Currently, there is a 6% tax levied by Metropolitan County Council ordinance. Half of the revenues derived from such tax are required to be allocated to the Convention Center Authority for payment of its bonds (see “– Convention Center Authority” in this Appendix B). 2% of the remaining 3% is required to be appropriated for tourist promotion, and the 1% balance is allocated to the general fund.

Fines, Forfeits and Penalties – This category includes collections of obligations imposed by the courts, law enforcement and agencies charged with the care of prisoners.

Revenue from Use of Money or Property – This category includes interest on investments, rentals and commissions for use of Metropolitan Government property or rights.

Revenue from Other Governmental Agencies and Contributions and Gifts – Under this revenue category are payments to the Metropolitan Government by other public divisions (Federal, State or other governmental units or agencies) and gifts or donations received from individuals or citizens groups.

Charges for Current Services – These are fees and charges for activities and services provided by agencies of the Metropolitan Government.

Revenues from Enterprise, Utility and Working Capital Funds – These are amounts received from the above types of funds as compensation for services rendered or as contributions.

Other Revenue – Includes (i) commissions and fees collected by certain officials for certain activities of the Metropolitan Government; (ii) proceeds from confiscation of property; (iii) compensation for loss, sale or damage to property; and (iv) miscellaneous.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
GENERAL FUND (1)
FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

Years Ended June 30

	2013	2012	2011	2010	2009
REVENUES:					
Property taxes	\$480,982,166	\$443,340,151	\$438,412,159	\$444,069,326	\$435,605,556
Local option sales tax	97,752,470	91,050,593	81,191,512	79,665,435	86,346,221
Other taxes, licenses and permits	115,430,380	107,705,008	101,931,24	92,273,405	98,494,812
Fines, forfeits and penalties	12,866,976	12,573,870	13,245,652	14,945,708	13,325,113
Revenue from use of money of property	86,552	20,916	20,882	82,193	1,053,155
Revenue from other governmental agencies	83,258,475	77,327,122	78,494,810	76,934,508	89,947,232
Commissions and fees	15,590,951	15,355,507	15,177,986	13,991,938	16,599,245
Charges for current services	28,890,730	27,011,407	29,115,469	26,036,703	29,213,374
Compensation for loss, sale or damage to property	2,103,455	1,509,595	502,104	770,528	314,660
Contributions and gifts	391,814	432,325	533,958	598,824	604,355
Miscellaneous	1,568,111	1,697,115	1,770,865	2,148,142	1,615,211
Total Revenues	838,922,080	\$778,023,609	\$760,396,642	\$751,516,710	\$773,118,934
EXPENDITURES					
General Government	26,138,400	\$26,010,451	\$24,920,818	\$23,676,884	\$26,623,136
Fiscal administration	22,164,457	21,912,507	23,760,394	22,499,859	24,112,437
Administration of Justice	55,703,453	53,575,166	55,407,798	54,590,759	56,871,162
Law enforcement and care of prisoners	231,121,038	219,993,520	215,945,118	206,419,773	211,373,327
Fire prevention and control	110,753,856	108,609,078	109,108,267	104,214,957	107,034,837
Regulation and inspection	7,685,912	7,760,963	7,867,410	7,492,864	7,951,586
Conservation of natural resources	398,931	333,713	340,296	352,001	407,442
Public welfare	7,814,574	7,735,922	6,658,098	6,391,205	7,460,432
Public health and hospitals	65,669,538	60,411,628	62,481,289	93,805,990	83,419,885
Public library system	21,430,534	20,363,498	19,769,677	18,445,049	19,891,826
Public works, highway, and street	30,497,505	29,171,348	29,563,956	30,946,270	33,787,255
Recreational and cultural	33,609,697	32,214,593	31,849,947	31,368,718	35,539,361
Employee benefits	76,165,493	72,920,868	69,327,218	64,637,576	62,420,127
Miscellaneous	80,080,144	75,985,530	71,067,149	55,652,301	40,260,803
Total Expenditures	769,233,532	\$736,998,785	\$728,067,435	\$720,494,206	\$717,153,616
Excess (Deficiency) of revenues over expenditures	69,688,548	41,024,824	32,329,207	31,022,504	55,965,318
Transfers in	36,857,090	40,553,865	41,898,124	17,158,395	21,859,528
Transfers out	(76,751,375)	(78,320,831)	(67,640,036)	(67,008,567)	(61,216,302)
Total Other Financing Sources (Uses)	(39,894,285)	(37,766,966)	(25,741,912)	(49,850,172)	(39,356,774)
Excess (deficiency) of revenues and other sources over expenditures and other uses	29,794,263	3,257,858	6,587,295	(18,827,668)	16,608,544
FUND BALANCE, beginning of year	70,744,022	67,486,144	60,898,849	79,726,517	63,117,973
FUND BALANCE, end of year	<u>\$100,538,265</u>	<u>\$70,744,002</u>	<u>\$67,486,144</u>	<u>\$60,898,849</u>	<u>\$79,726,517</u>

(1) Certain numbers have been re-classified for comparative purposes.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SPECIAL REVENUE FUNDS (1)
FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Years Ended June 30

REVENUES:	2013	2012	2011	2010	2009
Property taxes	\$277,467,379	\$225,243,162	\$223,021,552	\$226,114,328	\$221,223,164
Local option sales tax	201,896,100	188,282,638	175,271,993	171,369,784	159,185,602
Other taxes, licenses and permits	59,271,893	55,099,243	45,451,041	43,909,306	45,074,681
Fines, forfeits and penalties	5,479,124	3,256,519	4,834,363	3,414,841	3,765,696
Revenue from the use of money or property	64,148	22,113	96,206	225,106	1,890,504
Revenue from other governmental agencies	460,861,393	481,894,104	465,985,670	403,564,662	357,587,139
Commissions and fees (2)	8,620,598	8,646,969	8,282,460	8,010,122	8,450,307
Charges for current services	29,709,668	29,298,030	27,477,875	23,678,064	21,084,956
Compensation for loss, sale or damage to property	1,698,946	968,076	833,531	402,567	364,704
Contributions and gifts	6,163,884	4,716,714	2,998,162	4,094,898	8,495,946
Bond Interest tax credit	-	861,853	-	-	-
Miscellaneous	513,816	572,582	697,845	558,235	584,535
Total revenues	\$1,051,746,949	\$998,862,003	\$954,950,698	\$885,341,913	\$827,707,234
EXPENDITURES					
General government	55,691,027	69,071,765	96,225,824	65,277,671	33,412,252
Fiscal administration	151,790	-	-	-	-
Administration of justice	12,776,019	-	-	-	-
Law enforcement and care of prisoners	28,263,321	35,283,366	33,779,726	32,594,686	28,063,131
Fire prevention and control	2,698,298	-	-	-	-
Regulation and inspection	371,494	-	-	-	143,542
Public welfare	32,241,772	31,433,222	34,727,797	36,555,083	30,464,332
Public health and hospitals	24,087,867	25,564,284	23,538,028	20,288,888	18,155,999
Public library system	898,004	814,644	772,565	571,944	673,024
Public works, highways and streets	27,753,624	22,621,447	28,587,767	20,092,811	29,416,834
Recreational and cultural	2,500,800	2,239,899	1,780,171	1,867,132	1,772,931
Education	832,358,297	797,821,823	777,006,808	740,545,641	720,904,319
Capital outlay	30,927,789	49,352,454	47,615,352	36,365,815	26,537,782
Total Expenditures	1,050,720,102	1,034,202,904	1,044,034,038	954,159,671	889,544,146
Excess (deficiency) of revenues over expenditures	1,026,847	(35,340,901)	(89,083,340)	(68,817,758)	(61,836,912)
OTHER FINANCING SOURCES (USES)					
Insurance recovery	-	-	37,000,000	15,000,000	-
Transfers in	112,746,251	113,965,491	93,818,289	67,848,554	56,684,091
Transfers out	(72,698,705)	(60,474,881)	(52,154,173)	(65,664,990)	(37,016,989)
Total Other Financing Sources (Uses)	40,047,546	53,490,610	78,664,116	17,183,564	19,667,102
Excess (deficiency) of revenues and other sources over expenditures and other uses	41,074,393	18,149,709	(10,419,224)	(51,634,194)	(42,169,810)
FUND BALANCE, beginning of year, as restated	118,729,893	100,580,184	110,999,408	162,633,602	204,803,412
FUND BALANCE, end of year	\$159,804,286	\$118,729,893	\$100,580,184	\$110,999,408	\$162,633,602

(1) Certain numbers have been re-classified for comparative purposes.
Source: The Metropolitan Government CAFR for each fiscal year

The Metropolitan Government of Nashville and Davidson County

DEBT SERVICE FUNDS (1) (2)
FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Years Ended June 30

REVENUES:	2013	2012	2011	2010	2009
Property Taxes	\$133,949,349	\$122,191,565	\$120,804,490	\$122,698,575	\$118,575,150
Local option sales tax	1,782,042	1,961,289	1,643,404	5,143,018	19,041,127
Other taxes, licenses and permits	-	-	-	-	126,816
Fines, forfeits and penalties	306,638	422,692	494,577	554,813	434,021
Revenue from the use of money of property	324,354	198,825	117,865	169,738	778,297
Revenue from other governmental agencies	9,395,046	8,203,784	5,708,388	4,100,815	4,073,441
Compensation for loss, sale, or damage to Property	-	-	-	-	-
Charges for current services	-	-	-	972,094	838,699
Bond interest tax credit	4,900,351	5,033,674	5,327,305	-	-
Miscellaneous	-	-	-	-	2,403,916
Total Revenues	\$150,657,780	\$138,011,829	\$134,096,029	\$133,639,053	\$146,271,469
EXPENDITURES					
Principal retirement	44,743,407	12,943,203	3,397,777	85,889,567	85,914,567
Interest	93,272,037	93,879,521	85,123,862	80,611,709	83,169,612
Fiscal charges	3,716,622	3,257,031	3,406,148	906,832	3,604,978
Debt issue costs	2,704,649	2,207,494	1,925,066	4,347,663	240,000
Total Expenditures	\$144,436,715	\$112,287,249	\$93,852,853	\$171,755,771	\$172,929,157
Excess (deficiency) of revenues over expenditures	6,221,065	25,724,580	40,243,176	(38,116,718)	(26,657,688)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	382,598,457	316,085,913	290,201,755	189,895,243	59,140,000
Payments to refunded bond escrow agent	(433,836,850)	(383,595,322)	(331,757,177)	(206,868,923)	(58,900,000)
Bond issue premium (discount)	53,750,807	67,444,362	43,480,488	18,244,966	-
Transfers in	16,407,137	15,724,752	13,996,949	18,831,042	17,578,067
Transfers out	(16,978,806)	(51,793,700)	(44,160,500)	-	(4,010,200)
Total Other Financing Sources (Uses)	1,940,745	(36,133,995)	(28,238,485)	20,102,328	13,807,867
Excess (deficiency) of revenues and other Sources over expenditures and other uses	8,161,810	(10,409,415)	12,004,691	(18,014,390)	(12,849,821)
FUND BALANCE, beginning of year	29,168,318	39,577,733	27,573,042	45,587,432	58,437,253
FUND BALANCE, end of year	\$37,330,128	\$29,168,318	\$39,577,733	\$27,573,042	\$45,587,432

(1) Includes the Correctional Facility Revenue Bonds.

(2) Certain numbers have been re-classified for comparative purposes.

Investment Policy

The Metropolitan County Council has approved a comprehensive Investment Policy governing the overall administration and investment management of those funds held in the Short-Term Investment Portfolio. The policy applies to all short-term financial assets of the Metropolitan Government from the time of receipt until the time the funds ultimately leave the Metropolitan Government accounts. These assets include, but are not limited to, all operating funds, bond funds, debt service reserve funds, water and sewer funds, Urban Services District and General Services District funds, those pension monies not yet allocated to money managers, all float and certain school funds.

The Short-Term Investment Portfolio of the Metropolitan Government is managed to accomplish the following hierarchy of objectives:

- 1) Preservation of principal
- 2) Maintenance of liquidity
- 3) Maximize returns

The Cash Investment Committee meets periodically to review the position of the portfolio and to discuss investment strategies. The Committee reviews investment policy and procedures at least once each year. The Metropolitan Treasurer is responsible for the investment process, carries out the daily operational requirements, and maintains written administrative procedures for the operation of the investment program that are consistent with the Investment Policy.

The Metropolitan Investment Pool has been established to meet investment objectives in the most cost-effective way. All payments and receipts of income on pool investments are allocated on a pro rata basis among the accounts invested in the pool on the daily invested balance in each fund. Earnings are calculated and distributed on a monthly basis.

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Debt Calculations

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
COMPUTATION OF NET GENERAL OBLIGATION DEBT
JUNE 30, 2013

Gross General Obligation Debt		
General Obligation Bonds Payable		
General Services District:		
For School Purposes	\$	702,620,096
For General Purposes		1,364,222,925
Urban Services District:		
For General Purposes		<u>196,077,069</u>
Total Gross General Obligation Debt	\$	2,262,920,090
Less:		
Amounts Available In Debt Service Funds		
General Services District:		
For School Purposes		9,479,123
For General Purposes		19,222,308
Urban Services District:		
For General Purposes		<u>8,628,697</u>
Total Amounts Available In Debt Service Funds		<u>37,330,128</u>
Net General Obligation Debt	\$	<u><u>2,225,589,962</u></u>

(1) Excludes general obligation debt funded by business-type activities.
Source: The Metropolitan Government CAFR and Finance Department as of June 30, 2013

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEBT RATIOS
AS OF JUNE 30, 2013

Total Debt (1)

Debt to Estimated Market Value	3.58%
Debt to Assessed Value	11.81%
Debt per Capita	\$ 3,490.57

Net Debt

Debt to Estimated Market Value	3.52%
Debt to Assessed Value	11.62%
Debt per Capita	\$ 3,432.99

The above table is based upon:

Estimated Market Value	\$ 63,259,449,113
Assessed Value	\$ 19,160,522,585
Population	648,295

- (1) Please refer to pages H-16-17 (Estimated Market Value), H-26 and H-32 in the 2013 CAFR.
- (2) Source: US Department of Commerce, Bureau of the Census and Labor.

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The following table illustrates certain debt ratios for the past ten fiscal years.

HISTORICAL DEBT RATIOS

Fiscal Year	Population	Assessed Valuation (in thousands)	Gross Debt (in thousands)	Debt Service Monies Available (in thousands)	Debt Payable From Sources Other Than Property Taxes (in thousands)	Net Debt (in thousands)	Ratio of Net Debt to Assessed Valuation	Net Debt Per Capita
2002-03	570,136	13,463,419	1,114,990	163,737	17,563	933,690	6.94%	1,637.66
2003-04	572,475	13,280,464	1,158,710	151,390	12,519	994,801	7.49%	1,737.72
2004-05	580,455	13,432,024	1,287,630	136,955	14,915	1,135,760	8.46%	1,956.67
2005-06	576,382	15,533,719	1,608,390	83,596	9,350	1,515,444	9.76%	2,629.24
2006-07	578,698	15,897,957	1,510,825	70,969	7,565	1,432,291	9.01%	2,475.02
2007-08	619,626	16,152,729	1,725,785	56,803	7,170	1,661,812	10.29%	2,681.96
2008-09	626,144	16,554,354	1,585,025	43,962	6,890	1,534,173	9.27%	2,450.19
2009-10	635,710	19,222,371	1,910,500	25,950	6,391	1,878,159	9.77%	2,954.43
2010-11	626,681	19,208,515	1,895,530	37,955	6,195	1,851,380	9.64%	2,954.26
2011-12	635,475	19,104,264	1,923,680	29,168	6,336	1,888,176	9.88%	2,971.28
2012-13	648,295	19,160,523	2,323,100	67,330	60,180	2,225,590	11.62%	3,432.99

Source: The Metropolitan Government CAFR as of June 30, 2012

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The following table sets forth annual debt service requirements by district of the Metropolitan Government on outstanding general obligation bonds secured by ad valorem taxes. No bonds of the Authority, including this issue, are secured by ad valorem taxes.

TOTAL DEBT SERVICE

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Total Debt Service as of June 30, 2013
Secured by Ad Valorem Taxes

Year Ending June 30	GSD		USD	Total GSD and USD
	School Purposes	General Purposes	General Purposes	
2014	\$ 63,780,328	\$ 108,558,764	\$ 22,106,880	\$ 194,445,972
2015	69,969,892	120,240,479	24,504,694	214,715,065
2016	70,781,011	118,638,773	20,954,500	210,374,284
2017	73,357,019	119,291,076	22,685,118	215,333,213
2018	72,491,952	115,769,944	24,242,907	212,504,803
2019	72,234,747	116,796,795	23,347,325	212,378,867
2020	63,784,216	119,862,087	21,352,670	204,998,973
2021	63,371,995	120,049,652	21,576,945	204,998,592
2022	62,721,281	117,202,049	21,073,499	200,996,829
2023	59,218,975	121,559,985	21,216,933	201,995,893
2024	64,672,198	117,952,308	22,371,366	204,995,872
2025	60,074,142	114,625,015	21,690,273	196,389,430
2026	49,896,518	99,585,716	19,531,425	169,013,659
2027	41,201,744	85,412,804	19,873,242	146,487,790
2028	34,630,628	82,364,900	18,762,093	135,757,621
2029	20,886,632	52,203,597	15,000,933	88,091,162
2030	19,348,702	54,065,111	14,127,315	87,541,128
2031	10,405,135	62,119,087	9,822,755	82,346,977
2032	10,241,362	61,795,231	9,718,164	81,754,757
2033	10,072,178	61,465,773	9,604,563	81,142,514
2034	9,895,500	19,371,903	9,493,971	38,761,374
2035	9,712,051	19,012,788	5,983,087	34,707,926
	<u>\$ 1,012,748,206</u>	<u>\$ 2,007,943,837</u>	<u>\$ 399,040,658</u>	<u>\$ 3,419,732,701</u>

Source: The Metropolitan Government CAFR as of June 30, 2013

Principal Property Taxpayers

The following table presents information concerning the principal property taxpayers of the Metropolitan Government.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Unaudited- See Accompanying Accountants' Report

Taxpayer	December 31, 2012				December 31, 2003			
	2012 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy	2003 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy
Electric Power Board (1)	\$ N/A	\$ 28,079,617	1	3.49 %	\$ N/A	\$ 18,796,439	1	3.27 %
RHP Hotels Inc.	282,303,960	13,068,919	2	1.26	-	-	(2)	-
Columbia/HCA	311,862,070	12,425,328	3	1.65	102,365,222	4,702,260	4	0.82
AT&T	169,256,472	7,813,554	4	1.02	-	-	(2)	-
Piedmont Natural Gas	18,685,996	4,608,217	5	0.47	74,342,409	3,277,746	6	0.57
Opry Mills Co.	86,495,741	3,560,336	6	0.21	68,960,000	2,648,064	8	0.46
Vanderbilt	71,438,500	3,329,433	7	0.44	-	-	(2)	-
Green Hills Mall	53,698,840	2,502,366	8	0.21	-	-	(2)	-
Walmart Stores	48,358,800	2,255,555	9	0.21	-	-	(2)	-
Verizon	51,777,423	2,091,807	10	0.29	-	-	(2)	-
Gaylord	-	-	(2)	-	283,333,838	10,118,923	2	1.76
Bellsouth	-	-	(2)	-	176,197,090	7,892,432	3	1.37
CBL & Associates	-	-	(2)	-	102,966,354	4,384,540	5	0.76
PREFCO XIV LTD	-	-	(2)	-	58,415,390	2,763,048	7	0.48
BEL-EQR	-	-	(2)	-	49,465,808	2,265,534	9	0.39
E.I. Dupont	-	-	(2)	-	37,503,300	1,438,185	10	0.25
	<u>\$ 1,093,877,802</u>	<u>\$ 79,735,132</u>		<u>9.25 %</u>	<u>\$ 953,549,411</u>	<u>\$ 58,287,171</u>		<u>10.13%</u>

Source: Tax Assessor's Office, Trustee's Office

- (1) The amount of tax for the Electric Power Board represents a payment in lieu of taxes and is not based on an assessed valuation.
- (2) Values for taxpayers that are outside the top ten ranking are excluded.

Pension Plans and Other Post-Employment Benefits

Overview

Metro employees participate in one of three main pension plan groups:

1. Metro Active Plans
2. Tennessee Consolidated Retirement System (TCRS) for Metro Schools Certificated Employees (Teachers)
3. Closed Plans maintained under the Guaranteed Payment Program

The Metro Active Plans consist of two divisions – A and B. Division A was established at the inception of the Government on April 1, 1963 and implemented on November 4, 1964. At that time, all employees of the former city and county governments were given the option of continuing as participants of the pension plans of those organizations or transferring to the Metro Plan Division A. Division A of the Metro Plan was closed to new members on July 1, 1995.

On July 1, 1995, Division B of the Metro Active Plans was established for all non-certified employees of the Metropolitan Nashville Public Schools and all other Metropolitan Government employees. Metropolitan Government employees who were members of Division A were given the option to transfer to Division B as of January 1, 1996. At that time, 95% of the approximately 11,300 employees elected to transfer to Division B.

The Metro Active Plan Division B is a non-contributory, defined benefit plan, covering approximately 13,000 current employees and 10,300 retired and deferred vested employees. The Active Plan covers all employees of the Metropolitan Government other than teachers. Contributions attributable to employees of the general government (approximately 75% of total) are funded from Metro's operating fund and revenues. The balance of contributions (approximately 25%) is attributable to Metro employees at enterprise funds and other non-operating funded agencies of the Metropolitan Government (e.g. contributions for water and sewer department employees and funded from water and sewer revenues).

Metropolitan Nashville Public School's (MNPS) teachers participate in the State Employees, Teachers, and Higher Education Employees' Pension Plan (SETHEEPP), a cost-sharing multiple-employer, contributory, defined benefit plan administered by the Tennessee Consolidated Retirement System (TCRS). Approximately 6,630 current teachers and 2,350 retired teachers are covered by TCRS. TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

The TCRS employer contribution rate is established at an actuarially determined rate and set every two years by the TCRS Board of Trustees. MNPS is required to make contributions based on the established rate directly to TCRS. The Metropolitan Government funds this contribution from its operating funds and revenues, through its annual funding of MNPS's education budget. The employer rate for the fiscal year ending June 30, 2013 was 9.05% of annual covered payroll. The employer's contributions to TCRS for the years ending June 30, 2013, and 2012, were \$31,637,282, and \$31,044,714 respectively, equal to the required contributions for each year. The Employer's Contribution Rate for Fiscal Year 2013 and 2014 is 8.88%. Teachers are required by state statute to contribute 5% of salary to the plan.

The Closed Plans are defined benefit plans collectively covering one active employee and approximately 2,044 retired employees. Contributions to the Closed Plans are funded from Metro's operating fund through the Guaranteed Payment Plan and contributions from the State of Tennessee.

Metro Active Plan

Benefits

Normal retirement for employees other than police officers and fire fighters occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus the completed years of credited employee service equals 85, but not before age 60; and (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime annual benefit is calculated as 1.75% X final average earnings X years of credited service. Final average earnings are the highest 60 consecutive months of credited service divided by 5. Benefits fully vest on completing 5 years of service. Employees with a date of hire on or after January 1, 2013 will become fully vested on completing 10 years of service.

Normal retirement for police officers and fire fighters occurs any time after attaining the unreduced retirement age which is the date when the employee's age plus completed years of credited police and fire service equals 75, but not before age 53 nor after age 60. The lifetime annual benefit is the sum of 2% of final average earnings X years of credited police and fire service up to 25 years; plus 1.75% of final average earnings X year of credited police and fire service over 25 years. Final average earnings is the highest 60 consecutive months of credited service divided by 5. Benefits fully vest upon completing 5 years of service. Employees with a date of hire on or after January 1, 2013 will become fully vested on completing 10 years of service.

An early retirement pension is available for retired employees if the retirement occurs prior to the eligibility of normal retirement but after age 50 (45 for police and fire) and after the completion of 10 years credited employee service. Benefits are reduced by 4% for each of the first 5 years by which the retirement date precedes the normal retirement age, and by 8% for each additional year by which the retirement date precedes the normal retirement age.

Any employee who terminates after completion of required years of service to be vested and before eligibility for normal or early retirement is eligible to receive a monthly deferred pension commencing on the first day of the month following the attainment of unreduced retirement age computed and payable in accordance with the plan.

Funding

Minimum Required Employer Contribution: The Metropolitan Code of Ordinance requires the Metropolitan Government to contribute to the Metro Active Plans each fiscal year an amount equal to a percentage of the annual payroll of members who are eligible employees and who are covered for pension benefits the percentage to be known as the "employer contribution rate." The employer contribution rate applicable for any fiscal year is determined by resolution of the benefit board at a public meeting held at least four months prior to the beginning date of such fiscal year and filed with the Metropolitan Clerk and must be no less than the smaller of (1) three-tenths of one percent plus the employer contribution rate applicable to the prior fiscal year, or (2) an employer contribution rate, which shall be the ratio of the actuarially determined contribution level to the amount of the valuation payroll, on the basis of an actuarial valuation of the system made as of the last day of the fiscal year preceding the adoption of the contribution rate. The actuarially determined contribution level equals the sum of normal cost and a percentage of unfunded past service liabilities, such percentage to be determined by the board at a level at least equal to the actuarial valuation interest rate. The actuarial valuation must be made by a qualified or accredited actuary according to accepted and sound actuarial principles and methods and based on actuarial assumptions which have been recommended by the actuary and approved by the Benefit Board.

Historic Employer Contribution: Metro has historically made employer contributions at a rate higher than the minimum required contribution. Metro's policy has been to make annual contributions to the Active Plans equal to the actuary's recommended rate, sufficient to amortize the unfunded liability over the 40 year period commencing in 1978. Beginning with the plan year ended June 30, 2006, the Benefit Board adopted a level unfunded liability amortization period of 15 years. The level amortization period is designed to reduce contribution volatility compared with a continuing decline in the amortization period. The chart below shows the annual employer contribution rate (in both percentage of employee salary and aggregate dollar terms) for the past 10 years. The employer contribution rate for fiscal year 2012-2013 is 15.938%. The Metropolitan Government expects that its contribution rate for 2013-2014 will increase to 17.1%. This increase results from the combination of (1) the anticipated changes in actuarial assumptions described below (which in isolation would reduce the contribution rate) and (2) the increase in unfunded liability described below.

**Historical Metro Contributions
Metro Active Plan**

Fiscal Year Ending June 30	Contribution Rate	Contribution Amount
2012	15.416%	\$81,636,995
2011	15.416%	81,502,645
2010	13.012%	72,253,372
2009	13.012%	72,561,790
2008	16.658%	90,922,719
2007	16.637%	85,427,968
2006	13.857%	68,674,155
2005	12.171%	58,894,435
2004	9.265%	44,902,059
2003	6.610%	30,123,759

Key Actuarial Assumptions

- Current actuarial assumptions include a discount rate of 7.5%, cost-of-living adjustments (COLA) of 2.50% for Division A and 1.50% for Division B, salary increases averaging 4.0% annually and five year smoothing of gains and losses.

Schedule of Funding Progress

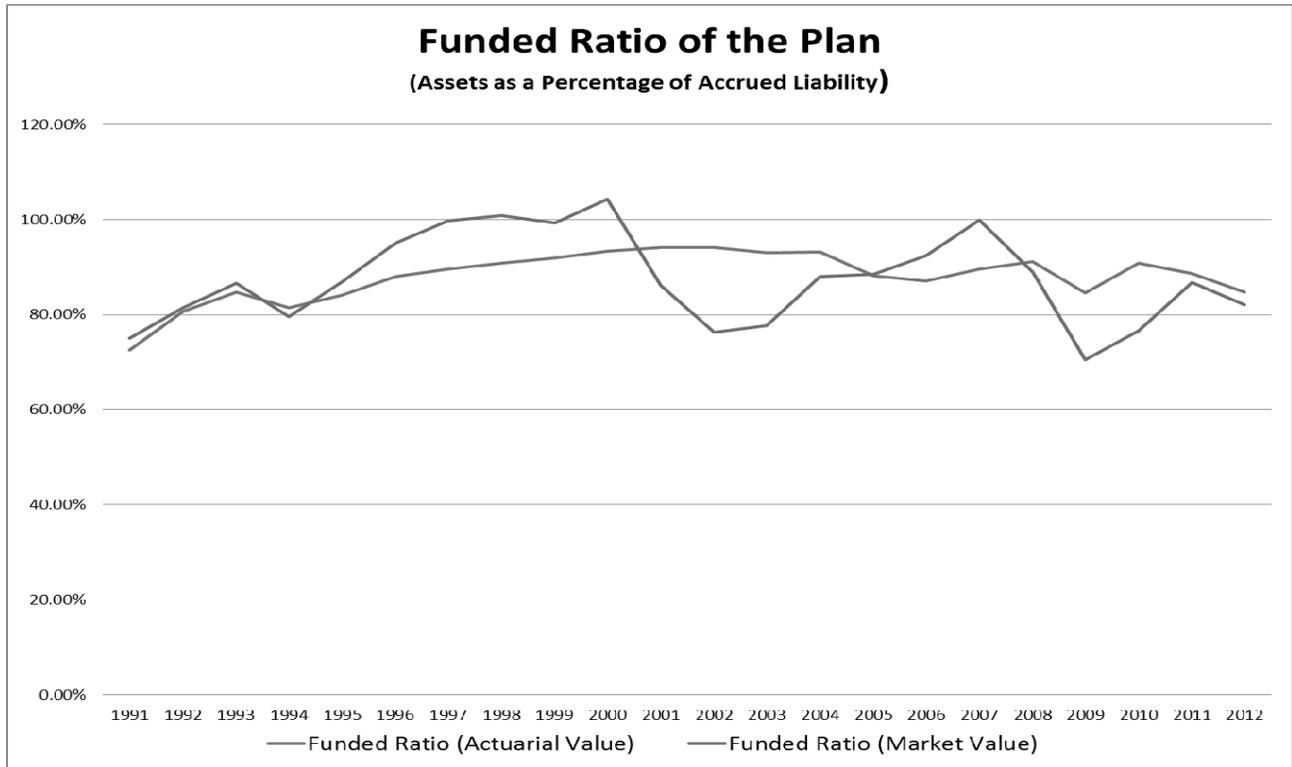
The table below provides a 10 year history of funding progress:

**Metropolitan Government of Nashville and Davidson County Tennessee Pension Plan
Schedule of Funding Progress
June 30, 2012**

Plan Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
June 30, 1999	1,241,356,861	1,350,000,989	108,644,128	91.95%	375,552,645	28.93%
June 30, 2000	1,419,820,507	1,522,468,982	102,648,475	93.30%	384,283,394	26.71%
June 30, 2001	1,532,338,623	1,628,956,808	96,618,185	94.10%	398,426,904	24.25%
June 30, 2002	1,569,455,257	1,668,629,134	99,173,877	94.10%	434,699,880	22.81%
June 30, 2003	1,569,047,675	1,688,192,909	119,145,234	92.90%	466,820,160	25.52%
June 30, 2004	1,592,671,213	1,708,318,774	115,647,561	93.20%	481,881,171	24.00%
June 30, 2005	1,602,285,363	1,818,206,856	215,921,493	88.10%	474,531,741	45.50%
June 30, 2006	1,706,677,125	1,959,952,204	253,275,079	87.10%	515,500,760	49.13%
June 30, 2007	1,921,193,702	2,144,144,792	222,951,090	89.60%	529,100,484	42.14%
June 30, 2008	2,119,228,659	2,323,837,472	204,608,813	91.20%	555,972,878	36.80%
June 30, 2009	1,925,305,076	2,275,399,550	350,094,474	84.60%	562,015,408	62.29%
June 30, 2010	2,143,522,150	2,360,892,310	217,370,160	90.80%	554,606,279	39.19%
June 30, 2011	2,188,868,356	2,468,971,488	280,103,132	88.70%	571,381,362	49.02%
June 30, 2012	2,185,046,912	2,580,685,072	395,638,160	84.70%	563,356,943	70.23%

The increase in the Unfunded Actuarial Accrued Liability as of June 30, 2012 results from Active Plan investments underperforming versus actuarially assumed investment returns.

The graph below provides a historical comparison of the plans funded ratio based on actuarial and market values of assets as a percentage of accrued liability.



Source: Bryan, Pendleton, Swats & McAllister, LLC

Additional statistical information for the Active Plans can be found in the Metropolitan Government’s CAFR, a link to which is included in this Official Statement.

TCRS

Benefits

TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly.

Funding Sources

Teachers – 5% of salaries

Metro, via funding of the MNPS school budget, contributes an amount equal to the percentage of certified payroll set by the TCRS each year. The certified percentage results from a bi-annual TCRS actuarial report and equals normal cost, accrued liability cost and administrative costs (minus teacher contributions).

Actuarial Information

Plan Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a percent of Payroll
2011	\$18,388,337	\$19,423,152	\$1,034,815	94.67%	\$3,626,582	28.53%
2009	16,031,755	17,118,650	1,086,895	93.65	3,523,942	30.84
2007	15,993,095	15,998,286	5,191	99.97	3,241,772	0.16
2005	14,464,578	14,464,578	0	100	3,000,297	na
2003	13,509,863	13,509,863	0	100	2,762,152	na
2001	12,629,990	12,629,990	0	100	2,560,093	na

Source: TCRS Valuation and Report as of July 1, 2011

Annual Contributions

Required TCRS contributions in 2012 and 2013 were 9.05% of salary, or \$31,044,714 and \$31,637,282.

Required TCRS contributions in 2014 will be 8.88% of salary, or approximately \$30,659,615.

Trends

It is anticipated that there will be upward pressure in the employer contribution rates in future actuarial valuations as the difference between the market value of assets and the actuarial value of assets that are being deferred are recognized. At June 30, 2011 \$1.5 billion of market losses for the state-wide Teachers group are being deferred. Metro's share of these losses will be recognized in future valuations.

Additional Information

Additional information about TCRS can be accessed at www.tn.gov/treasury/tcrs.

Closed Plans – Guaranteed Payment Plan

The Metro Council created the Guaranteed Payment Plan effective July 1, 2000 to ensure actuarially sound funding for a group of five closed plans supervised by the Metro Benefit Board and the Board of Education. Under the Guaranteed Payment Plan, unfunded liabilities of the aggregate plan are amortized over a period of no more than thirty years beginning with the effective date. Payments for each constituent plan are transferred to a payment account from which distributions are disbursed to the constituent plans as necessary to satisfy current benefit needs and funding objectives of the Guaranteed Payment Plan. Appropriations made by Metro and the Board of Education to fund obligations of the aggregate plan may not be reduced until all plan obligations are fully amortized. Plan improvements adopted subsequent to inception are to be funded over a period ending June 30, 2030.

The five plans included in the Guaranteed Payment Plan are:

Metropolitan Board of Education Teacher Retirement Plan
 Davidson County Board of Education Retirement Plan
 Nashville City Teachers Retirement Plan
 Former Davidson County Pension System
 Former City of Nashville Pension System

Current Funded Status

**Metro's Liability
 At June 30, 2012**
 (Dollars in Thousands)

	Present Value of Future Benefits*	Present Value of Future Employee Contributions	Actuarial Value of Assets	Remaining Liability
Metro Teachers	\$207,805	\$0	\$53,321	\$154,484
County Teachers	32,510	0	5,930	26,580
City Teachers	17,809	0	3,769	14,040
City Employees	55,674	0	7,275	48,399
County Employees	11,786	0	1,557	10,229
Total	\$325,584	\$0	\$71,852	\$253,732

*Net of State cost-sharing in the three teacher plans

Based on current valuation the expected amortization period is approximately 11 years.

Historical Contributions

**Contributions
 Metro Closed Plans**

Fiscal Year Ending June 30	Metro Contributions	State Contributions
2012	\$33,520,844	\$18,769,087
2011	33,529,553	19,333,186
2010	33,519,574	19,643,816
2009	33,513,758	20,106,215
2008	33,507,435	20,635,657
2007	33,486,214	21,017,217
2006	33,474,046	21,260,495
2005	33,519,098	21,699,309
2004	33,577,400	21,143,526
2003	33,577,329	20,983,034

Additional statistical information for the Closed Plans can be found in the Metropolitan Government's CAFR, a link to which is included in this Official Statement.

The Metropolitan Government currently provides various other post-employment benefits (“OPEB”) other than pensions, with healthcare representing the most significant portion of the OPEB cost. For any retiree in the Metro, City or County Plan who elects to participate in the Metro Medical Benefit Plan, the Metropolitan Government contributes 75% of all premium payments, and the retiree contributes 25%. For employees hired January 1, 2013 or later, the Metropolitan Government contribution is based on years of service and ranges from 25% for a retiree with less than 15 years of service to 75% for a retiree with 20 or more years of service. No later than January 1, 2014, Metro will implement a Medicare Part D or Employer Group Waiver Plan for eligible retirees that is expected to reduce OPEB liability once implemented. Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid, administrative costs and anticipated inflationary increases. The Metropolitan Government also provides a matching contribution on dental insurance for any retiree who elects to participate and provides life insurance at no charge. During the year ended June 30, 2013, benefits paid totaled \$46,709,200.

For any retiree in the Metro, City or County Education Plans who elects to participate in the medical and dental insurance plans of the Metropolitan Nashville Public Schools, Schools contribute 75% of all premium payments with the retiree contributing the remaining 25%. Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid. During the year ended June 30, 2013, benefits paid totaled \$18,171,949.

The Metropolitan Government adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, in Fiscal Year 2008. This Statement addresses how governments should account for and report their costs and obligations related to post-employment healthcare and other non-pension benefits; it does not require that the liability be funded.

For June 30, 2013, amounts related to OPEB were (all amounts in thousands):

	Metro Plan	School Plan
Net OPEB Obligation	\$ 768,874	\$ 150,534
Actuarial Accrued Liability (AAL)	1,888,322	427,916
Unfunded AAL	1,888,322	427,916
Annual Required Contribution	175,948	35,832

The key assumptions used in developing these amounts include:

- Current level of benefits provided
- July 1, 2012 valuation date and census data
- Actual dependent coverage information
- 4.5% rate of return (net of administrative expenses), 2.75% rate of inflation, and 4% of projected increases in salary
- Health care cost trend rate: 8% graded to 5% for other medical expenses, 11% graded to 5% for prescription drugs, 4% each year for dental and vision expenses

Public Employees' Representation

As of June 30, 2012, the Metropolitan Government and the MBE employed approximately 17,362 persons of whom approximately 9,505 worked full-time for the MBE and 7,857 worked full-time for the Metropolitan Government. Approximately 87% of the uniformed personnel of the Fire Department are members of Local No. 140 of the International Association of Firefighters. The Police Department has 1,841 active employees, of which 1,350 are sworn personnel. Approximately 1,086 sworn officers (or 80%) of the Police Department belong to the Fraternal Order of Police, Andrew Jackson Lodge No. 5, the designated employee representative. Of those employed by the MBE, approximately 2,424 (or 41%) of the teaching employees are members of the Metropolitan Nashville Education Association (the "MNEA"); 988 (or 36%) of the non-teaching employees are members of the Service Employees International Union; and 172 (or 22%) are in the Steel Workers Union.

The MBE is a party to a Memorandum of Understanding with the MNEA which is renewed annually. The Metropolitan Government confers on an informal basis with representatives of employee unions mentioned above concerning employees' working conditions within their respective departments.

With the exception of school teachers covered specifically by the Education Professional Negotiation Act, which provides for memoranda of understanding, the State does not recognize collective bargaining agreements between municipalities and their employees. The State courts have ruled that collective bargaining between municipalities and their employees are void and of no effect because they are contrary to public policy. The State courts have also ruled that strikes by municipal employees are illegal and subject to injunction.

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APPENDIX C-FORMS OF OPINIONS OF BOND COUNSEL

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[Form of Bond Counsel Opinion for the Series 2013A Bonds]

December 19, 2013

The Sports Authority of The Metropolitan
Government of Nashville and Davidson County
c/o Saul Solomon
Director of Law, Metropolitan Government
Nashville, Tennessee

Metropolitan County Council
The Metropolitan Government
of Nashville and Davidson County
Nashville, Tennessee

Raymond James & Associates, Inc.
Nashville, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Issuer") of \$53,760,000 in aggregate principal amount of its Public Improvement Revenue Bonds (Ballpark Project), Series 2013A, dated the date hereof (the "Bonds"). The Bonds are issued pursuant to a Trust Indenture, dated as of December 19, 2013 (the "Indenture"), by and among the Issuer, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee").

The Issuer has authorized the issuance and sale of the Bonds, the execution and delivery of the Indenture and the pledge of certain revenues of the Issuer to secure the Bonds pursuant to resolution of the Board of Directors of the Issuer adopted on December 11, 2013 (the "Issuer Resolution").

The Metropolitan Government has approved the issuance and sale of the Bonds by the Issuer, the execution and delivery of the Indenture and the pledge of certain revenues of the Metropolitan Government to secure the Bonds pursuant to Ordinance No. BL2013-593 of the Metropolitan County Council of the Metropolitan Government, passed on third reading on December 10, 2013 (the "Metro Ordinance").

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. Reference is hereby made to the opinion of even date of the counsel to the Issuer and the Metropolitan Government, with respect, among other matters, to the corporate existence of the Issuer and the Metropolitan Government; to the lawful adoption of the proceedings of the Issuer relating to the authorization, execution and delivery of the Bonds and the Indenture; and to the lawful adoption of the proceedings of the Metropolitan Government relating to the approval of the issuance of the Bonds and the authorization, execution and delivery of the Indenture.

All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture.

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

1. The Issuer is duly created and validly existing as a public nonprofit corporation and public instrumentality of the Metropolitan Government, organized and existing under the laws of the State of Tennessee, with the corporate power to enter into and perform under the Indenture and to issue the Bonds.

2. The Issuer Resolution has been duly and lawfully adopted, is in full force and effect and is effective to authorize the issuance and sale of the Bonds and the execution and delivery by the Issuer of the Indenture.

3. The Metro Ordinance has been duly and lawfully passed, is in full force and effect and is effective to approve the authorization and issuance of the Bonds and the execution and delivery by the Metropolitan Government of the Indenture.

4. The Indenture has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery of the Indenture by the Trustee, constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms. The Indenture is effective to assign in trust to the Trustee all right, title and interest of the Issuer in and to the Sales Tax Rebate Revenues, the TIF Documents and the TIF Payments. The Indenture creates a valid first lien on the Sales Tax Rebate Revenues and TIF Payments received by the Issuer and assigned to the Trustee under the Indenture, on a parity and equality of lien with the Issuer's outstanding Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable), and on certain funds held under the Indenture in trust for the benefit of the Bondholders, subject to application thereof pursuant to the terms of the Indenture.

5. The Indenture has been duly authorized, executed and delivered by the Metropolitan Government and, assuming due authorization, execution and delivery of the Indenture by the Trustee, constitutes a valid and binding obligation of the Metropolitan Government enforceable against the Metropolitan Government in accordance with its terms. The Indenture is effective to assign in trust to the Trustee all right, title and interest of the Metropolitan Government in and to the Sales Tax Rebate Revenues and Non-Tax Revenues. The Indenture creates a valid first lien on the Sales Tax Rebate Revenues and Non-Tax Revenues received by the Metropolitan Government and assigned to the Trustee under the Indenture, on a parity and equality of lien with the Issuer's outstanding Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable), and on certain funds held under the Indenture in trust for the benefit of the Bondholders, subject to application thereof pursuant to the terms of the Indenture.

6. The Bonds have been duly and validly 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 payable solely from Sales Tax Rebate Revenues, TIF Payments and, to the extent the foregoing are not sufficient to pay principal of and interest on Bonds, from Non-Tax Revenues.

7. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of alternative minimum tax on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer and the Metropolitan Government comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 7, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

8. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any of the 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 (c) Tennessee franchise taxes by reason of the inclusion of the book value of the 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 Bonds and the enforceability of the Bonds and the resolution authorizing the 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 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,

Bass, Berry & Sims PLC

[Form of Bond Counsel Opinion for the Series 2013B Bonds]

December 19, 2013

The Sports Authority of The Metropolitan
Government of Nashville and Davidson County
c/o Saul Solomon
Director of Law, Metropolitan Government
Nashville, Tennessee

Metropolitan County Council
The Metropolitan Government
of Nashville and Davidson County
Nashville, Tennessee

Raymond James & Associates, Inc.
Nashville, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Issuer") of \$11,240,000 in aggregate principal amount of its Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable), dated the date hereof (the "Bonds"). The Bonds are issued pursuant to a Trust Indenture, dated as of December 19, 2013 (the "Indenture"), by and among the Issuer, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee").

The Issuer has authorized the issuance and sale of the Bonds, the execution and delivery of the Indenture and the pledge of certain revenues of the Issuer to secure the Bonds pursuant to resolution of the Board of Directors of the Issuer adopted on December 11, 2013 (the "Issuer Resolution").

The Metropolitan Government has approved the issuance and sale of the Bonds by the Issuer, the execution and delivery of the Indenture and the pledge of certain revenues of the Metropolitan Government to secure the Bonds pursuant to Ordinance No. BL2013-593 of the Metropolitan County Council of the Metropolitan Government, passed on third reading on December 10, 2013 (the "Metro Ordinance").

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. Reference is hereby made to the opinion of even date of the counsel to the Issuer and the Metropolitan Government, with respect, among other matters, to the corporate existence of the Issuer and the Metropolitan Government; to the lawful adoption of the proceedings of the Issuer relating to the authorization, execution and delivery of the Bonds and the Indenture; and to the lawful adoption of the proceedings of the Metropolitan Government relating to the approval of the issuance of the Bonds and the authorization, execution and delivery of the Indenture.

All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture.

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

1. The Issuer is duly created and validly existing as a public nonprofit corporation and public instrumentality of the Metropolitan Government, organized and existing under the laws of the State of Tennessee, with the corporate power to enter into and perform under the Indenture and to issue the Bonds.

2. The Issuer Resolution has been duly and lawfully adopted, is in full force and effect and is effective to authorize the issuance and sale of the Bonds and the execution and delivery by the Issuer of the Indenture.

3. The Metro Ordinance has been duly and lawfully passed, is in full force and effect and is effective to approve the authorization and issuance of the Bonds and the execution and delivery by the Metropolitan Government of the Indenture.

4. The Indenture has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery of the Indenture by the Trustee, constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms. The Indenture is effective to assign in trust to the Trustee all right, title and interest of the Issuer in and to the Team Lease (except for any rights of the Issuer to reimbursement and payment of costs and expenses under the Team Lease, and to exemption from liability, both individual and corporate, under the Team Lease), Team Lease Payments, Sales Tax Rebate Revenues, the TIF Documents and the TIF Payments. The Indenture creates a valid first lien on the Team Lease Payments, Sales Tax Rebate Revenues and TIF Payments received by the Issuer and assigned to the Trustee under the Indenture, on a parity and equality of lien with, in the case of Sales Tax Rebate Revenues and TIF Payments, the Issuer's outstanding Public Improvement Revenue Bonds (Ballpark Project), Series 2013A, and on certain funds held under the Indenture in trust for the benefit of the Bondholders, subject to application thereof pursuant to the terms of the Indenture.

5. The Indenture has been duly authorized, executed and delivered by the Metropolitan Government and, assuming due authorization, execution and delivery of the Indenture by the Trustee, constitutes a valid and binding obligation of the Metropolitan Government enforceable against the Metropolitan Government in accordance with its terms. The Indenture is effective to assign in trust to the Trustee all right, title and interest of the Metropolitan Government in and to the Sales Tax Rebate Revenues and Non-Tax Revenues. The Indenture creates a valid first lien on the Sales Tax Rebate Revenues and Non-Tax Revenues received by the Metropolitan Government and assigned to the Trustee under the Indenture, on a parity and equality of lien with the Issuer's outstanding Public Improvement Revenue Bonds (Ballpark Project), Series 2013A, and on certain funds held under the Indenture in trust for the benefit of the Bondholders, subject to application thereof pursuant to the terms of the Indenture.

6. The Bonds have been duly and validly 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 payable solely from Team Lease Payments, Sales Tax Rebate Revenues, TIF Payments and, to the extent the foregoing are not sufficient to pay principal of and interest on Bonds, from Non-Tax Revenues.

7. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any of the 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 (c) Tennessee franchise taxes by reason of the inclusion of the book value of the 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 Bonds and the enforceability of the Bonds and the resolution authorizing the 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 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,

Bass, Berry & Sims PLC

APPENDIX D
CONTINUING DISCLOSURE CERTIFICATE

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**THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY, TENNESSEE**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") in connection with the issuance of the Public Improvement Revenue Bonds (Ballpark Project), Series 2013A (the "Series 2013A Bonds") and the Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable) (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Series 2013 Bonds") of The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority"). The Series 2013 Bonds are being issued pursuant to a Trust Indenture, dated as of December 19, 2013, by and among the Metropolitan Government, the Authority and Regions Bank, as Trustee (the "Indenture").

The Metropolitan Government covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Metropolitan Government for the benefit of the Beneficial Owners of the Series 2013 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate in connection with the Series 2013 Bonds, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Metropolitan Government pursuant to the Rule and this Disclosure Certificate.

"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 Series 2013 Bond (including persons holding Series 2013 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2013 Bond for federal income tax purposes.

"Dissemination Agent" means the Metropolitan Government or any successor designated in writing by the Metropolitan Government and which has filed with the Metropolitan Government a written acceptance of such designation.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Metropolitan Government 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.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

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

"Official Statement" shall mean the Official Statement dated December 12, 2013, relating to the Series 2013 Bonds.

"Participating Underwriter" shall collectively mean Raymond James & Associates, Inc., Piper Jaffray & Co., and Loop Capital Markets, LLC.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Tennessee.

"State Depository" 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 Disclosure Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports. Not later than nine months after the end of the Fiscal Year, commencing with Fiscal Year ending June 30, 2014, the Metropolitan Government shall provide an Annual Report to the MSRB at emma.msrb.org and to the State Depository, if any. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the Metropolitan Government may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the Metropolitan Government shall include unaudited financial statements of the Metropolitan Government in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the Metropolitan Government will be submitted. The audited financial statements of the Metropolitan Government, when available, will be provided to the MSRB and to the State Depository, if any. If the Annual Report (or audited financial statements which were to be separately submitted) is not timely filed, the Metropolitan Government shall in a timely manner send a notice to the MSRB and to the State Depository, if any. As of the date hereof, the Metropolitan Government is in compliance with the all required disclosure filings.

SECTION 4. Content of Annual Reports. The Metropolitan Government's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements of the Metropolitan Government are not yet available, the unaudited financial statements of the Metropolitan Government, and when audited financial statements are available, the audited financial statements of the Metropolitan Government, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Such financial statements shall be accompanied by an audit report resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If the accounting principles changed from the previous Fiscal Year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the Fiscal Year has not changed, or, if the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) To the extent not set forth in the aforementioned financial statements, the Metropolitan Government shall provide additional financial information and operating data with respect to the Authority or the Metropolitan Government, consisting of:

1. Information related to Sales Tax Rebate Revenues, TIF Payments and, in the case of Series 2013B Bonds only, Team Lease Payments.
2. Updates of information set forth in the Official Statement related to Non-Tax Revenues.
3. Any other information or operating data of the type included in this Official Statement which would be material to a holder or prospective holder of the Series 2013 Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Metropolitan Government is an "obligated person" (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB at emma.msrb.org. The Metropolitan Government shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. 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 security, or other material events affecting the tax status of the security;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. 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; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon the occurrence of a Listed Event, the Metropolitan Government shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB.

(c) For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Metropolitan Government shall determine the materiality of such event as soon as possible after learning of its occurrence.

SECTION 6. Termination of Reporting Obligation. The Metropolitan Government's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Series 2013 Bonds. The Metropolitan Government shall notify the MSRB and any State Depository that the Metropolitan Government's obligations under this Disclosure Certificate have terminated. If the Metropolitan Government's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Metropolitan Government and the Metropolitan Government shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The Metropolitan Government may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Metropolitan Government may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Metropolitan Government shall be the dissemination agent.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Metropolitan Government to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(a)(f) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to the MSRB and any State Depository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Metropolitan Government from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Metropolitan Government chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Metropolitan Government shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Metropolitan Government to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Metropolitan Government to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the Metropolitan Government of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and to the extent permitted by applicable law, the Metropolitan Government agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Metropolitan Government), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Metropolitan Government under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2013 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Metropolitan Government, the Participating Underwriter and Beneficial Owners from time to time of the Series 2013 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorneys' fees).

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Tennessee.

SECTION 15. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16. Filings with the MSRB. All filings required to be made with the MSRB shall be made electronically at emma.msrb.org, shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY

By: _____
Karl F. Dean, Metropolitan Mayor

APPROVED AS TO FORM AND
LEGALITY:

Saul Solomon, Director of Law

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APPENDIX E
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Series 2013 Bonds will be issued pursuant to the Indenture, which specifies the details of provisions of the Series 2013 Bonds and the terms and conditions pursuant to which the Series 2013 Bonds will be issued. The following, together with other information contained herein, briefly summarizes certain terms and provisions of the Indenture. Such summary is not to be considered a complete explanation of the terms and provisions of the Indenture. Reference is made to the Indenture for a complete statement of the terms, provisions and conditions thereof.

Definitions

“Act” shall mean the provisions of Chapter 67 of Title 7 of the Tennessee Code Annotated, as may be amended from time to time.

“Additional Bonds” shall mean any Bonds issued pursuant to the specific terms of the Indenture as summarized herein.

“Additional Secured Indebtedness” shall mean any indebtedness or obligation of the Metropolitan Government, the Authority or any other Person, other than the Bonds, payable from or secured by a pledge of, lien on, or security interest in the Non-Tax Revenues.

“Amortization Installment” shall mean, with respect to each maturity of Term Bonds of any Series of Bonds, the principal amounts of such Term Bonds to be retired in consecutive years by mandatory redemption from the Bond Fund; provided, that (i) each such Amortization Installment shall be deemed to be due on the Debt Service Payment Date of each applicable year as is fixed by Supplemental Indenture and (ii) the aggregate of such installments for each maturity of Term Bonds shall equal the aggregate principal amount of Term Bonds of such maturity.

“Authority” shall mean The Sports Authority of The Metropolitan Government of Nashville and Davidson County, a public nonprofit corporation organized and existing under and by virtue of the laws of the State and a public instrumentality of the Metropolitan Government, and its successors in interest.

“Authorized Authority Representative” shall mean the Chair, Vice-Chair, Secretary/Treasury or Assistant Secretary/Treasurer of the Authority or such other person or persons who from time to time are designated to act on behalf of the Authority in a certificate delivered to the Trustee and signed by the Chair or Vice-Chair of the Authority giving the name and the specimen signature of the person or persons so designated.

“Authorized Investments” shall mean all investment obligations permitted by the Act.

“Authorized Metropolitan Government Representative” shall mean the Mayor, the Director of Finance or any other person from time to time designated to act on behalf of the Metropolitan Government in a certificate delivered to the Trustee and signed by the Mayor and attested by the Metropolitan Clerk giving the name and specimen signature of any such person so designated.

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond and with respect to DTC means the person in whose name a Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the DTC Participants.

“Board” shall mean the Board of Directors of the Authority.

“Bond Counsel” shall mean a firm of attorneys of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by underwriters and other purchasers of obligations issued by state and local governments selected by the Authority.

“Bond Fund” shall mean the Bond Fund established under the Indenture and summarized herein.

“Bond Year” shall mean initially the period from the date of issuance of the Bonds until the first Principal Maturity Date and thereafter each twelve-month period beginning the day after a Principal Maturity Date.

“Bondholder”, “holder” and “registered owner” shall mean the registered owner of a Bond, including any nominee of a Depository.

“Bonds” shall mean the Bonds of all Series from time to time authenticated and delivered under the Indenture.

“Book-entry Form” or “Book-entry System” shall mean a form or system, as applicable, under which physical Bond certificates in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated Bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the Authority or the Trustee, constitute the written record that identifies, and records the transfer of, the beneficial “book-entry” interests in those Bonds.

“Business Day” shall mean any day other than (a) Saturday or Sunday, (b) a day on which banking institutions in New York City or any other city where the principal United States office of the Credit Facility Issuer or the Trustee is located are required or authorized by law (including executive order) to close or on which the principal United States office of the Credit Facility Issuer or the Trustee is closed for a reason not related to financial condition, or (c) a day on which The New York Stock Exchange is closed.

“Certified Resolution”, with respect to the Authority, shall mean a copy of a resolution certified by the Secretary/Treasurer of the Authority to have been duly passed and adopted by the Board of Directors of the Authority at a meeting duly called and convened, and, with respect to the Metropolitan Government, shall mean a copy of a resolution or ordinance certified by the Metropolitan Clerk to have been duly passed and adopted by the Metropolitan County Council at a meeting or meetings duly called and convened.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all applicable regulations thereunder.

“Construction Fund” shall mean the Construction Fund established under the Indenture and summarized herein.

“Cost” or “Cost of Construction” shall mean:

- (a) The cost of acquiring, erecting, extending, improving, equipping, repairing or refinancing the Project or for any combination of such purposes, demolishing structures on the Project site, and acquiring sites necessary or convenient for such Project;
- (b) The cost of labor, materials, machinery and equipment as payable to contractors, builders and materialmen in connection with the Project;
- (c) Governmental charges levied or assessed during equipping of the Project or upon any property acquired therefor, and premiums on insurance in connection with the Project during construction;
- (d) Fees and expenses of architects and engineers for estimates, surveys and other preliminary investigations, environmental tests, soil borings, appraisals, preparation of plans, drawings and specifications and supervision of the Project properly chargeable to the Project, as well as for the performance of all other duties of architects and engineers in relation to the construction and installation of the Project;
- (e) Expenses of administration, supervision and inspection properly chargeable to the Project, including the fees relating to the design, construction and equipping of the Project and all other items of expense, not elsewhere specified in the Indenture incident to the construction, installation and placing in operation of the Project;

- (f) Fees and expenses incurred in connection with the issuance and administration of the Bonds, including but not limited to, fees and expenses of the underwriter for the Bonds and its counsel, the Authority and its counsel, Bond Counsel, the Trustee and its counsel, printing costs and Rating Agency fees;
- (g) Capitalized interest on the Bonds during the maximum term permitted by the Act; and
- (h) Any other cost of the Project permitted to be financed pursuant to the Act.

“Debt Service” shall mean, for any period or payable at any time, the principal (including Amortization Installments) of and interest on the Bonds or Additional Secured Indebtedness, as the context of usage shall indicate, to that period or payable at that time, whether due at maturity or redemption or otherwise.

“Debt Service Payment Date” shall mean each Interest Payment Date and Principal Maturity Date.

“Debt Service Requirement” shall mean, for any Bond Year, the sum of:

- (a) the amount required to pay the interest becoming due on the Bonds or Additional Secured Indebtedness (as applicable) during such Bond Year; and
- (b) the aggregate amount required to pay the principal becoming due on the Bonds or Additional Secured Indebtedness (as applicable) during such Bond Year.

In calculating the Debt Service Requirement for any period:

- (1) the Authority shall deduct from the amounts calculated in Subparagraph (a) through (b) above: (i) any capitalized interest deposited into the Bond Fund for such period from the proceeds of the sale of such Bonds or otherwise, and (ii) any investment earnings to be received on moneys on deposit in the Bond Fund and accounts therein and required by the terms of the Indenture to be retained in such Bond Fund; and
- (2) the stated maturity date of any Term Bonds shall be disregarded and the Amortization Installments applicable to such Term Bonds in such Bond Year shall be deemed to mature in such Bond Year.

“Depository” shall mean any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-entry Form, including, but not limited to, DTC.

“Director of Finance” shall mean the duly appointed and serving Director of Finance, Acting Director of Finance or other person exercising the duties of the Director of Finance of the Metropolitan Government.

“DTC” shall mean The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

“DTC Participant(s)” shall mean securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

“Event of Default” shall have the meaning given to that term in the Indenture and summarized herein.

“Fiscal Year” shall mean the period commencing on July 1 of each year and ending on the succeeding June 30 or such other period as may be prescribed from time to time as the fiscal year for the Authority and the Metropolitan Government.

“General Fund” shall mean the General Fund of the Urban Services District of the Metropolitan Government used to account for all governmental financial resources, transactions and activity relating to the general operations of the Urban Services District which are not required to be accounted for in another fund.

“Government Obligations” shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in the Indenture, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

“Indenture” shall mean the Indenture, summarized herein, as originally executed in connection with the issuance of the Series 2013 Bonds or as it may from time to time be supplemented or amended by one or more indentures supplemental thereto.

“Interest Payment Date” shall mean, with respect to (a) any Series, any date on which interest is stated to be due on the Bonds; and (b) any date on which interest becomes due thereon on account of early redemption thereof or on account of the happening of an event which under the terms of the Bonds, requires a payment of interest to be made thereon.

“Maximum Debt Service Requirement” shall mean, as of any particular date of calculation, the Debt Service Requirement for any future Bond Year which is greatest in dollar amount with respect to all Outstanding Bonds.

“Mayor” shall mean the duly elected and serving Metropolitan County Mayor of the Metropolitan Government.

“MDHA” shall mean the Metropolitan Development and Housing Agency, an agency and instrumentality of the Metropolitan Government.

“Moody's” shall mean Moody's Investors Service, Inc.

“Non-Tax Revenues” shall mean all income and revenues of the Metropolitan Government, which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and normal and customary accounting practices of the Metropolitan Government are deposited to and become assets of the General Fund of the Metropolitan Government derived from any source other than income and revenues derived from the exercise by the Metropolitan Government of its powers to levy and collect taxes of any kind. The term “Non-Tax Revenues” does not include State-shared taxes, revenues of any agency or instrumentality of the Metropolitan Government, revenues which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board are normal and customary accounting practices of the Metropolitan Government, are deposited to and become assets of any proprietary fund or enterprise fund of the Metropolitan Government.

“Officers' Certificate”, with reference to the Lessee, shall mean a certificate signed by an officer of the Lessee, with reference to the Authority, shall mean a certificate signed by the Chair or the Vice-Chair and by the Secretary/Treasurer or the Assistant Secretary/Treasurer of the Authority or signed by an Authorized Authority Representative, and, with reference to the Metropolitan Government, shall mean a certificate signed by the Mayor, the Director of Finance, or an Authorized Metropolitan Government Representative.

“Opinion of Counsel” shall mean a written opinion of counsel who may, but need not, be Bond Counsel, counsel for the Authority, counsel for the Lessee, or counsel for the Metropolitan Government.

“Outstanding”, when used with reference to Bonds, shall (subject to the provisions of the Indenture related to demand, request, direction, insert or waiver of Bonds held by the Authority, Metropolitan Government or any person in their control) mean as of any particular time all the Bonds authenticated and delivered by the Trustee under the Indenture, except

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee canceled or for cancellation;

- (b) Bonds for the payment or redemption of which moneys or Government Obligations in the necessary amount shall have been deposited in trust with the Trustee, provided that if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as provided in the Indenture or provisions satisfactory to the Trustee shall have been made for giving such notice; and
- (c) Bonds in substitution for which other Bonds shall have been authenticated and delivered for temporary, lost, stolen or destroyed Bonds.

“Person” shall mean firms, associations, partnerships, joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Principal Maturity Date” means, with respect to any Series, the annual or other periodic date on which principal matures on the Bonds including applicable dates on which Amortization Installments are required to be applied to retire Term Bonds.

“Project” shall mean the ballpark facility, including without limitation, all buildings appurtenant thereto, all other related facilities, fixtures and equipment to be constructed on the Project site, all property necessary and convenient for the Project site, the demolition of structures on such site, and all architectural, engineering, legal and consulting costs incident thereto.

“Rating Agency” shall mean Moody's, Standard & Poor's and any other rating agency which rates any Outstanding Bonds.

“Rebate Fund” shall mean the Rebate Fund established under Section 5.01 of the Indenture and summarized herein.

“Record Date” means, when used with respect to any Series, the fifteenth day of the calendar month next preceding an Interest Payment Date or Principal Maturity Date applicable to that Series, or such other date as may be specified by Supplemental Indenture with respect to such Series.

“Responsible Officers” of the Trustee or any separate trustee or co-trustee under the Indenture shall mean the chairman of the board of directors, the president, every vice president, every assistant vice president, the cashier, every assistant cashier, the secretary, every assistant secretary, every trust officer, and every officer and assistant officer of such Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject.

“Sales Tax Rebate Revenues” shall mean state and local tax revenue derived from the sale of admissions to games of the Team in the ballpark, the sale of food and drink sold on the site of the Project used in conjunction with those games, parking charges and related services, and the sale by the Team of authorized franchise goods and products associated with its operations as a professional sports franchise less local option sales taxes collected in the year preceding the original occupancy of the ballpark, all as set forth in Section 67-6-103(d)(1)(A)(iii), Tennessee Code Annotated.

“Serial Bonds” shall mean any Bonds for the payment of the principal of which no fixed mandatory sinking fund or bond redemption deposits are required to be made prior to the 12-month period immediately preceding the stated date of maturity of the such Bonds.

“Series” or “Series of Bonds” shall mean the initial Series of Bonds authorized under the Indenture and any additional Series of Bonds issued pursuant to a Supplemental Indenture in accordance with the Indenture.

“Series 2013 Bonds” shall mean the Series 2013A Bonds and the Series 2013B Bonds.

“Series 2013A Bonds” shall mean the Public Improvement Revenue Bonds (Ballpark Project), Series 2013A of the Authority issued and from time to time outstanding under the Indenture.

“Series 2013B Bonds” shall mean the principal amount of Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable) of the Authority issued and from time to time outstanding under the Indenture.

“Standard & Poor's” shall mean Standard & Poor's Ratings Group, a division of McGraw-Hill Financial Services Company, a corporation organized and existing under the laws of the State of New York, its successors and their assigns.

“State” shall mean the State of Tennessee.

“Supplemental Indenture” shall mean an indenture supplemental to the Indenture authorized pursuant to the Indenture.

“Tax Certificate” shall mean any agreement or certificate of the Authority and the Metropolitan Government that the Authority and the Metropolitan Government may execute in order to establish and maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds, if applicable.

“Tax-Exempt Bonds” shall mean any Bonds the interest on which is intended to be excluded from gross income for the holders thereof under federal tax laws.

“Team” shall mean MFP Baseball, LLC.

“Team Lease” shall mean any lease agreement now or hereafter executed by the Authority, as lessor, and the Team, as lessee, providing for the use of the Project by the Team.

“Team Lease Payments” shall mean all payments of rent made by the Team to the Authority under the Lease.

“Term Bonds” shall mean the Bonds of a Series, all of which are stated to mature on one date and which are subject to retirement by operation of the Bond Fund established in the Indenture.

“TIF Documents” shall mean (a) that certain tax increment financing note to be issued by MDHA to the Authority in exchange for the loan of funds to MDHA from the TIF Loan Account of the Construction Fund; (b) that certain loan agreement between MDHA and the Authority related thereto; and (c) such other documents and agreements as may be executed by MDHA in connection therewith.

“TIF Payments” shall mean all debt service payments made by MDHA to the Authority pursuant to the TIF Documents.

“Trust Estate” or “trust estate” shall mean the property which is subject to the lien of the Indenture or intended to be subject to the lien of the Indenture as therein set forth and summarized herein.

“Trustee” shall mean Regions Bank, an Alabama banking corporation, and its successors in interest.

“Underwriter” shall mean Raymond James & Associates, Inc. and such other underwriters as may be designated by the Authority, with respect to the Series 2013 Bonds, and with respect to Additional Bonds, such Underwriter designated in the Supplemental Indenture.

“Written Request”, with reference to the Authority, shall mean a request in writing signed by an Authorized Authority Representative, and with reference to the Metropolitan Government, shall mean a request in writing signed by an Authorized Metropolitan Government Representative.

The Bonds

Pledge and Assignment.

All Bonds issued under the Indenture shall be payable solely from and secured by the pledge of and lien on (i) subject to the limitations set forth in the Indenture, all right, title and interest of the Authority in and to the Team Lease, including any extension or renewal of the term thereof, and Team Lease Payments (except for any rights of the Authority to reimbursement and payment of costs and expenses under the Team Lease, and to exemption from liability, both individual and corporate, under the Team Lease); (ii) all right, title and interest of the Authority and the Metropolitan Government in and to the Sales Tax Rebate Revenues; (iii) all right, title and interest of the Authority in and to the TIF Documents and the TIF Payments; (iv) all right, title and interest of the Metropolitan Government in and to the Non-Tax Revenues, but only to the extent Team Lease Payments, Sales Tax Rebate Revenues and TIF Payments are not sufficient to pay Debt Service on any Debt Service Payment Date; (v) all rents, issues, profits, income and other sums due and to become due under and pursuant to any of the foregoing; (vi) all moneys and securities in any one of the funds or accounts established under the Indenture and (vii) all property which is by the express provisions of the Indenture required to be subject to the lien thereof and any additional property that may, from time to time, be subjected to the lien thereof, by the Authority, by the Metropolitan Government or by anyone in their behalf (collectively, the "Trust Estate"). Notwithstanding the foregoing, Team Lease Payments shall be used solely for the payment of the Debt Service on the Series 2013B Bonds and such other Series of Bonds as may be identified in a Supplemental Resolution by the Authority, provided that prior to the pledge of Team Lease Payments to the holders of additional Series of Bonds, the Authority shall have received an opinion of Bond Counsel that such pledge will not adversely affect the exclusion of the interest on any Tax-Exempt Bonds then Outstanding.

The Bonds are not general obligations of the Authority or the Metropolitan Government but are limited obligations payable solely from the revenues and income which are a part of the Trust Estate and are specifically pledged to such purpose in the manner and to the extent provided in the Indenture. Neither the State nor any political subdivision thereof, including the Authority and the Metropolitan Government, shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and the Metropolitan Government, is pledged to the payment of the principal of or interest on the Bonds or other costs incident thereto. The Authority has no taxing power.

Payment of Bonds.

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and premium, if any, on the Bonds shall be payable at the office of the Trustee, and payment of the interest on each Bond shall be made by the Trustee on each interest payment date to the person appearing on the registration books maintained by the Trustee as the registered owner thereof on the Record Date by check or draft mailed to such registered owner at his address as it appears on such registration books; provided, however, that a registered owner of at least \$1,000,000 in principal amount of Bonds may, by written request filed with the Trustee on or before fifteen (15) days prior to the Record Date, receive payment of interest by wire transfer to a United States financial institution located in the continental United States for credit to an account maintained in the name of the registered owner at such financial institution. Any interest on any Bond which is payable but which is not punctually paid or duly provided for ("Defaulted Interest") shall cease being payable to the Person in whose name such Bond is registered at the close of business on the Record Date and instead shall be payable to the Person in whose name such Bond is registered in the Bond Register at the close of business on a Special Record Date selected by the Trustee and which shall be at least 10 days but not more than 30 days before the date selected by the Trustee for payment of such Defaulted Interest. The Trustee shall give notice by mail of the Special Record Date and date for payment of Defaulted Interest at least 10 days before the Special Record Date. Payment of the principal of and premium, if any, on all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

Temporary Bonds; Lost, Stolen or Destroyed Bonds.

Bonds of any Series may be initially issued in temporary form exchangeable for definitive Bonds of the same Series when ready for delivery. The temporary Bonds shall be of such denomination or denominations, without coupons, as may be determined by the Authority, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same Series and maturity of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under the Indenture as definitive Bonds authenticated and delivered under the Indenture.

In case any temporary or definitive Bond issued under the Indenture shall become mutilated, or be lost, stolen, or destroyed, the Authority, in its discretion, shall issue, and the Trustee shall authenticate and deliver, a new Bond of like tenor, amount, maturity and date, and bearing the same or a different number, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond, or if any such Bond shall be about to mature, instead of issuing a substituted Bond the Authority may pay or authorize payment of such Bond without surrender thereof.

In every case the applicant shall furnish evidence satisfactory to the Authority and the Trustee of the destruction, theft or loss of such Bond, and indemnity satisfactory to the Authority and the Trustee; and the Authority and the Trustee may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Authority for the expense incurred by it in the issue thereof.

Additional Bonds

The Authority covenants and agrees that no additional Series of Bonds shall be issued under the Indenture except in accordance with the terms and conditions of the Indenture.

Additional Bonds may be issued on a parity and equality of lien on the Trust Estate with the Series 2013 Bonds if all the following conditions are met:

- (1) all of the payments into the respective funds and accounts provided for in the Indenture shall have been made in full to the date of issuance of said Additional Bonds;
- (2) the Authority and the Metropolitan Government shall be in substantial compliance with all of the covenants, agreements and terms of the Indenture;
- (3) the Additional Bonds shall be issued only for the purpose of providing funds to (i) pay additional Costs of Construction of the Project, or (ii) refund any or all of the Outstanding Bonds; and
- (4) either:
 - A. the Additional Bonds are issued solely for the purpose of refunding any Outstanding Bonds and the refunding results in a reduction in Debt Service payable by the Authority under the Indenture; or
 - B. following the issuance of the Additional Bonds, the total amount of Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded Fiscal Year of the Metropolitan Government equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to the Outstanding Bonds under the Indenture and any Additional Secured Indebtedness.

Additional Bonds authorized to be issued under the Indenture shall be in such denomination or denominations, shall contain such variant provisions, if any, as to date, maturity or serial maturities, interest rate or interest rates, redemption terms, sinking fund provisions, if any, and shall be limited to such aggregate principal amount, as shall be set forth in a Supplemental Indenture adopted pursuant to the terms of the Indenture at the time such Additional Bonds are authorized.

So long as no Event of Default shall be continuing under the Indenture, the Authority may issue Additional Bonds under the Indenture pursuant to the provisions and limitations therein set forth for any one or more purposes set forth therein; provided, however, that in no event shall the Authority issue any Additional Bonds under the Indenture if as a result of the issuance thereof the interest on any Outstanding Tax-Exempt Bonds will not be excludable from the gross income of the recipients thereof for federal income tax purposes.

Additional Secured Indebtedness

The Metropolitan Government covenants and agrees that, from and after the delivery of the Series 2013 Bonds and continuing so long as any Bonds are Outstanding under the Indenture, it will not issue or incur any indebtedness payable from or secured by a pledge of or lien on the Non-Tax Revenues, nor will it pledge the Non-Tax Revenues or create a lien on or security interest in Non-Tax Revenues to secure by indebtedness or obligation of the Metropolitan Government, the Authority, or any other Person, unless all the following conditions are met and in which case, such pledge, lien and/or security interest shall be subordinate to the pledge in favor of the Bonds:

- (1) all the payments into the respective funds and accounts provided for in the Indenture, as supplemented, shall have been made in full to the date of issuance of said Additional Secured Indebtedness or the creation of the lien, security interest or pledge described in the Indenture;
- (2) the Authority and the Metropolitan Government shall be in substantial compliance with all of the covenants, agreements and terms of the Indenture, as supplemented; and
- (3) following the issuance of such additional indebtedness or the creation of such lien, pledge or security interest, the total amount of Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded Fiscal Year of the Metropolitan Government equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to any Bonds Outstanding under the Indenture and all Additional Secured Indebtedness.

The Authority covenants and agrees that so long as any Bonds are Outstanding under the Indenture, it will not issue or incur any indebtedness payable from or secured by a pledge of or lien on the TIF Payments, nor will it pledge the TIF Documents or the TIF Payments or create a lien or security interest in the TIF Documents or TIF Payments to secure any indebtedness or obligation of the Metropolitan Government, the Authority or any other Person.

Ratable Security

All Bonds of all Series from time to time Outstanding under the Indenture shall be equally and ratably secured as to principal, premium, if any, and interest by the Indenture.

Redemption

The Authority covenants that any and all moneys received by it which are to be used to redeem Bonds shall be paid to the Trustee under the Indenture and, in such event, the Trustee shall use any and all such moneys to redeem Bonds when and as the Bonds shall in accordance with their terms be redeemable. The Series 2013 Bonds are redeemable in the manner, at the time or times and at the premiums, if any, specified in the Indenture, and Bonds of each other Series are redeemable in the manner, at the time or times and the premiums, if any, specified in the Supplemental Indenture relating to such Series.

If less than all of the Bonds of a Series are called for redemption, the Board shall select the Series of Bonds to be redeemed, the maturity or maturities of Bonds to be redeemed and the amounts of such maturity or maturities to be redeemed by notifying the Trustee of such selection in writing. If less than all of the Bonds of a particular maturity of a Series shall be called for redemption, the particular portions (\$5,000 or any integral multiple thereof) of Bonds to be redeemed shall be selected by the Trustee by lot or in such other random manner as the Trustee in its discretion may determine.

Accounts and Investment of Funds

Creation of Bond Funds.

There is created by the Authority and ordered established with the Trustee an irrevocable trust fund to be designated "Sports Authority Ballpark Bond Fund" which shall be used to pay the principal of and interest on the Bonds as provided in the Indenture, and within the Bond Fund, an account for each Series of Bonds issued under the Indenture, the first such accounts to be designated as the "Series 2013A Account" and the Series 2013B Account".

Payments into Bond Fund.

(a) There shall be deposited into the Series 2013A Account and any other account of the Bond Fund hereafter established (other than those accounts described in subsection (b) below), as and when received, pro rata among accounts, the following:

- (i) any amount in the Construction Fund to be paid into the Bond Fund in accordance with the terms of the Indenture;
- (ii) all Sales Tax Rebate Revenues;
- (iii) all TIF Payments; and
- (iv) any such other amounts as may be directed by the Authority or the Metropolitan Government.

(b) There shall be deposited into the Series 2013B Account of the Bond Fund and any other account identified in a Supplemental Indenture and with respect to which the Trustee has received an opinion of Bond Counsel that the inclusion of such other account within this subsection (b) will not adversely affect the tax-exempt status of any Outstanding Tax-Exempt Bonds, as and when received, pro rata among accounts, the Team Lease Payments.

Use of Moneys in Bond Fund; Requisition of Non-Tax Revenues.

Moneys in each account of the Bond Fund described above shall be used first to pay ongoing fees and expenses of the Trustee, Rating Agencies and costs of administration for the Bonds, as and when due, payable pro rata among accounts; and second for the payment of the principal of and interest on the Series of Bonds for which such account was established. On the 15th day preceding each Debt Service Payment Date, the Trustee may transfer funds from one account in excess of that needed to pay ensuing applicable Debt Service to another account having a deficiency in the amount needed to pay ensuing applicable Debt Service. Amounts in the Bond Fund in excess of the amount needed to pay Debt Service on any Principal Payment Date, after making the transfers described in the preceding sentence, shall be transferred first to the Metropolitan Government, in an amount equal to all prior advances of Non-Tax Revenues pursuant to the Indenture as summarized below (which have not theretofore been likewise reimbursed) and then to the Authority to be used for any lawful purpose.

In the event amounts on deposit in the Bond Fund on the 30th day prior to any Debt Service Payment Date are insufficient to provide for the payment of all Debt Service coming due on such Debt Service Payment Date, the Trustee shall immediately notify the Metropolitan Government and the Authority of such event and the amount of

such insufficiency that exists in the Bond Fund. If there still remains a deficiency in the Bond Fund as of the 10th day prior to a Debt Service Payment Date, the Trustee shall immediately, and in no event later than the close of business such 10th day prior to the Debt Service Payment Date, notify the Metropolitan Government and the Authority of such remaining deficiency and the amount of such deficiency in the Bond Fund. Upon being so notified by the Trustee of the remaining deficiency, the Metropolitan Government shall deposit to the Bond Fund an amount of Non-Tax Revenues equal to such insufficiency no later than three Business Days prior to such Debt Service Payment Date. Immediately upon receipt of such funds from the Metropolitan Government, the Trustee shall immediately deposit such Non-Tax Revenues into the applicable account(s) of the Bond Fund and shall use such funds on the next Debt Service Payment Date, along with all other funds on deposit therein, to pay principal and interest coming due on such Debt Service Payment Date. In the event other funds become available to the Trustee to pay principal and interest coming due on such Debt Service Payment Date and all or a portion of the Non-Tax Revenues are not applied to the payment of principal and interest, then the Trustee shall transfer such unused Non-Tax Revenues back to the Metropolitan Government not later than the Business Day next following such Debt Service Payment Date.

The Trustee shall make monthly reports to the Authority and the Metropolitan Government of all moneys received and expended by it.

Creation of Construction Fund.

There is created and established by the Authority a fund to be designated “The Sports Authority of The Metropolitan Government of Nashville and Davidson County, Construction Fund (Ballpark Project), Series 2013” to be kept separate and apart from all other funds of the Metropolitan Government and the Authority.

Within the Construction Fund there shall be two accounts: the General Account and the TIF Loan Account. The General Account shall be held and maintained by the Metropolitan Government on behalf of the Authority. Amounts on deposit in the General Account of the Construction Fund shall be disbursed solely to pay the Costs of Construction of the Project including the costs of issuance of the Series 2013 Bonds. Amounts on deposit in the General Account of the Construction Fund shall be disbursed by the Director of Finance or his designee.

Amounts on deposit in the TIF Loan Account of the Construction Fund shall be immediately loaned to MDHA in exchange for MDHA’s delivery of the TIF Documents. MDHA shall maintain all such loaned funds in a special and separate account (the “MDHA Account”), and shall apply such funds only to the payment of the Costs of Construction which are also eligible to be financed within the boundaries of the Phillips-Jackson Redevelopment Plan pursuant to Section 13-20-201 *et seq.*, Tennessee Code Annotated (the “Redevelopment Act”). MDHA shall only pay funds from such account upon receipt of a requisition signed by the Metropolitan Government identifying the Costs so incurred and certifying as to their eligibility for financing under the Redevelopment Act.

Money in each account in the Construction Fund (including the MDHA Account) shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said account of the Construction Fund. Money in each account of the Construction Fund shall be expended only for the purposes authorized in the Indenture. Moneys in the Construction Fund shall be invested in Authorized Investments as shall be directed by the Director of Finance or his designee. All income derived from such investments shall be retained in the applicable account of the Construction Fund and applied in the same manner as all other funds therein.

The Metropolitan Government shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and after the Project shall have been completed and a certificate of payment of all costs filed as provided in this section, the Metropolitan Government shall, if requested by the Authority, file an accounting thereof with the Authority. MDHA shall provide the Metropolitan Government and the Authority with monthly reports of all moneys received and expended by it.

Completion of Project.

The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee and the Authority of a certificate of an Authorized Metropolitan Government Representative. As soon as practicable after receipt of the certificate referred to in the preceding sentence, any balance remaining in the MDHA Account and the General Account shall be deposited to the Bond Fund. Any amount transferred from the MDHA Account to the Bond Fund in excess of the aggregate investment earnings within such account shall serve to reduce the principal amount of the debt obligation evidenced by the TIF Documents, with such reduction being applied to the reduction of principal in inverse order of maturity.

Rebate Fund.

A special trust fund is established with the Trustee and designated as the "Sports Authority Ballpark Rebate Fund". The Trustee is authorized and directed to receive and hold in the Rebate Fund (i) all payments made thereto by the Metropolitan Government or the Authority, and (ii) all earnings on investment of such payments and earnings on reinvestment of such investment earnings.

Not later than 60 days after each "computation date" (as defined in the Treasury Regulations relating to Section 148(d) of the Code) the Trustee shall pay to the United States on behalf of the Authority the amount on deposit in the Rebate Fund with respect to the applicable Series of Tax-Exempt Bonds.

Moneys and securities held by the Trustee in the Rebate Fund shall not be deemed funds of the Authority and are not pledged or otherwise subject to any security interest in favor of the Bonds.

Trust Funds.

All moneys received by the Trustee and the Metropolitan Government under the provisions of the Indenture shall be trust funds under the terms thereof and shall not be subject to lien or attachments of any creditor of the Authority or the Metropolitan Government except as set forth in the Indenture. Such moneys shall be held in trust and applied in accordance with the provisions of the Indenture.

Investment of Funds.

Any moneys held as part of the Bond Fund and the Rebate Fund shall, to the extent permitted by law, at the oral request, promptly confirmed in writing, of and as specified by the Director of Finance, be invested and reinvested in Authorized Investments. Any such investments shall be held by or under the control of the Trustee for funds held by the Trustee under the Indenture and by and under the control of the Metropolitan Government for funds held by the Metropolitan Government under the Indenture, and shall be deemed at all times a part of the Bond Fund or the Rebate Fund, as the case may be, and the interest accruing thereon and any profit realized from such investments shall be credited to the respective Fund, and in the case of the Bond Fund constitute a credit against the next payment or payments required under the Indenture, and any loss resulting from such investments shall be charged to such Fund. The Trustee, the Authority and the Metropolitan Government, as applicable, are directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in the Construction Fund or the Bond Fund is insufficient to pay amounts properly payable therefrom. The Trustee and the Authority covenant that at any time that they have discretion as to investment they will not knowingly use or invest the proceeds of the Bonds in any manner which will cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code. The Trustee may make any and all investments permitted under this section through its own Bond Department.

Remaining Amounts in Funds.

Any amounts remaining in the Bond Fund (or in the Construction Fund if the same is still in existence at such time), or the Rebate Fund after payment in full of the principal of, interest and premium, if any, on the Bonds (or provision for payment thereof as provided in the Indenture), the fees, charges and expenses of the Trustee and

any paying agents and all other amounts required to be paid under the Indenture including rebate to the United States government, shall be promptly paid to the Metropolitan Government.

Covenants of the Authority and the Metropolitan Government

Payment of Bonds.

Subject to certain provisions of the Indenture summarized herein, the Authority covenants that it will promptly pay the principal of and interest on every Bond issued under the provisions of the Indenture at the place, on the dates and in the manner provided in the Indenture and in said Bonds, and any premium required for the retirement of said Bonds by purchase or redemption according to the true intent and meaning thereof, and, on or before each date on which any principal of or premium, if any, or interest on any of the Bonds becomes payable, whether at stated maturity thereof, by call for redemption, by declaration or otherwise, the Authority will irrevocably

deposit or cause to be deposited with the Trustee under the trusts of the Indenture, the entire amount necessary to pay all the principal, premium, if any, and interest payable on such date on all Bonds then Outstanding.

Books and Records.

The Authority covenants and agrees to keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the revenues received or disbursed pursuant to the Indenture and amount thereof forwarded to the Trustee, and such books shall be available for inspection by the Authority and the holder of any of the Bonds at reasonable hours and under reasonable conditions.

Maintenance of Non-Tax Revenues.

The Metropolitan Government covenants and agrees that, from and after the delivery of the Series 2013 Bonds and continuing so long as any Bonds are Outstanding under the Indenture, the Metropolitan Government will maintain Non-Tax Revenues in an amount which equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to the Outstanding Bonds under the Indenture and any Additional Secured Indebtedness.

Representations and Covenants of the Authority as to the Team Lease.

The Authority covenants and agrees that it will not sell, transfer, assign or otherwise dispose of all or any part of its interest in the Team Lease (other than to the Trustee under the Indenture or as specifically authorized pursuant to the provisions of the Team Lease) or assign, transfer or hypothecate (other than to the Trustee under the Indenture) any payments of Team Lease Payments then due or to accrue in the future under the Team Lease. The Authority further covenants and agrees that it will not create or consent to the creation or existence of any mortgage or lien to secure the payment of indebtedness upon the Authority's interest under the Team Lease or the leasehold estate created thereby or any part thereof. The Authority covenants that, upon execution of the Team Lease, and continuing so long as any Bonds are Outstanding under the Indenture, the Authority will be lawfully possessed of the Team Lease Payments payable under the Team Lease; that the Team Lease will be a valid and subsisting demise under the terms therein set forth of the property which it purports to demise; that the Team Lease will be lawfully made by the Team; that the covenants contained in the Team Lease will be valid and binding and not inconsistent with the terms of the Indenture; that the Authority will have good right, full power and lawful authority to grant, bargain and assign, and to transfer in trust, convey and pledge the Team Lease and the Team Lease Payments in the manner and form provided in the Indenture.

The Authority and the Trustee shall without the consent of or notice to the holders of the Outstanding Bonds consent to any amendment, change or modification of the Team Lease as may be required (i) by the provisions of the Team Lease and the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the holders of the Bonds.

The Authority further covenants that it will not do or permit anything to be done, or omit or refrain from doing anything in any case where any such act done, or permitted to be done, or any such omission of or refraining from action would or might be a ground for declaring a forfeiture of the Team Lease.

Books and Records of the Metropolitan Government.

The Metropolitan Government will keep books and records of the TIF Payments, Sales Tax Rebate Revenues, and Non-Tax Revenues, in which complete and correct entries shall be made in accordance with generally accepted accounting principles of all transactions relating thereto; any registered owner shall have the right at all reasonable times to inspect all books, records, accounts and data of the Metropolitan Government relating thereto.

The Metropolitan Government shall, within 180 days after the close of each Fiscal Year, cause the books, records and accounts of the Metropolitan Government for such preceding Fiscal Year to be properly audited by independent certified public accountants, and the Metropolitan Government shall mail upon written request, and make available generally, said report or a reasonable summary thereof, to any registered owner at the cost of such registered owner.

Collection and Maintenance of TIF Payments, Sales Tax Rebate Revenues and Non-Tax Revenues.

The Metropolitan Government and/or the Authority shall collect and receive the TIF Payments, the Sales Tax Rebate Revenues, and the Non-Tax Revenues and shall not take any action or permit to be taken any action which would in any way cause the TIF Payments, or the Sales Tax Rebate Revenues to be applied to any purpose other than the payment of Debt Service on the Bonds.

The Authority covenants and agrees that it will not sell, transfer, assign or otherwise dispose of all or any part of its interest in the TIF Documents (other than to the Trustee under the Indenture or as specifically authorized pursuant to the provisions thereof) or assign, transfer or hypothecate (other than to the Trustee under the Indenture) any payments on the TIF Documents then due or to accrue in the future thereunder. The Authority further covenants and agrees that it will not create or consent to the creation or existence of any mortgage or lien to secure the payment of indebtedness upon the Authority's interest in the TIF Documents or any part thereof. The Authority covenants that at all times during which the Bonds are Outstanding it will be lawfully possessed of the TIF Documents; and that the Authority will have good right, full power and lawful authority to grant, bargain and assign, and to transfer in trust, convey and pledge the TIF Documents in the manner and form provided in the Indenture.

The Authority may, without the consent of or notice to the holders of the Outstanding Bonds consent to any amendment, change or modification of the TIF Documents as may be required (i) by the provisions of the TIF Documents and the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the holders of the Bonds.

Use of Revenues.

So long as the requirements of the Indenture relating to maintenance of revenues are met, the Metropolitan Government may use and apply the Non-Tax Revenues to such purposes and uses as the Metropolitan Government, acting by and through the Metropolitan Council, shall deem appropriate.

Issuance of Other Obligations Payable Out of TIF Payments, Sales Tax Rebate Revenues and Non-Tax Revenues.

The Metropolitan Government will not issue any other indebtedness or obligations payable from the revenues and income which are a part of the Trust Estate, except as provided in the Indenture, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge upon any of the Trust Estate except as provided in the Indenture.

Further Assurances.

The Authority and the Metropolitan Government will, at their cost, without expense to the Trustee or the holders of the Bonds, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged, and delivered all and every such further acts, conveyances, mortgages, assignments, transfers and assurances as the Trustee shall require, for the better assuring, conveying, mortgaging, assigning and confirming unto the Trustee the Trust Estate thereby mortgaged, conveyed or assigned or intended so to be, or which the Authority or the Metropolitan Government may be or may hereafter become bound to mortgage, convey or assign to the Trustee, or for carrying out the intention or facilitating the performance of the terms of the Indenture. The Authority and the Metropolitan Government shall execute and deliver such Supplemental Indentures and such further instruments and

do such further acts as the Trustee may reasonably require for the better assuring, assigning and confirming to the Trustee the amounts assigned under the Indenture for the payment of the Bonds.

Tax Compliance.

The Authority and the Metropolitan Government covenant that they will restrict the use of the proceeds of any Tax Exempt Bonds in such manner and to such extent, if any, as may be necessary so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code. The Chair or Vice-Chair of the Board, the Director of Finance of the Metropolitan Government or any other officer having responsibility for the issuance of such Series of Tax-Exempt Bonds shall give an appropriate certificate of the Authority and the Metropolitan Government, as applicable, for inclusion in the transcript of proceedings for such Series of Tax-Exempt Bonds, setting forth the reasonable expectations regarding the amount and use of all the proceeds of the Series of Tax-Exempt Bonds, the facts, circumstances, and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Series of Tax-Exempt Bonds. Each such officer is further authorized to make or effect any election, selection, choice, consent, approval, or waiver on behalf of the Authority with respect to each Series of Tax-Exempt Bonds as the Authority is permitted or required to make or give under the federal income tax laws, for the purposes of assuring, enhancing, or protecting favorable tax treatment or characterization of the Series of Tax-Exempt Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such officer. Any such action of such officer shall be in writing and signed by the officer.

The Authority and the Metropolitan Government covenant that they (a) will take or cause to be taken such actions which may be required of them for the interest on each Series of Tax-Exempt Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion and that they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of Tax-Exempt Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate or penalty payments to the federal government, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Authority is authorized to retain the services of Bond Counsel and is authorized and directed to take any and all actions make calculations and rebate or penalty payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Limitation on Liability.

Anything in the Indenture to the contrary notwithstanding, the performance by the Authority and the Metropolitan Government of all duties and obligations imposed upon them by the Indenture, the exercise by them of all powers granted to them under the Indenture, the carrying out of all covenants, agreements, and promises made by them under the Indenture, and the liability of the Authority and the Metropolitan Government for all warranties and other covenants under the Indenture, shall be limited solely to the Trust Estate, including revenues and receipts which are a part thereof, and neither the Authority nor the Metropolitan Government shall be required to effectuate any of their duties, obligations, powers or covenants under the Indenture except to the extent of the Trust Estate and such revenues and receipts.

Events of Default; Remedies

Events of Default.

An Event of Default shall occur under the Indenture if one or more of the following events shall happen:

- (a) if default shall be made in the due and punctual payment of the principal of, or interest or premium (if any) on any Bond when and as the same shall become due and payable;
- (b) subject to certain provisions of the Indenture summarized herein, if default shall be made by the Authority or the Metropolitan Government in the performance or observance of any other of the covenants, agreements or conditions on their part in the Indenture or in the Bonds contained, and such default shall have continued for a period of 60 days after written notice thereof specifying such default and requiring the same to be remedied, shall have been given to the Authority and the Metropolitan Government by the Trustee, or to the Authority, the Trustee and the Metropolitan Government by the holders of not less than 25% in aggregate principal amount of the Bonds at the time outstanding; or
- (c) if (i) the Authority files a petition in bankruptcy or for composition under any State or Federal bankruptcy or insolvency law, or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver for itself or the whole or any part of its property, or (ii) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Authority, of the whole or any part of its property, or approving a petition filed against the Authority seeking the bankruptcy or arrangement or reorganization of the Authority under any applicable law or statute of the United States or the State of Tennessee and such order, judgment or decree shall not be vacated, set aside or stayed within sixty days from the date of the entry thereof, or (iii) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control, and if as a result of any of the foregoing events described in clauses (i) to (iii) any court, trustee or receiver either (A) asserts jurisdiction over or attempts in any way to obtain possession of any part of the Trust Estate, including the TIF Payments, Sales Tax Rebate Revenues, Non-Tax Revenues, and Team Lease Payments, or (B) seeks to disaffirm or reject any obligations of the Authority under the Indenture or the Bonds.

Rights and Remedies.

The Trustee, in case of the happening of an Event of Default, may, and upon the written request of the holders of not less than 25% in principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction, shall exercise any or all rights of the Authority under the Lease and the TIF Documents.

The Trustee may proceed to protect and enforce its rights and the rights of the holders of the Bonds under the Indenture by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained in the Indenture or in aid of the execution of any power therein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the Bonds and/or the Indenture. All rights of action under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on any trial or other proceeding relative thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be for the ratable benefit of the holders of the Bonds.

The Trustee is appointed, and the successive respective holders of the Bonds by taking and holding the same shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective holders of the Bonds, with authority to make or file, in the respective names of the holders of the Bonds or on behalf of all holders of the Bonds, as a class, any proof of debt, amendment to proof of debt, petition or other documents; to receive payment of all sums becoming distributable on account thereof; and to execute any other papers and documents and to do and perform any and all acts and things for and in behalf of all holders of the Bonds as a class, as may be necessary or advisable in the opinion of the Trustee. The Trustee shall have full power of substitution and delegation in respect of any such powers. Upon the occurrence of an event of default under the Lease the Trustee may enforce any and all rights of the Authority thereunder.

Application of Moneys.

The proceeds of any remedial action taken pursuant to the Indenture shall be paid to and applied by the Trustee as follows:

- (a) To the payment of all reasonable costs and expenses of suit, if any, and the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made under the Indenture by the Trustee or by any holder or holders of the Bonds, and of all taxes, assessments or liens superior to the lien of these presents;
- (b) To the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;
- (c) To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on the principal amount of the Bonds at the respective rates specified therein from the respective dates upon which the Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with the interest, then to the payment first of the interest, ratably, according to the amount of the interest due on that date, and then to the payment of the principal, ratably, according to the amount of the principal due on that date, to the persons entitled thereto without any discrimination.
- (d) To the payment of the surplus, if any, to the Metropolitan Government, their successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

No Waivers.

No delay or omission of the Trustee or of any holder of any of the Bonds to exercise any right or power arising from any default on the part of the Authority shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Trustee or Bondholders of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided in the Indenture. No remedy under the Indenture is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given under the Indenture or otherwise existing.

Limitation on Suits.

No Bondholder shall have any right to institute or prosecute any suit or proceeding at law or in equity for the foreclosure of the Indenture, for the appointment of a receiver of the Trust Estate, or for the enforcement of any of the provisions of the Indenture or of any remedies under the Indenture in respect to the Trust Estate unless (a) the holders of twenty-five per cent (25%) in aggregate principal amount of the Bonds then outstanding have requested the Trustee in writing to take such action; (b) the holders of the Bonds shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and (c) the Trustee shall have neglected for 60 days after its receipt of such written notice and offer of indemnity to take such action; provided, however, that the right of any holder of any Bond to receive payment of the principal thereof and/or premium, if any, and/or interest thereon on or after the respective due dates expressed therein or to

institute suit for the enforcement of any such payment shall not be impaired or affected without the consent of such holder.

Metropolitan Government's Authority to Perform Authority's Covenants.

With regard to any alleged default concerning which notice is given to the Metropolitan Government under the provisions of the Indenture, the Authority grants the Metropolitan Government full authority for the account of the Authority to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

The Trustee

Reports of Trustee.

Not more than two months after the close of each Fiscal Year of the Authority, the Trustee shall furnish to the Authority and the Metropolitan Government a complete financial statement covering receipts, disbursements, allocation and application of revenues for such Fiscal Year accruing to the Trust Estate and dates and amount thereof forwarded to the Trustee for such Fiscal Year. The Trustee shall at all times have access to the books and records of the Authority. The records of the Trustee pertaining to the Bonds shall be available to and open for inspection by the Authority or any Bondholder upon reasonable notice and the Authority covenants that it shall promptly furnish the Trustee such additional information as is deemed necessary by the Trustee to carry out the provisions of the Indenture and the trust created thereby.

Acceptance of Trust and Obligations.

The Trustee shall, prior to an Event of Default, and after the curing of all such events of default which may have occurred, perform such duties and only such duties as are specifically set forth in the Indenture. The Trustee shall, during the existence of any such event of default (which has not been cured) exercise such rights and powers vested in it by the Indenture and may in its discretion, but shall have no affirmative duty to, take such other actions as it deems to be in the best interest of the Bondholders, exercising such discretion with the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of the Indenture shall be construed to relieve the Trustee from liability for its own willful misconduct or gross negligence, except that,

- (a) prior to such an event of default under the Indenture and after the curing of all such events of default which may have occurred, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any Officers' Certificate, certificate of Authorized Authority Representative, Authorized Metropolitan Government Representative or Opinion of Counsel furnished to the Trustee and believed by it to be genuine and executed by the person or persons

authorized to furnish the same, unless the Trustee knows that the matters upon which the certificate or opinion is based are erroneous; and

- (b) at all times, regardless of whether or not any such event of default shall exist:
- (1) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee unless the Trustee was guilty of willful misconduct or grossly negligent in ascertaining or failing to ascertain the pertinent facts; and
 - (2) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority (or such lesser or greater percentage as is specifically required or permitted by the Indenture) in aggregate principal amount of all Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee.

Money Held in Trust.

All moneys received by the Trustee shall, until used or applied as in the Indenture provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any moneys received by it under the Indenture except such as it may agree with the Authority to pay thereon.

Trustee's Fees and Expenses.

The Trustee shall be entitled to payment of fees for its services rendered under the Indenture and reimbursement of all reasonable advances, reasonable counsel fees and reasonable expenses, and other costs made or incurred by the Trustee in connection with its services and/or its capacity as Trustee or resulting therefrom. When the Trustee incurs fees and expenses or renders services after the occurrence of bankruptcy or insolvency proceedings with respect to the Lessee, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. The Authority shall have no liability to pay any fees, charges or other expenses of the Trustee hereinabove mentioned except from the amounts pledged under the Indenture. If any property, other than cash, shall at any time be held by the Trustee subject to the Indenture, or any supplemental indenture, as security for the Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of the Indenture as such security for the Bonds, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The obligations of the Authority under this section to compensate the Trustee for services and to pay or reimburse the Trustee for expenses, disbursements, liabilities and advances shall constitute additional indebtedness under the Indenture. Such additional indebtedness shall while an Event of Default under the Indenture is continuing have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such.

Requirements of Trustee.

There shall at all times be a trustee under the Indenture which shall be a corporation organized and doing business under the laws of the United States or any State authorized under such laws to exercise corporate trust powers, having a reported capital and surplus of at least \$100,000,000, subject to supervision or examination by federal or state authority and acceptable to the Credit Facility Issuer, if any. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this section, the Trustee shall resign immediately in the manner and with the effect specified in the Indenture.

Resignation or Incapacity of Trustee.

The Trustee may at any time resign by giving written notice by first class mail to the Authority, the Metropolitan Government, and the registered owner of each Bond. Upon receiving such notice of resignation, the Authority, with the prior written approval of the Metropolitan Government, shall promptly appoint a successor trustee by an instrument in writing executed by order of its Board of Directors. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor trustee. Such court may

thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee who must be acceptable to the Metropolitan Government.

In case at any time any of the following shall occur:

- (1) The Trustee shall cease to be eligible in accordance with the provisions of the Indenture and shall fail to resign after written request therefor by the Authority or by any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months, or
- (2) The Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then in any such case, the Authority may remove the Trustee and, with the prior written approval of the Metropolitan Government, appoint a successor trustee by an instrument in writing executed by order of its Board of Directors, or any such Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

The holders of a majority in aggregate principal amount of all the Bonds at the time outstanding may at any time remove the Trustee and appoint a successor trustee, who must be acceptable to the Metropolitan Government, by an instrument or concurrent instruments in writing signed by such Bondholders.

Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this section shall become effective upon acceptance of appointment by the successor trustee as provided in the Indenture.

Concerning Successor Trustee.

Any successor trustee appointed as provided in the Indenture shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment under the Indenture, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts under the Indenture, with like effect as if originally named as trustee in the Indenture; but, nevertheless, on the Written Request of the Authority or the request of the successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts expressed in the Indenture, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor trustee, the Authority shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and duties. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by the Indenture.

No successor trustee shall accept appointment as provided in the Indenture unless at the time of such acceptance such successor trustee shall be eligible under the provisions of the Indenture.

Upon acceptance of appointment by a successor trustee as provided in the Indenture, the Authority shall give written notice by first class mail to each Bondholder and to the Metropolitan Government of the succession of such trustee to the trusts under the Indenture. If the Authority fails to give such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be so mailed at the expense of the Authority.

No Filings for Successor Trustee.

Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to the business of the Trustee, shall be the successor of the Trustee under the Indenture without the execution or filing of any paper or any further act on the part of any of the parties to the Indenture, anything in the Indenture to the contrary notwithstanding, provided that such successor trustee shall be eligible under the provisions of the Indenture; provided, however, notice of such merger shall be given to the Metropolitan Government and upon request of the Metropolitan Government, such trustee or successor trustee shall resign.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Holders.

The Authority, when authorized by resolution of its Board of Directors, and the Metropolitan Government, when authorized by resolution or ordinance of the Metropolitan County Council, and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Indenture contained, may enter into an indenture or indentures supplemental thereto, which indenture or indentures thereafter shall form a part of the Indenture, for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements of the Authority and the Metropolitan Government in the Indenture contained, other covenants and agreements thereafter to be observed or to surrender any right or power in the Indenture reserved or conferred upon the Authority or the Metropolitan Government;
- (b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable and not inconsistent with the Indenture and which shall not adversely affect the interests of the holders of the Bonds;
- (c) to subject, describe or redescribe any property subjected or to be subjected to the lien of the Indenture;
- (d) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, if they so determine, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- (e) to provide for additional Series of Bonds to the extent permitted by the Indenture; and
- (f) in connection with any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the holders of the Bonds.

Any Supplemental Indenture authorized by the provisions of this section may be executed by the Authority, the Metropolitan Government and the Trustee without the consent of the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of the section below, but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Supplemental Indentures Requiring Consent of Holders.

With the consent (evidenced as provided in the Indenture) of the holders of not less than 66-2/3% in aggregate principal amount of the Bonds at the time outstanding, the Authority, when authorized by a resolution of its Board of Directors, and the Metropolitan Government when authorized by resolution or ordinance of the Metropolitan County Council and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental thereto for the purposes of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any Supplemental Indenture and/or providing for additional Series of Bonds to the extent permitted by the Indenture; provided, however, that no such Supplemental Indenture shall (1) extend the fixed maturity of the Bonds or reduce the rate of interest thereon or extend the time of payment of such interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected, or (2) reduce the aforesaid percentage of holders of Bonds required to approve any such Supplemental Indenture, or (3) permit the creation of any lien on the properties assigned under the Indenture prior to or on a parity with the lien of the Indenture (except for the issuance of Additional Bonds permitted under the Indenture) or deprive the holders of the Bonds of the lien created by the Indenture upon said properties, without the consent of the holders of all the Bonds then Outstanding. Upon receipt by the Trustee of a Certified Resolution authorizing the execution of any such Supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Bondholders, as aforesaid, the Trustee shall join with the Authority and the Metropolitan Government in the execution of such Supplemental Indenture unless such Supplemental Indenture affects the Trustee's own rights, duties or immunities under the Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Indenture.

It shall not be necessary for the consent of the Bondholders under this section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Effect of Supplemental Indenture.

Upon the execution of any Supplemental Indenture pursuant to the provisions of the Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under the Indenture of the Authority, the Trustee the Metropolitan Government and all holders of Bonds outstanding thereunder shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Defeasance; Unclaimed Moneys

Discharge of Indebtedness.

If the Authority shall pay and discharge the entire indebtedness on all or any portion of any Series of Bonds outstanding under the Indenture in any one or more of the following ways:

- A. By paying or causing to be paid the principal of (including redemption premium, if any) and interest on all or any portion of any Series of Bonds outstanding under the Indenture, as and when the same become due and payable;
- B. By depositing or causing to be deposited with the Trustee or with an escrow agent with the same qualifications required of a trustee under the Indenture, in trust, at or before the date of maturity or redemption, sufficient money or Government Obligations the principal of and interest on which,

when due and payable, will provide sufficient moneys to pay or redeem all or any portion of any Series of Bonds Outstanding under the Indenture and to pay interest thereon until the maturity or redemption date; and/or

- C. By delivering to the Trustee, for cancellation by it, all or any Series of Bonds outstanding under the Indenture;

and if the Authority shall also pay or cause to be paid all other sums payable under the Indenture by the Authority with respect to all or any portion of any Series of Bonds, then and in that case the Indenture shall cease, determine and become null and void with respect to all or such portion of such Series of Bonds, and thereupon the Trustee shall, upon Written Request of the Authority, and upon receipt by the Trustee of an Officers' Certificate of the Authority and an Opinion of Counsel, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the Indenture with respect to all or any portion of such Series of Bonds have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging the Indenture with respect to all or any portion of such Series of Bonds. The satisfaction and discharge of the Indenture shall be without prejudice to the rights of the Trustee to charge and be reimbursed by the Authority for any expenditures which it may thereafter incur in connection with the Indenture.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered under the Indenture which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Termination of Liability.

Upon the deposit with the Trustee, in trust, at or before maturity, of moneys or Government Obligations in the necessary amount to pay or redeem all or any Series of Bonds outstanding under the Indenture (whether upon or prior to their maturity or the redemption date of such Bonds), and to pay interest thereon until the maturity or redemption date provided that if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in the Indenture provided or provisions satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money or Government Obligations deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of this section.

Unclaimed Moneys.

Notwithstanding any provisions of the Indenture, any moneys deposited with the Trustee or any other paying agent in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for five (5) years after the principal of all the Bonds outstanding under the Indenture has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in the Indenture), shall then be repaid to the Authority and the holders of such Bonds shall thereafter be entitled to look only to the Authority for repayment thereof, and all liability of the Trustee or any other paying agent with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee or other paying agent, as the case may be, may first mail by registered or certified mail to each Bondholder for whom unclaimed money is being held at the address of such Bondholder as shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee or such paying agent, in respect of the Bonds so payable and not presented and in respect of the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. In the event of the repayment of any such moneys to the Authority as aforesaid, the holders of the Bonds in respect to which such moneys were deposited shall thereafter be deemed to be unsecured creditors of the Authority for amounts equivalent to the respective amounts deposited for the payment of such Bonds and so repaid to the Authority (without interest thereon). Notwithstanding the foregoing, the Trustee shall, upon the Written Request of the Authority, repay such moneys to the Authority at any time earlier than five years if failure to repay such moneys to the Authority within such earlier period shall give rise to the operation of any escheat statute under applicable state law.

Miscellaneous Provisions.

No Recourse Against Directors and Metropolitan Government.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture, or in any Bond secured by the Indenture, or under any judgment obtained against the Authority, or the Metropolitan Government or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Indenture, shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Authority, or the Metropolitan Government either directly or through the Authority or the Metropolitan Government, or otherwise, for the payment for or to the Authority or the Metropolitan Government or any receiver thereof, or for or to the holder of any Bond issued under the Indenture or otherwise, of any sum that may be due and unpaid by the Authority upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Authority or the Metropolitan Government or any receiver thereof, or for or to the holder of any Bond issued under the Indenture or otherwise, of any sum that may remain due and unpaid upon the Bonds secured by the Indenture or any of them, is expressly waived and released as a condition of and consideration for the execution of the Indenture and the issue of such Bonds.

No Liability of the Metropolitan Government.

The Metropolitan Government shall not in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds issued under the Indenture except to the extent of the Pledged Revenues, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever in the Indenture or indebtedness by the Authority, and none of the Bonds of the Authority issued under the Indenture or any of its agreements or obligations in the Indenture or otherwise shall be construed to constitute an indebtedness of Metropolitan Government within the meaning of any constitutional or statutory provision whatsoever.

Governing Law. The Indenture shall be governed exclusively by the provisions thereof and by the applicable laws of the State of Tennessee.

