NEW ISSUE
Book Entry Only

Fitch: AA+
Moody's: Aa2
Standard & Poor's: AA
(See "RATINGS" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, interest on the 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. For an explanation of certain tax consequences under federal law, which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the 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).

$51,340,000
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
General Obligation Public Improvement Refunding Bonds, Series 2004

Dated: Date of Delivery

Due: November 15
(as shown on the inside cover)

The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") will issue its $51,340,000 General Obligation Public Improvement Refunding Bonds, Series 2004 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds 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 Bonds. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in denominations of $5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on May 15 and November 15 of each year, commencing on November 15, 2004 calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal, premium, if any, and interest on the 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 Bonds purchased by them. See "DESCRIPTION OF THE BONDS -- Book-Entry Only System."

The Bonds shall not be subject to redemption prior to maturity.

THE BONDS WILL BE DIRECT GENERAL OBLIGATIONS OF THE METROPOLITAN GOVERNMENT. THE FULL FAITH, CREDIT AND TAXING POWER OF THE METROPOLITAN GOVERNMENT ARE IRREVOCABLY PLEDGED FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS. THE BONDS ARE PAYABLE FROM TAXES LEVIED ON ALL TAXABLE PROPERTY IN THE URBAN SERVICES DISTRICT AND THE GENERAL SERVICES DISTRICT OF THE METROPOLITAN GOVERNMENT WITHOUT LIMITATION AS TO RATE OR AMOUNT.

MATURITY SCHEDULE

Year (Nov. 15)	Principal Amount	Interest Rate	Yield	Year (Nov. 15)	Principal Amount	Interest Rate	Yield
2005	$175,000	3.000%	1.450%	2011	$85,000	3.250%	3.250%
2006	4,430,000	5.000	1.680	2012	90,000	3.500	3.400
2007	4,660,000	5.000	2.070	2013	6,185,000	5.000	3.570
2008	4,855,000	3.000	2.460	2014	6,500,000	5.000	3.680
2009	5,045,000	5.000	2.810	2015	6,835,000	5.000	3.790
2010	5,300,000	5.000	3.030	2016	7,180,000	5.000	3.880

The Bonds are offered when, as and if issued by the Metropolitan Government, subject to the approval of legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed upon for the Metropolitan Government by Karl Dean, Director of Law. It is expected that the Bonds will be available for delivery through the Depository Trust Company in New York, New York, on or about September 1, 2004.

Dated: August 17, 2004

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction. No dealer, broker, salesman or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the Bonds, and if given or made, such information or representation must not be relied upon. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor the sale of any of the Bonds implies that there has been no change in the affairs of the Metropolitan Government or the other matters described herein since the date hereof. The information set forth herein has been provided by the Metropolitan Government and by other sources believed to be reliable, but the information is not guaranteed as to its accuracy or completeness. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their 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.

Questions regarding information in this Official Statement should be directed to Celia Y. Kirby, Metropolitan Treasurer, Metropolitan Government, 222 Third Avenue North, Suite 110, Nashville, Tennessee 37201 (615-862-6210).

Table of Contents

GOVERNMENT OFFICIALS

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

The Honorable Bill Purcell
Metropolitan Mayor

The Honorable Howard Gentry, Jr.
Vice Mayor
President of the Metropolitan Council

David L. Manning
Director of Finance

Karl F. Dean
Director of Law

Celia Y. Kirby
Metropolitan Treasurer

Mitzi F. Martin
Chief Accountant

Marilyn S. Swing
Metropolitan Clerk

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
FINANCIAL SUMMARIES

SUMMARY OF GENERAL FUND, FISCAL YEARS 1999-2003
(in thousands of dollars)

	2003	2002	2001[1]	2000	1999
Beginning Fund Balance	$109,488	$100,051	$88,196	$57,970	$58,396
Revenues	642,518	633,548	565,698	558,415	547,903
Expenditures	(608,877)	(575,598)	(464,026)	(466,569)	(470,473)
Other Financing Sources (Uses)	(64,024)	(48,513)	(90,963)	(82,834)	(77,856)
Total Accounting Adjustments and Other Changes	–	–	1,146	91	–
Ending Fund Balance	$79,105	$109,488	$100,051	$67,073	$57,970
Ending Unreserved Fund Balance	$31,160	$63,858	$85,193	$35,472	$32,264

[1] For fiscal year 2001, Beginning Fund Balance was restated due to GASB 33.

AUDITED GENERAL FUND RESULTS, FISCAL YEAR 2003

	Combined General Fund		
	Budgeted	Actual	Difference
Revenues	$ 639,894,024	$ 652,897,514	$ 13,003,490
Expenditures	698,833,895	683,280,501	15,553,394
Fund Balance Draw	$ (58,939,871)	$ (30,382,987)	$ 28,556,884

Source: Metropolitan Government Department of Finance

AUDITED CHANGE IN FUND BALANCE BETWEEN FY2002 & FY2003

		Fund Balance
June 30, 2002 Undesignated Fund Balance (after reserve for 2003 Budget)		**$ 63,858,137**
Change in Reserves in Fund Balance		307,420
Reserve for FY03 Budget	39,852,184	
FY03 Excess Revenue over Expenditures	(30,382,987)	
		9,469,197
June 30, 2003 Undesignated Fund Balance (before reserve for 2004 Budget)		$ 73,634,754
Reserve for Subsequent Year Budget (FY04 Budget)	(42,475,200)	
		(42,475,200)
June 30, 2003 Undesignated Fund Balance (after reserve for 2004 Budget)		**$ 31,159,554**

Source: Metropolitan Government Department of Finance

For the Fiscal Year ended June 30, 2004, Unaudited Revenues are approximately $636,497,498, and Unaudited Expenditures are approximately $682,791,567, which represents a $46,294,069 draw from the General Fund Balance. The Ending Unreserved General Fund Balance for Fiscal Year 2004 is estimated to be $31,542,511. Including Undesignated Fund Balances from Schools, Debt Service Funds, and the Special Revenue - General Fund 4% Reserve would produce a combined Undesignated Fund Balance of $190,145,886 for Fiscal Year 2004, unaudited.

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

SUMMARY OF THE OFFERING

THE BONDS..	$51,340,000, The Metropolitan Government of Nashville and Davidson County (Tennessee), General Obligation Public Improvement Refunding Bonds, Series 2004.
BOOK ENTRY SYSTEM............................	The 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 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 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 Bonds. The credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased.
DENOMINATION.......................................	Fully registered bonds, $5,000 or any integral multiple thereof.
DATE OF ISSUE; DELIVERY	The Bonds will be delivered on or about September 1, 2004, and will be dated the delivery date.
INTEREST PAYMENTS.............................	Interest is payable on May 15 and November 15, commencing November 15, 2004.
OPTIONAL REDEMPTION	The Bonds shall not be subject to redemption prior to maturity.
PURPOSE	The Bonds are being issued to refund the Metropolitan Government's outstanding General Obligation Public Improvement Bonds, Series 1996A, maturing November 15, 2006 through November 15, 2010; November 15, 2014; and November 15, 2016 (see "DESCRIPTION OF THE BONDS – Plan of Refunding") and to pay costs of issuance related to the Bonds.
SECURITY	The Bonds will be direct general obligations of the Metropolitan Government. The full faith, credit and taxing power of the Metropolitan Government are irrevocably pledged for the prompt payment of the principal of, premium, if any, and interest on the Bonds. The Bonds are payable from taxes levied on all taxable property in the Urban Services District and the General Services District of the Metropolitan Government without limitation as to rate or amount.
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 Metropolitan Government, interest on the 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. For an explanation of

	certain tax consequences under federal law that may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the 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...............................	Public Financial Management, Inc.
PAYING AGENT/ESCROW AGENT/ REGISTRATION AGENT	Deutsche Bank National Trust Company
FINANCIAL STATEMENTS	Independent auditors have audited Financial statements for the years ended June 30, 1999 through 2003. Information presented herein is derived from these audited financial statements.

OFFICIAL STATEMENT

$51,340,000
THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
(TENNESSEE)
General Obligation Public Improvement Refunding Bonds, Series 2004

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 Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") of $51,340,000 General Obligation Public Improvement Refunding Bonds, Series 2004 (the "Bonds").

The Bonds are to be issued under and subject to the provisions of Title 9, Chapter 21 of Tennessee Code Annotated, as amended (the "Act"), the Charter of the Metropolitan Government (the "Charter") which was approved by referendum on June 28, 1962, as amended, and a bond resolution adopted by the Metropolitan Council (the “Metropolitan Council”) of the Metropolitan Government on February 6, 2001, as amended by resolution adopted on August 17, 2004 (collectively, the "Bond Resolution").

All financial and other information presented in this Official Statement has been provided by the Metropolitan Government from its records except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information, and is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the Metropolitan Government. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

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.

DESCRIPTION OF THE BONDS

Purpose of the Bonds

The Bonds are being issued to refund certain of the Metropolitan Government’s outstanding bonds (see “DESCRIPTION OF THE BONDS – Plan of Refunding”) and to pay costs of issuance related to the Bonds.

Plan of Refunding

The Bonds are being offered to advance refund certain maturities of the Metropolitan Government’s outstanding General Obligation Public Improvement Bonds, Series 1996A, dated October 1, 1996 (the “Series 1996A Bonds” or the “Refunded Bonds”). A portion of the proceeds of the sale of the Bonds will be deposited in an escrow fund (the “Escrow Fund”) to be created pursuant to an escrow agreement to be dated as of the dated date of the Bonds (the “Escrow Agreement”), between the Metropolitan Government and Deutsche Bank National Trust Company, as escrow agent thereunder (the “Escrow Agent”) to be used, together with the earnings thereon, to pay in full and retire the Refunded Bonds. The Escrow Agent shall invest monies on deposit in the Escrow Fund in 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 which at the time of the purchase thereof are permitted investments under Tennessee law 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 (the “Escrowed Securities”). The principal and interest on the Escrowed Securities will be verified by Causey Demgen & Moore Inc. (see “VERIFICATION OF DEFEASANCE” herein) to be sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds as more fully described in the table below. Neither principal of, redemption premium, if any, nor the interest on the Escrowed Securities will be available for the payment of the Bonds offered hereby. Upon deposit of the Escrowed Securities and moneys in the Escrow Fund and in compliance with provisions of the resolutions pursuant to which the Refunded Bonds were issued, the Refunded Bonds will be deemed paid and will cease to be entitled to any lien, benefit or security under such resolution and all covenants, agreements and obligations of the Metropolitan Government to the holders of the Refunded Bonds shall cease, terminate and become void and be discharged and satisfied. The Metropolitan Government will irrevocably instruct the Escrow Agent to redeem the Refunded Bonds on the dates noted below:

Bonds to be Refunded

Bonds	Maturity Date	Interest Rate	Amount to be Refunded	Redemption Date	Redemption Price
Series 1996A	November 15, 2006	5.000%	$ 4,465,000	November 15, 2005	101.00%
Series 1996A	November 15, 2007	5.100	4,700,000	November 15, 2005	101.00
Series 1996A	November 15, 2008	5.100	4,950,000	November 15, 2005	101.00
Series 1996A	November 15, 2009	5.200	5,205,000	November 15, 2005	101.00
Series 1996A	November 15, 2010	5.250	5,480,000	November 15, 2005	101.00
Series 1996A	November 15, 2014	5.375	13,185,000	November 15, 2005	101.00
Series 1996A	November 15, 2016	5.375	14,680,000	November 15, 2005	101.00

General

The Bonds will be issued as fully registered book-entry bonds in the aggregate principal amount of $51,340,000 and will be dated the date of delivery. Interest on the Bonds, at the rates per annum set forth on the inside of the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on November 15 and May 15 of each year (an "Interest Payment Date"), commencing November 15, 2004.

The Bonds will mature on the dates set forth on the inside of the cover page.

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Deutsche Bank National Trust Company (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the final day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Metropolitan Government in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent, as the same shall become due and payable. All rates of interest specified in the Bond Resolution shall be computed on the basis of a three hundred sixty day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Metropolitan Government to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Metropolitan Government shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Metropolitan Government shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Metropolitan Government of such Special Record Date and, in the name and at the expense of the Metropolitan Government, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Bond Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Metropolitan Government to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders, Owners or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See Appendix C –"Information Related to Depository Trust Company."

Optional Redemption

The Bonds shall not be subject to redemption prior to maturity.

Security and Remedies

The Bonds, including the principal thereof, premium, if any, and interest thereon, are payable from ad valorem taxes to be levied on all taxable property in the General Services District of the Metropolitan Government without limit as to time, rate, or amount. The Bonds shall be direct general obligations of the Metropolitan Government, and the full faith and credit of the Metropolitan Government, together with the taxing power of the Metropolitan Government as to all taxable property in the General Services District of the Metropolitan Government, are irrevocably pledged to the payment of the Bonds.

The Metropolitan Government levies taxes in two different taxing districts, one being the Urban Services District, which is an area described in the Charter of the Metropolitan Government generally corresponding to the old city limits of the City of Nashville as they existed before the formation of The Metropolitan Government of Nashville and Davidson County and which has been substantially expanded in succeeding years, and the other being the General Services District, which is also described in the Charter and encompasses all property within the Metropolitan Government. The Metropolitan Government also levies a tax for school purposes on all taxable property within the Metropolitan Government. Principal of and interest on the Bonds issued to refund Refunded Bonds issued to finance projects developed and constructed within and for the benefit of the Urban Services District will be paid from the debt service fund of the Urban Services District, and principal of and interest on the Bonds issued to refund Refunded Bonds issued to finance projects that will benefit the entire County will be paid from the debt service fund of the General Services District. Principal of and interest on Bonds issued to refinance Refunded Bonds issued to finance school projects will be paid from the school debt service fund. For the purpose of providing for the payment of the principal of, premium, if any, and interest on the Bonds, the Metropolitan Government will levy in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the General Services District of the Metropolitan Government, fully sufficient to pay all such principal, premium, if any, and interest falling due prior to the time of collection of the next succeeding tax levy; provided, however, taxes so levied in the General Services District shall be levied in an amount sufficient to pay that portion of such principal and interest attributable to the General Services District projects and the school projects and the taxes so levied in the Urban Services District shall be levied in an amount sufficient to pay that portion of such principal, premium and interest attributable to the Urban Services District projects; provided, further, however, that the Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property in the General Services District to the full extent necessary to pay all principal, premium and interest, on the Bonds, and the full faith and credit of Metropolitan Government shall be pledged to the payment thereof. Said tax shall be assessed, collected and paid at the time, and in the same manner, as the other taxes of said General Services District of the Metropolitan Government, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. Principal, premium, if any, and interest, or any of the foregoing, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from current funds of said General Services District of the Metropolitan Government, but reimbursement therefor may be made from the taxes when the same shall have been collected.

Any holder or holders of the Bonds shall have the right, in addition to all other rights: (a) to enforce, by mandamus or other suit, action or proceeding in any court of competent jurisdiction, such holder's rights against the Metropolitan Government, the Metropolitan Council and any officer, agent or employee of the Metropolitan Government, including, but not limited to the right to require the Metropolitan Government and the Metropolitan Council and any proper officer, agent or employee of the Metropolitan Government to assess, levy and collect taxes adequate to carry out any other covenants and agreements as to the assessment, levy, and collection of taxes and to perform its and their respective duties under the provisions of Title 9, Chapter 21, of the Tennessee Code Annotated, as amended; and (b) to enjoin, by action or suit in equity, any acts or things which may be unlawful or a violation of the rights of such holder or holders of the Bonds.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Information relating to DTC and the Book-Entry Only system is contained in Appendix C.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Bond Resolution, including receipt of all principal of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or directing the Registration Agent to take or not to take, or consenting to, certain actions under the Bond Resolution.

Payments of principal, premium, if any, and interest with respect to the Bonds, so long as Cede & Co. is the registered owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the Metropolitan Government nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

Neither the Metropolitan Government nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Defeasance

The Metropolitan Government may pay, discharge and defease the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of, premium, if any, and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers, in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date. Federal Obligations means 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 which at the time of the purchase thereof are permitted investments under Tennessee law 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; or

(c) By delivering such Bonds to the Registration Agent for cancellation;

If the Metropolitan Government shall also pay or cause to be paid all other sums payable under the Bond Resolution by the Metropolitan Government with respect to such Bonds, or make adequate provision therefor, and instruct agent to hold such amounts in escrow and to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then the Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Metropolitan Government of the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Metropolitan Government shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either (a) or (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Federal Obligations deposited for such purpose.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Bond Par Amount	$ 51,340,000.00
Original Issue Premium	4,900,745.60
Total Sources	$56,240,745.60

Uses of Funds

Deposit to Escrow Fund	$ 56,008,359.00
Cost of Issuance	172,500.00
Purchaser's Discount	58,014.20
Additional Proceeds	1,872.40
Total Uses	$56,240,745.60

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
COMBINED GENERAL OBLIGATION BOND DEBT SERVICE SCHEDULE
(As of June 30, 2004)

Fiscal Year Ending	Outstanding Debt [1]			(Plus) The Bonds			(Less) Refunded Bonds			Outstanding Debt After This Issue			% Principal
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Retired
2005	84,865,000	60,556,453	145,421,453	-	1,738,180	1,738,180	-	2,771,504	2,771,504	84,865,000	59,523,129	144,388,129	6.94%
2006	87,495,000	56,941,843	144,436,843	175,000	2,460,938	2,635,938	-	2,771,504	2,771,504	87,670,000	56,631,277	144,301,277	14.11%
2007	76,570,000	52,131,499	128,701,499	4,430,000	2,347,563	6,777,563	4,465,000	2,659,879	7,124,879	76,535,000	51,819,183	128,354,183	20.36%
2008	74,645,000	48,326,800	122,971,800	4,660,000	2,120,313	6,780,313	4,700,000	2,428,404	7,128,404	74,605,000	48,018,709	122,623,709	26.46%
2009	64,555,000	44,693,828	109,248,828	4,855,000	1,930,988	6,785,988	4,950,000	2,182,329	7,132,329	64,460,000	44,442,487	108,902,487	31.73%
2010	63,900,000	41,429,420	105,329,420	5,045,000	1,732,038	6,777,038	5,205,000	1,920,774	7,125,774	63,740,000	41,240,684	104,980,684	36.94%
2011	63,785,000	38,161,529	101,946,529	5,300,000	1,473,413	6,773,413	5,480,000	1,641,594	7,121,594	63,605,000	37,993,348	101,598,348	42.14%
2012	57,480,000	35,211,798	92,691,798	85,000	1,339,531	1,424,531	-	1,497,744	1,497,744	57,565,000	35,053,585	92,618,585	46.85%
2013	57,030,000	32,373,786	89,403,786	90,000	1,336,575	1,426,575	-	1,497,744	1,497,744	57,120,000	32,212,618	89,332,618	51.52%
2014	56,705,000	29,524,818	86,229,818	6,185,000	1,180,375	7,365,375	6,415,000	1,325,341	7,740,341	56,475,000	29,379,852	85,854,852	56.14%
2015	58,355,000	26,591,988	84,946,988	6,500,000	863,250	7,363,250	6,770,000	970,994	7,740,994	58,085,000	26,484,244	84,569,244	60.89%
2016	65,050,000	23,384,341	88,434,341	6,835,000	529,875	7,364,875	7,145,000	597,028	7,742,028	64,740,000	23,317,188	88,057,188	66.18%
2017	61,080,000	20,098,125	81,178,125	7,180,000	179,500	7,359,500	7,535,000	202,503	7,737,503	60,725,000	20,075,122	80,800,122	71.14%
2018	43,250,000	17,457,988	60,707,988							43,250,000	17,457,988	60,707,988	74.68%
2019	42,630,000	15,329,425	57,959,425							42,630,000	15,329,425	57,959,425	78.17%
2020	37,870,000	13,281,594	51,151,594							37,870,000	13,281,594	51,151,594	81.26%
2021	36,940,000	11,367,275	48,307,275							36,940,000	11,367,275	48,307,275	84.28%
2022	38,905,000	9,511,916	48,416,916							38,905,000	9,511,916	48,416,916	87.46%
2023	40,920,000	7,520,628	48,440,628							40,920,000	7,520,628	48,440,628	90.81%
2024	41,650,000	5,434,316	47,084,316							41,650,000	5,434,316	47,084,316	94.21%
2025	29,760,000	3,330,456	33,090,456							29,760,000	3,330,456	33,090,456	96.65%
2026	13,090,000	1,960,600	15,050,600							13,090,000	1,960,600	15,050,600	97.72%
2027	8,500,000	1,235,941	9,735,941							8,500,000	1,235,941	9,735,941	98.41%
2028	8,935,000	783,247	9,718,247							8,935,000	783,247	9,718,247	99.14%
2029	5,115,000	416,981	5,531,981							5,115,000	416,981	5,531,981	99.56%
2030	5,385,000	141,356	5,526,356							5,385,000	141,356	5,526,356	100.00%
	1,224,465,000	597,197,949	1,821,662,949	51,340,000	19,232,536	70,572,536	52,665,000	22,467,339	75,132,339	1,223,140,000	593,963,146	1,817,103,146	

Note: Numbers may not foot due to rounding.

[1] Excludes $66,700,000 initial aggregate principal of the Metropolitan Government of Nashville and Davidson County (Tennessee), District Energy System Revenue Bonds, 2002 Series A, which is subject to annual appropriation.

ADDITIONAL BORROWING PLANS

The Metropolitan Government expects to issue additional general obligation bonds for certain capital projects and for refunding purposes in the future. As of July 31, 2004, the Metropolitan Council had authorized a total of $677,634,370 in unissued bonds related to capital budgets for Fiscal Years 2000 through 2004. Of this amount, $80,714,700 was self-funded; and $596,919,670 was the amount remaining to become bonded debt. The Metropolitan Government initially funds these projects through its commercial paper program. The current outstanding commercial paper is approximately $45,000,000.

On May 4, 2004, the Metropolitan Government executed and delivered an interest rate hedging agreement (the "Hedge Agreement") regarding the Metropolitan Government's General Obligation Public Improvement Bonds, Series 1996 (the "Series 1996 Bonds"). At the execution of the Hedge Agreement, the hedge counterparty, SunTrust Bank, paid the Metropolitan Government $3,800,000 for the option to put the Metropolitan Government into an interest rate swap on or about the first optional redemption date for the Metropolitan Government's Series 1996 Bonds (May 15, 2006). Under the swap, the Metropolitan Government would receive variable rate payments and make fixed rate payments (at a rate equal to the rate on the Series 1996 Bonds) based on a notional amount matching the remaining principal balance of the Series 1996 Bonds. If the Counterparty exercises its option, the Metropolitan Government will simultaneously issue variable rate refunding bonds (the "Refunding Bonds"), the proceeds of which will be used to refund the Series 1996 Bonds.

LEGISLATION AFFECTING STATE-SHARED TAXES

The Tennessee General Assembly adopted a State budget for Tennessee for fiscal year beginning July 1, 2003, which includes a reduction of certain State-Shared Taxes remitted to local governments. "State-Shared Taxes" are taxes collected by the State pursuant to State law and allocated by law to local governments for general use or, in some cases, for a particular purpose. The budget as adopted includes a nine percent (9%) reduction to alcohol related taxes and to the bank excise tax, and a thirty-three percent (33%) reduction (as adjusted for certain cities for fiscal year 2003-2004) to the "Hall income tax" (a tax on certain unearned income such as dividends). In addition, cuts were made to some programs and services provided to cities and counties by the State.

The impact to the Metropolitan Government is estimated at approximately $9.8 million in revenue reductions. The Metropolitan Government is fully aware of the reduction of State-Shared Taxes and has considered the implications of such a decision in the development of its long-range capital plan.

LITIGATION AND OTHER PROCEEDINGS

At the time of delivery of and payment for the 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 Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Metropolitan Government taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds or the corporate existence, boundaries or powers of the Metropolitan Government.

CONTINUING DISCLOSURE

Pursuant to the Bond Resolution, the Metropolitan Government has covenanted for the benefit of the holders and beneficial owners of the 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, 2004 (the "Annual Report") and to provide notices of the occurrence of certain enumerated events, if deemed by the Metropolitan Government to be material under applicable federal securities laws. A copy of the Continuing Disclosure undertaking is attached hereto as Appendix D and is available on the Investor Relations page of the Metropolitan Government website http://www.nashville.gov/finance/investor_relations.htm.

The Metropolitan Government has 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).

TAX MATTERS

Federal Taxes

In the opinion of Bass, Berry & Sims PLC, Bond Counsel, interest on the Bonds 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, for purposes of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Bond Counsel's opinion is subject to the condition that the Metropolitan Government comply with all requirements of the Code 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. The Metropolitan Government has covenanted to comply with all such requirements. 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.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

The initial public offering prices of certain of the Bonds is greater than the amount payable on the Bonds at maturity (the "Premium Bonds"). The difference between (a) the amount payable at maturity of the Premium Bonds and (b) the initial offering price to the public (excluding Bond houses and brokers) at which a substantial amount of the Premium Bonds of such maturities are sold, will constitute the "original issue premium." Under certain circumstances, as a result of the tax cost reduction requirements of the Code relating to the amortization of Bond premium, the owner of a Premium Bond may realize a taxable gain upon its disposition even though the Premium Bond is sold or redeemed for an amount not greater than the owner's original acquisition cost.

Owners of Premium Bonds should consult their personal tax advisors with respect to the determination for federal income tax purposes of the amount of original issue premium or interest properly accruable with respect to such Premium Bonds, other tax consequences of owning Premium Bonds, and with respect to the State of Tennessee and local tax consequences of holding such Premium Bonds. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

State of Tennessee

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 interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book of the 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.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose approving opinion in substantially the form attached hereto as Appendix B will be delivered with the Bonds. Certain legal matters with respect to the Metropolitan Government will be passed upon by Karl Dean, Director of Law.

UNDERWRITING

The Bonds were sold at public sale to Citigroup Global Markets, Inc. at a price of $56,182,731.40 (which is equal to the par amount of the Bonds plus original issuance premium of $4,900,745.60 and less underwriting discount of $58,014.20).

VERIFICATION OF DEFEASANCE

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor on behalf of the Metropolitan Government relating to (a) computation of anticipated receipts of principal, premium, if any, and interest on the Escrowed Securities and the anticipated payments of principal, premium, if any, and interest to redeem the Refunded Bonds, and (b) computation of the yields on the Bonds and the Escrowed Securities was examined by Causey Demgen & Moore, Inc. certified public accountants. Such computations were based solely upon assumptions and information supplied by the Financial Advisor on behalf of the Metropolitan Government. Causey Demgen & Moore, Inc. has restricted its procedures to evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of future events.

FINANCIAL ADVISOR

This Official Statement has been prepared under the direction of the Metropolitan Government and with the assistance of Public Financial Management, Inc., Memphis, Tennessee ("PFM"), employed by the Metropolitan Government to perform professional services in the capacity of financial advisor. In their role as financial advisor, PFM has provided advice on the plan of financing and structure of the issue, reviewed and commented on certain legal documents, drafted certain portions of the Official Statement based upon information provided by the Metropolitan Government and reviewed the pricing of the Bonds by the Purchaser thereof. The information set forth herein has been obtained from the Metropolitan Government and other sources, which are believed to be reliable. PFM has not verified the factual information contained in the Official Statement but relied on the information supplied by the Metropolitan Government and the Metropolitan Government's certificate as to the Official Statement.

INDEPENDENT AUDITORS

The general purpose financial statements of the Metropolitan Government as of the fiscal year ended June 30, 2003 included in Appendix A to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report appearing in Appendix A.

RATINGS

FitchRatings, Moody's Investors Service, Inc., and Standard & Poor's Ratings Services have assigned the ratings of AA+, Aa2 and AA, respectively, to the Bonds. Such ratings reflect only the view of such organizations and an explanation of the significance of such ratings may be obtained only from the respective rating agency. There is no assurance that such ratings will be maintained for any given period of time or that they will not be revised downward or be withdrawn entirely by the respective rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

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 Bonds, the security for the payment of the 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 Bonds.

The Metropolitan Council has duly authorized the execution and delivery of this Official Statement on behalf of the Metropolitan Government by its Metropolitan Mayor and its Director of Finance.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

/s/ Bill Purcell
Metropolitan Mayor

/s/ David L. Manning
Director of Finance

PART II

YEARLY INFORMATION STATEMENT

YEARLY INFORMATION STATEMENT

The Yearly Information Statement of the Metropolitan Government, including selected statistical and economic data (unaudited), for the fiscal year ended June 30, 2003 has been posted on the Metropolitan Government's website at **www.nashville.gov/finance/investor_relations.htm** and is included as Part II of this Official Statement.

Only the following items, each of which has been posted on the website referenced above, are described above and incorporated herein by reference:

- **THE METROPOLITAN GOVERNMENT**
  - **Organization**
  - **Fiscal Year**
  - **Budgeting Procedures**
    - Operating Budget
    - Capital Improvements Budget
      - Capital Projects Planning
  - **Accounting**
  - **Revenues**
- **PROPERTY TAXES**
  - **Rates of Tax Levy**
    - Analysis of the Composition of Rates of Tax Levy
    - Analysis of Original (Including Supplemental) Assessment of All Taxable Property
  - **Tax Collection**
    - Analysis of Tax Levies and Collection – Unaudited Ten Year Summary
    - Schedule of Delinquent Property Taxes Receivable – by Type
  - **Principal Taxpayers**
    - Principal Taxpayers – Unaudited
- **FIVE YEAR SUMMARIES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
    - General Fund
    - Special Revenue Funds
    - Debt Service Funds
- **COMPUTATION OF NET GENERAL OBLIGATION DEBT**
- **DEBT RATIOS**
- **CALCULATION OF SELF-SUPPORTING DEBT**
  - **Historical Debt Ratios**
    - Historical Debt Ratios – Ten Year Summary
    - Total Debt Service Secured by ad Valorem Taxes
- **INVESTMENT POLICY**
- **MASS TRANSIT EXPENDITURES**
- **DISTRICT ENERGY SYSTEM OVERVIEW**

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APPENDIX A

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

JUNE 30, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS

Audited Financial Statements of the Metropolitan Government of Nashville and Davidson County, Tennessee ("the Metropolitan Government") and supplementary information as of and for the fiscal year ending June 30, 2003 together with the independent auditors' report thereon from KPMG LLP

(1) have been filed with each nationally recognized municipal securities information repository, as described herein under "Continuing Disclosure", and may be obtained from them in accordance with their respective procedures,

(2) are available through the website of the Metropolitan Government's Department of Finance at **http://www.nashville.gov/finance/investor-relations-cafr-2003.htm**, and

(3) are included 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.

Only the following items, each of which has been posted on the website referenced above, are described above and incorporated herein by reference:

For the Year Ended June 30, 2003

- Independent Auditor's Report, dated October 31, 2003
- Management's Discussion and Analysis
- Statement of Net Assets
- Statement of Activities
- Balance Sheet, Governmental Funds
- Reconciliation of the Balance Sheet to the Statement of Net Assets, Governmental Funds
- Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, General Fund
- Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances – Budget and Actual, Budgetary Basis (Non-GAAP), General Purpose School Fund
- Statement of Net Assets, Proprietary Funds
- Statement of Revenues, Expenses and Changes in Fund Net Assets, Proprietary Funds
- Statement of Cash Flows, Proprietary Funds
- Statement of Fiduciary Net Assets, Fiduciary Funds
- Statement of Changes in Fiduciary Net Assets, Fiduciary Funds
- Statement of Net Assets, Component Units
- Statement of Activities, Component Units
- Notes to the Financial Statements

APPENDIX B

FORM OF OPINION OF

BOND COUNSEL

[Form of Opinion of Bond Counsel]

Bass, Berry & Sims PLC
315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238-3001

[to be dated closing date]

We have acted as bond counsel in connection with the issuance by The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Issuer") of $51,340,000 General Obligation Public Improvement Refunding Bonds, Series 2004, dated September 1, 2004 (the "Bonds"). In such capacity, we have examined the law and such certified proceedings and other documents as we deemed necessary to render this opinion, including, but not limited to, Resolution No. RS2001-502, adopted by the Metropolitan Council on February 6, 2001, as supplemented and amended by Substitute Resolution RS2004-437 adopted by the Metropolitan Council on August 17, 2004, (collectively, the "Resolution") authorizing the issuance and sale of the Bonds. The terms used herein, but not defined herein, shall have the respective meanings given such terms in the Resolution.

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

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

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

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

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit and unlimited taxing power. The principal of, premium, if any, and interest on the Bonds are payable from the debt service fund of the General Services District of the Metropolitan Government for debt service attributable to projects in the General Services District, from the debt service fund of the Urban Services District of the Metropolitan Government for debt service attributable to projects in the Urban Services District, and from the school debt service fund for debt service attributable to school projects; provided, however, that the Metropolitan Government is unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property in the General Services District to the full extent necessary to pay all principal, premium and interest on the Bonds, and the full faith and credit of Metropolitan Government is pledged to the payment thereof.

4. 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; provided, however, that for purposes of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the Issuer 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. The Issuer has covenanted to comply with all such requirements. 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. Except as set forth in this paragraph, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. 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 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 limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in 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.

Very truly yours,

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APPENDIX C

INFORMATION RELATED TO DEPOSITORY TRUST COMPANY

INFORMATION RELATED TO DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.
2. 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 ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.
5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, defaults, and proposed amendments to the security documents. Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all the securities shall be called for redemption, the maturities to be redeemed shall be selected by the Metropolitan Council in its discretion. If less than all of the Securities within a maturity of an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Metropolitan Government 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Metropolitan Government or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Metropolitan Government, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividends to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Metropolitan Government or Paying 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.

9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Metropolitan Government or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

10. The Metropolitan Government may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Metropolitan Government believes to be reliable, but the Metropolitan Government takes no responsibility for the accuracy thereof.

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APPENDIX D

CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE

The Metropolitan Government will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Metropolitan Government by not later than nine months after the end of the fiscal year commencing with the fiscal year ending June 30, 2004 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events, if determined by the Metropolitan Government to be material under applicable federal securities laws. The Annual Report (and audited financial statements if filed separately) will be filed by the Metropolitan Government with each Nationally Recognized Municipal Securities Information Repository (the "Repositories") and any State Information Depository which may be established in Tennessee (the "SID"). If the Metropolitan Government is unable to provide the Annual Report to the Repositories and the SID, if any, by the date set forth above for the filing of the Annual Report, notice of such failure shall be sent to the Repositories and the SID, if any, on or before such date. The notices of material events will be filed by the Metropolitan Government either with the Repositories or with the Municipal Securities Rulemaking Board and any SID. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized below. These covenants have been made in order to assist the Purchaser in complying with SEC Rule 15c2-12(b) (the "Rule"). The Metropolitan Government has never failed to comply in all material respects with any previous undertakings with regard to the Rule to provide Annual Reports or notices of Material Events.

Content of Annual Reports. The Metropolitan Government's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Metropolitan Government for the fiscal year, prepared in accordance with generally accepted accounting principles;, provided, however, if the Metropolitan Government's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information from the Metropolitan Government's YEARLY INFORMATION STATEMENT.

"PRIORITY CAPITAL PROJECTS PLANNING"

"REVENUES"

"PROPERTY TAXES"

"SUMMARY OF MAJOR FUNDS"

"COMPUTATION OF NET GENERAL OBLIGATION DEBT"

"DEBT RATIOS"

"CALCULATION OF SELF-SUPPORTING DEBT"

"HISTORICAL DEBT RATIOS"

"SUMMARY OF THE UNFUNDED PENSION BENEFIT OBLIGATION OF THE CITY AND METROPOLITAN GOVERNMENT PLANS AND THE BOARD OF EDUCATION PLANS"

Any or all of the items above may be incorporated by reference from other documents, including OFFICIAL STATEMENTS in final form for debt issues of the Metropolitan Government or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final OFFICIAL STATEMENT, in final form, it will be available from the Municipal Securities Rulemaking Board. The Metropolitan Government shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The Metropolitan Government will file notice regarding material events either with the Repositories or with the Municipal Securities Rulemaking Board and SID, if any, as follows:

1. Whenever the Metropolitan Government obtains knowledge of the occurrence of a Listed Event (as defined in (3) below), the Metropolitan Government shall as soon as possible determine if such event would be material under applicable Federal securities laws.

2. If the Metropolitan Government determines that knowledge of the occurrence of a Listed Event would be material (under applicable Federal securities laws), the Metropolitan Government shall promptly file a notice of such occurrence either with the Repositories or with the Municipal Securities Rulemaking Board and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

3. The following are the Listed Events:

   a. Principal and interest payment delinquencies;

   b. Non-payment related defaults;

   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 or events affecting the tax-exempt status of the Bonds;

   g. Modifications to rights of security Bondholders;

   h. Bond calls;

   i. Defeasances;

   j. Release, substitution, or sale of property securing repayment of the Bonds; and

   k. Rating changes.

Termination of Reporting Obligation. The Metropolitan Government's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Metropolitan Government may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the Metropolitan Government shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Metropolitan Government. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the Metropolitan Government to comply with any provision of the Disclosure Certificate, any Bondholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Metropolitan Government to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the Metropolitan Government to comply with the Disclosure Certificate shall be an action to compel performance.