

Official Statement Dated October 13, 2004

**NEW ISSUE
Book Entry Only**

**Moody's: Aaa
Standard & Poor's: AAA
(See "RATINGS" herein)**

In the opinion of Bond Counsel, based on existing law, 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).

\$64,910,000

**THE SPORTS AUTHORITY OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
Public Improvement Revenue Refunding Bonds, Series 2004**

Dated: Date of Delivery

Due: July 1

The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority") will issue its \$64,910,000 Public Improvement Revenue 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 (as hereinafter defined). Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2005, calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds are being issued to provide funds to (i) refund the Authority's outstanding Public Improvement Revenue Bonds (Stadium Project), Series 1996, maturing July 1, 2007 through July 1, 2026; and (ii) pay costs of issuing the Bonds. Payments of principal of, 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" herein. The 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 Bonds shall be payable solely out of the revenues and receipts derived from the following sources: (i) all PILOT Payments, (ii) Project Parking Revenues, (iii) Basic Rent, and (iv) to the extent the foregoing revenues are not sufficient therefor, from Non-Tax Revenues of the Metropolitan Government (all such terms as defined herein; see "SECURITY AND SOURCES OF PAYMENT").

The Bonds are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts pledged to the payment of such 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 (as defined herein), 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.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC.



AMOUNTS, MATURITIES, INTEREST RATES, AND PRICES OR YIELDS

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2005	\$635,000	1.700%	1.700%	2015	\$2,815,000	3.600%	3.680%
2006	650,000	3.000	1.890	2016*	2,930,000	5.000	3.730
2007	2,245,000	2.250	2.130	2017*	3,080,000	5.000	3.820
2008	2,290,000	2.300	2.400	2018*	3,230,000	5.000	3.910
2009	2,350,000	2.625	2.720	2019*	3,390,000	5.000	4.000
2010	2,405,000	2.875	2.960	2020	3,540,000	4.000	4.150
2011	2,475,000	3.000	3.130	2021*	3,700,000	5.000	4.150
2012	2,550,000	3.200	3.280	2022*	3,880,000	5.000	4.230
2013	2,630,000	3.375	3.420	2023	4,060,000	4.250	4.400
2014	2,720,000	3.375	3.530	2024*	4,245,000	5.000	4.390

\$9,090,000 4.500% Term Bonds maturing July 1, 2026, Yield 4.646%

*Priced to July 1, 2014 call.

The Bonds are offered when, as and if issued by the Authority, subject to the approval of legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed upon for the Authority and the Metropolitan Government by Karl F. 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 October 27, 2004.

Banc of America Securities LLC

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

KITTY MOON EMERY, Chair

KEVIN P. LAVENDER, Vice-Chair

CATHY BENDER JACKSON, Secretary/Treasurer

STEVE TURNER
STEVE NORTH
CHARLES J. WILLIAMS
EDWARD S. TEMPLE
REV. FORREST HARRIS

DENNIS C. BOTTOROFF
ARNETT BODENHAMER
DONNA HILLEY
MICHAEL A. HOBBS
PAUL NEY

Metropolitan Mayor

THE HONORABLE BILL PURCELL

Vice Mayor, President of the Metropolitan Council

THE HONORABLE HOWARD GENTRY, JR.

Director of Finance

DAVID L. MANNING

Director of Law

KARL F. DEAN

Chief Accountant

MITZI F. MARTIN

Metropolitan Treasurer

CELIA Y. KIRBY

Metropolitan Clerk

MARILYN S. SWING

Finance Manager

ROBERT A. LACKEY

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 Authority or the Metropolitan Government or the other matters described herein since the date hereof.

Other than with respect to information concerning Financial Security Assurance Inc. ("Financial Security") contained under the caption "Bond Insurance" and Appendix F specimen "FORM OF INSURANCE POLICY" herein, none of the information in this Official Statement has been supplied or verified by Financial Security and Financial Security makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax exempt status of the interest on the Bonds.

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).

This Preliminary Official Statement is deemed to be final (except for permitted omissions) for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission.

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FINANCIAL SUMMARIES

SCHEDULE OF HISTORIC AND PROJECTED STADIUM REVENUES

	Unaudited 2004	2003	2002	2001	2000	1999
PILOT Payments	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Project Parking Revenues	75,000	63,665	71,524	103,584	10,508	-
Basic Rent	131,522	131,522	131,522	131,522	131,522	131,522
Subtotal	<u>4,206,522</u>	<u>4,195,187</u>	<u>4,203,046</u>	<u>4,235,106</u>	<u>4,142,030</u>	<u>4,131,522</u>
Non-Tax Revenues ⁽¹⁾	100,641,919	103,387,701	89,915,684	89,199,274	88,275,938	89,531,920
Net Revenues Available for Debt Service ⁽²⁾	<u>\$ 104,848,441</u>	<u>\$ 107,582,888</u>	<u>\$ 94,118,730</u>	<u>\$ 93,434,380</u>	<u>\$ 92,417,968</u>	<u>\$ 93,663,442</u>
Debt Service						
Series 1996 Bonds	5,510,145	5,512,433	5,514,985	5,518,175	5,522,049	5,526,065
Coverage (1996 Debt Service)	19.028	19.516	17.066	16.932	16.736	16.949
Series 1998 Bonds ⁽²⁾	1,866,593	1,868,046	1,866,381	1,871,909	1,762,228	776,054
Aggregate Coverage	14.213	14.577	12.751	12.643	12.687	14.862

⁽¹⁾ Includes Non-Tax Revenues of the General Services District of the Metropolitan Government; does not include PILOT Payments, Project Parking Revenues or Basic Rent.

⁽²⁾ The Authority issued its Series 1998 Bonds as Additional Secured Indebtedness under the Series 1996 Indenture to finance Arena projects unrelated to the Stadium. The Series 1998 Bonds are payable primarily from Ticket Surcharge Revenues collected with respect to the Arena, which have averaged \$1.2 million for the past five years. (The Historical and Projected figures are included in the Metropolitan Government's Continuing Disclosure, which is referenced herein in Appendix E.) In the event of a deficiency, the Series 1998 Bonds are payable from Non-Tax Revenues on parity with the Series 1996 Bonds. (See "SECURITY AND SOURCES OF PAYMENT - Additional Secured Indebtedness Payable from Non-Tax Revenues" herein.) The Series 1998 Bonds are not payable from PILOT Payments, Project Parking Revenues or Basic Rent; but, solely for ease of presentation, the "Aggregate Coverage" ratios listed above are presented as if the Series 1998 Bonds were payable from such monies, on parity with the Series 1996 Bonds, without the support of Ticket Surcharge Revenues.

SCHEDULE OF HISTORIC AND PROJECTED NON-TAX REVENUES ⁽¹⁾

	Unaudited 2004	2003	2002	2001	2000	1999
Other PILOTs ⁽²⁾	\$ 14,125,586	\$ 13,642,436	\$ 13,081,213	\$ 11,003,176	\$ 10,277,572	\$ 9,974,085
Licenses	14,134,595	13,786,164	13,544,950	13,473,512	13,618,045	13,001,802
Permits	10,500,938	9,351,267	9,688,017	9,959,722	11,073,840	10,325,983
Franchise Fees	15,134,809	14,553,037	11,607,929	12,351,270	10,175,361	10,664,430
Fines, Forfeitures & Penalties	9,528,164	10,533,709	9,197,437	9,886,469	11,623,769	11,382,032
Revenue from the Use of Money or Property	91,593	910,470	1,454,843	2,241,616	2,182,841	3,582,644
Commission & Fees ⁽³⁾	12,978,748	12,789,077	8,914,178	8,479,129	8,431,510	9,469,465
Charges for Current Services	21,560,744	21,210,288	20,162,929	18,898,392	18,146,223	17,677,881
Compensation From Property	1,020,384	5,485,645	1,274,646	1,301,488	1,301,870	1,780,520
Contributions & Gifts ⁽⁴⁾	539,404	556,455	443,000	844,515	720,840	-
Miscellaneous Revenue	1,026,954	569,153	546,543	759,985	724,067	1,673,078
Total	<u>\$100,641,919</u>	<u>\$103,387,701</u>	<u>\$ 89,915,684</u>	<u>\$ 89,199,274</u>	<u>\$ 88,275,938</u>	<u>\$ 89,531,920</u>

⁽¹⁾ Non-Tax Revenues for purposes of this table include only collections within the General Services District of the Metropolitan Government and do not include Ticket Surcharge Revenues.

⁽²⁾ Does not include Water & Sewer PILOT Payments pledged to the Series 1996 Bonds.

⁽³⁾ Adjusted to reflect the elimination of non-cash revenue reported only for financial statement presentation.

⁽⁴⁾ Contributions and gifts were included as miscellaneous revenues prior to fiscal year 2000.

NOTE: Totals may not foot due to rounding.

Other Payments in Lieu of Taxes. Other payments in lieu of taxes consist of payments in lieu of ad valorem property taxes by a tax-exempt governmental entity in an amount not to exceed the taxes payable on privately-owned property of a similar nature.

Licenses and Permits. Licenses and permits consist of revenues from businesses and occupations which must be licensed before doing business within the jurisdiction of the Metropolitan Government or that benefit from an activity licensed by the Metropolitan Government. Major license sources are motor vehicle licenses and liquor licenses. Major permits are those related to construction and security alarms.

Franchise Fees. Franchise fees consist of fees paid for the privilege of continued use of public property to provide service, usually related to monopolies or other regulated entities. The major franchise fees are paid in connection with services provided by the cable television company, gas company and telephone company.

Fines, Forfeitures and Penalties. Fines, forfeitures and penalties consist of monies derived from the imposition of penalties for the commission of statutory offenses or violation of rules or regulations, or monies derived from the confiscation of deposits held as performance guarantees.

Revenues from the Use of Money or Property. Revenues from the use of money or property consist of interest on investments and money earned from the lease or rental of government property.

Commissions and Fees. Commissions and fees consist of statutorily authorized fees collected by various elected officials of the Metropolitan Government. These fees are collected primarily by court clerks or the Register of Deeds for the filing of legal documents.

Charges for Services. Charges for services consist of fees charged by various departments and agencies of the Metropolitan Government to the user of the service. These fees cover a wide range of services from clinic fees and vehicle emission testing fees in the Health Department to parking fees, emergency ambulance fees and admission fees at the wave pool and golf courses.

Compensation from Property. Compensation from property consists of revenues received from the sale of property of the Metropolitan Government or settlements received for damage or loss to property of the Metropolitan Government.

Miscellaneous Revenue. Miscellaneous revenues consist of several minor non-tax revenue sources including without limitation, vending machines and maintenance fees for elderly residents in Metropolitan Government housing.

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.....	\$64,910,000, The Sports Authority of The Metropolitan Government of Nashville and Davidson County, Public Improvement Revenue 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 October 27, 2004 and will be dated the delivery date.
INTEREST PAYMENTS.....	Interest is payable on January 1 and July 1, commencing January 1, 2005.
OPTIONAL REDEMPTION	The Bonds maturing on or before July 1, 2014 will not be subject to optional redemption prior to their respective maturity dates. The Bonds maturing on and after July 1, 2015 may be redeemed on or after July 1, 2014 at the option of the Authority at the redemption prices as set forth herein.
PURPOSE	The Bonds are being issued to advance refund the Authority's outstanding Public Improvement Revenue Bonds (Stadium Project), Series 1996, maturing July 1, 2007 through July 1, 2026 (the "Refunded Bonds"; see "DESCRIPTION OF THE BONDS – Plan of Refunding") and to pay costs of issuance related to the Bonds.
AUTHORITY.....	The Bonds are being issued pursuant to a Trust Indenture dated July 1, 1996, among the Authority, the Metropolitan Government and the Trustee, as supplemented and amended by a First Supplemental Trust Indenture to be dated October 27, 2004.
SECURITY	The Bonds are not general obligations of the Authority or the Metropolitan Government but are limited obligations payable solely from (i) PILOT Payments, (ii) Project Parking Revenues, (iii) Basic Rent, and (iv) to the extent the foregoing revenues are not sufficient therefor, from Non-Tax Revenues of the Metropolitan Government (all such terms as defined herein; see "SECURITY AND SOURCES OF PAYMENT"), on parity with the Authority's remaining outstanding Public Improvement Revenue Bonds (Stadium Project), Series 1996, as provided and more fully discussed herein.

BOND INSURANCE.....	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Financial Security Assurance Inc.
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, 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.
TRUSTEE, ESCROW/PAYING/ REGISTRATION AGENT	Regions Bank, a banking corporation organized under the State of Alabama
FINANCIAL STATEMENTS	Independent auditors have audited financial statements relating to the Metropolitan Government (including the Authority) for the years ended June 30, 1999 through 2003. Information presented herein is derived from these audited financial statements. Other financial information concerning revenues used to support the Authority's 1996 Stadium Bonds and 1998 Arena Bonds is derived from reports prepared by the Metropolitan Government Department of Finance.

OFFICIAL STATEMENT

\$64,910,000

The Sports Authority of The Metropolitan Government of Nashville and Davidson County Public Improvement Revenue 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 Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority") of \$64,910,000 Public Improvement Revenue Refunding Bonds, Series 2004 (the "Bonds").

The Bonds are to be issued under and subject to the Constitution and the laws of the State of Tennessee, including particularly, Title 7, Chapter 67, Tennessee Code Annotated, as amended, the applicable provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, a Trust Indenture, dated July 1, 1996, by and among the Authority, the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and Regions Bank, as trustee (the "Trustee"), as supplemented and amended by a First Supplemental Trust Indenture, to be dated October 27, 2004 (collectively, the "Indenture").

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 and not otherwise defined herein shall have the same meanings as given to them in the Indenture. (See APPENDIX G – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE".)

DESCRIPTION OF THE BONDS

Purpose of the Bonds

The Bonds are being offered to advance refund the Authority's outstanding Public Improvement Revenue Bonds, Series 1996, dated July 1, 1996 (the "Series 1996 Bonds"), maturing July 1, 2007 through and including July 1, 2026 (the "Refunded Bonds"). The proceeds of the Series 1996 Bonds were used to pay the costs of acquiring and constructing a stadium facility (the "Project"). 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 October 27, 2004 (the "Escrow Agreement"), between the Authority and Regions Bank, 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 the United States of America (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 and redemption premium and interest on the Refunded Bonds as more fully described in the table below. Neither principal of 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 Authority to the holders of the Refunded Bonds shall cease, terminate and become void and be discharged and satisfied. The Authority will irrevocably instruct the Escrow Agent to redeem the Refunded Bonds on the dates noted below:

Bonds to be Refunded

<u>Bonds</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount to be Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
Series 1996	July 1, 2007	5.375%	\$1,825,000	July 1, 2006	101.00%
Series 1996	July 1, 2008	5.500%	1,920,000	July 1, 2006	101.00
Series 1996	July 1, 2009	5.600%	2,030,000	July 1, 2006	101.00
Series 1996	July 1, 2010	5.600%	2,140,000	July 1, 2006	101.00
Series 1996	July 1, 2011	5.625%	2,260,000	July 1, 2006	101.00
Series 1996	July 1, 2012	5.700%	2,390,000	July 1, 2006	101.00
Series 1996	July 1, 2013	5.750%	2,525,000	July 1, 2006	101.00
Series 1996	July 1, 2014	5.750%	2,670,000	July 1, 2006	101.00
Series 1996	July 1, 2015	5.750%	2,825,000	July 1, 2006	101.00
Series 1996	July 1, 2016	5.750%	2,985,000	July 1, 2006	101.00
Series 1996	July 1, 2017	5.750%	3,160,000	July 1, 2006	101.00
Series 1996	July 1, 2021	5.875%	14,585,000	July 1, 2006	101.00
Series 1996	July 1, 2026	5.750%	23,530,000	July 1, 2006	101.00

General

The Bonds will be issued as fully registered bonds in the denomination of \$5,000 and any integral multiple thereof in the aggregate principal amount of \$64,910,000 and will be dated as of the date of their delivery. Interest on the Bonds, at the rates per annum set forth on the front cover page hereof and calculated on the basis of a 360 day year consisting of twelve 30-day months, will be payable semiannually on January 1 and July 1 of each year (herein an “Interest Payment Date”), commencing on January 1, 2005.

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

The Trustee shall maintain at its principal corporate trust office in Nashville, Tennessee, a register in which, at the Authority’s expense (other than transfer taxes, if any) the Trustee shall provide for the registration and transfer of the Bonds. Whenever any Bonds shall be surrendered at such officer for transfer, the Authority at its expense will execute and deliver in exchange therefore a new Bond or Bonds of the same series and maturity, of authorized denomination or denominations, for the same aggregate principal amount as the Bonds so surrendered, provided that any transfer tax relating to such transaction shall be paid by the holder requesting such transfer. The Trustee shall not be required to transfer any Bonds during the period commencing on a Regular or Special Record Date (as defined in the Indenture) and ending on the corresponding Interest Payment Date of such period following the receipt of instructions by the Authority to call such Bond for redemption; provided, however the Trustee, at its option may make transfers after any of said dates or after such Bonds or any portion thereof have been selected for redemption. The Authority and the Trustee may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, premium, if any, and interest on such Bond and for all other purposes, whether or not such Bond be overdue, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

Except as otherwise provided in the Indenture, the Bonds shall be registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository for the Bonds. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC. (See APPENDIX D – “INFORMATION RELATED TO DEPOSITORY TRUST COMPANY”.)

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 D.

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 Indenture, 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 Indenture.

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 Authority nor 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 Authority nor 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.

Optional Redemption

The Bonds maturing on or before July 1, 2014 will not be subject to optional redemption prior to their respective maturity dates. The Bonds maturing on and after July 1, 2015 may be redeemed prior to their respective maturity dates at the option of the Authority on or after July 1, 2014, in whole or in part at any time at par, together with accrued interest thereon to the redemption date.

If less than all of the Bonds are called for redemption, the maturities of such Bonds to be redeemed shall be selected by the Authority in its discretion. If less than all of the Bonds within a maturity should be called for redemption, then the portions thereof to be redeemed will be selected as set forth in "Description of the Bonds - Book-Entry Only System." The Authority shall, so long as DTC or DTC's nominee is the registered owner of the Bonds, mail notice of redemption to DTC no less than 30 days nor more than 60 days prior to any redemption date as set forth in the following paragraph, and the Authority shall not be responsible for mailing notices of redemption to Participants or Indirect Participants or to the Beneficial Owners of the Bonds. Any failure by DTC to mail such notice to any Participant will not affect the validity of such redemption.

Mandatory Redemption

Subject to the credit hereinafter provided, the Bonds maturing July 1, 2026 are subject to mandatory redemption pursuant to Mandatory Sinking Fund Requirement, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on the dates and in the principal amounts as follows:

<u>Date</u>	<u>Amount</u>
July 1, 2025	\$4,445,000
July 1, 2026	4,645,000*

* Final maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Authority may (i) deliver to the Trustee for cancellation Bonds of the maturities to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its mandatory redemption obligation for any Bonds of the maturities to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of mandatory redemption shall be accordingly reduced. The Authority shall on or before the forth-fifth (45th)

day next preceding each payment date furnish the Trustee with its certificate indication whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of Redemption

Notice of redemption, whether optional or mandatory, shall be given by the Trustee by first-class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to the registered owner of each Bond designated for redemption. Interest on the Bonds, or portions of Bonds, shall cease to accrue from and after such redemption date and on said date there will become due and payable on each of the 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 Bond designated for redemption shall not affect the validity of the proceedings for redemption.

In addition, the Trustee shall cause copies of such notice of redemption to be sent by registered mail, certified mail, overnight delivery service or telecopy (or other similar secure service acceptable to the Trustee) to all registered securities depositories and to two or more national information services that disseminate redemption information, one of which shall be The Bond Buyer unless it is no longer published. Failure by the Trustee to send notices shall not affect the validity of the proceedings for redemption.

SECURITY AND SOURCES OF PAYMENT

The principal of, premium, if any, and interest on, the Bonds shall be payable solely out of the revenues and receipts derived from the following sources: (i) all PILOT Payments, (ii) all Project Parking Revenues, (iii) Basic Rent, and (iv) to the extent the foregoing revenues are not sufficient to pay principal of, premium, if any, and interest on, the Bonds, then to the extent of such deficiency, the Non-Tax Revenues of the Metropolitan Government (all such terms as hereinafter defined), all on a parity and equality of lien with the Authority's remaining outstanding Public Improvement Revenue Bonds (Stadium Project), Series 1996 (the "Unrefunded 1996 Bonds").

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Financial Security Assurance Inc. (See "BOND INSURANCE" herein.)

The Bonds are not general obligations of the Authority or the Metropolitan Government but are limited obligations payable solely from the revenues and receipts pledged to such 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 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.

PILOT Payments

On February 29, 1996, the Metropolitan Council adopted Substitute Resolution No. R96-177, which requires the Department of Water and Sewerage Services of the Metropolitan Government to make an annual payment to the Metropolitan Government of \$4,000,000, representing a payment in-lieu-of ad valorem taxes. Pursuant to the Indenture, the Metropolitan Government has pledged all such in-lieu-of ad valorem tax payments (the "PILOT Payments") for the payment of principal of and interest on the Bonds. PILOT Payments are required to be paid to the Metropolitan Government by the Water and Sewerage Department in equal monthly installments. Upon receipt by the Metropolitan Government of any of the PILOT Payments, the Metropolitan Government shall immediately deposit said funds to the Revenue Fund to be transferred to the Bond Fund as set forth in the Indenture.

Project Parking Revenues

Pursuant to the Indenture, the Authority and the Metropolitan Government have pledged for the payment of principal of and interest on the Bonds, all parking revenues of the Authority and the Metropolitan Government derived from any and all parking lots and facilities of the Authority or the Metropolitan Government located in or surrounding the Project, whether managed by the Authority or the Metropolitan Government or any agency or instrumentality thereof or any other person, including any parking lot or facility leased to or from any other person (the "Project Parking Revenues"). The Metropolitan Government and the Authority have agreed under a Redevelopment Agreement relating to the Project that the Metropolitan Government will act as the agent for the management and administration of all parking facilities in the Project and collection of all Project Parking Revenues in connection with the Project. All revenues received by the Metropolitan Government from the operation of said parking facilities shall be immediately deposited in the Revenue Fund to be transferred to the Bond Fund and applied as set forth in the Indenture.

Basic Rent

The stadium is leased to the Board of Regents of the State University and Community College System of the State of Tennessee (the "Board of Regents") pursuant to a Lease dated May 27, 1997, which permits Tennessee State University ("TSU") to play its home football games in the stadium in exchange for annual rental payments to the Authority in the amount of \$131,522. All such receipts and revenues delivered by TSU under the Lease shall be deposited by the Authority into the Revenue Fund to be transferred to the Bonds Fund as set forth in the Indenture.

Non-Tax Revenues

The Metropolitan Government has also pledged its Non-Tax Revenues to pay that portion of principal, premium, if any, and interest on the Parity Bonds not covered by the PILOT Payments, the Project Parking Revenues, the Basic Rent and other funds on deposit in the Bond Fund. "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, or lease payments or any other payments payable by the Lessee under the Stadium Lease. The term "Non-Tax Revenues" includes the PILOT Payments and the Project Parking Revenues. The term "General Fund" means the General Fund of the General Services District of the Metropolitan Government used to account for all governmental financial resources, transactions and activity relating to the general operations of the General Services District of the Metropolitan Government which are not required to be accounted for in another fund.

Deposit and Application of PILOT Payments, Project Parking Revenues, Basic Rent and Non-Tax Revenues

PILOT Payments, Project Parking Revenues, and payments of Basic Rent shall be deposited as received to the Revenue Fund to be held by the Metropolitan Government. On the 20th day of each month, or if such day is not a Business Day, on the next Business Day, the Trustee shall give notice to the Director of Finance of the Metropolitan Government, or his designee, of the amount necessary to be transferred from the Revenue Fund to the Bond Fund to comply with the requirements of the Indenture. The Indenture requires that an amount equal to 1 / 12th of the principal due on the next principal payment date and 1/6th of the interest due on the next interest payment date be deposited to the Bond Fund from the Revenue Fund or from reclassified Non-Tax Revenues monthly on the 25th day of each month; provided, however, such deposit shall be reduced to the extent that: (i) payment of interest on the Unrefunded 1996 Bonds and the Bonds has been provided from proceeds of such bonds; (ii) any other funds are on deposit in the Bond Fund and available for the payment of principal of and interest thereon, including any investment income; and (iii) funds, other than PILOT Payments, Project Parking Revenues and Basic Rent, legally and properly appropriated to the payment of the Unrefunded 1996 Bonds or the Bonds and deposited in the Bond Fund on or before the 25th day of the month. (See APPENDIX G – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE").

To the extent the PILOT Payments, the Project Parking Revenues, the Basic Rent and other funds on deposit in the Bond Fund are insufficient to make the aforementioned payments, the Director of Finance of the Metropolitan Government, or his designee, will cause Non-Tax Revenues to be reclassified from the General Fund of the Metropolitan Government to the Revenue Fund on or before the 25th of each month in an amount necessary to make the aforementioned payments. Prior to making such transfer of the Non-Tax Revenues in each month, the Metropolitan Government will not make any expenditures or other disposition of the monies from the Non-Tax Revenues which would cause such amounts to be insufficient to make such transfer.

Under the Indenture, monies on deposit in the Revenue Fund, including investment income thereon, shall be applied first, on or before the 25th day of each month to the Bond Fund for the purpose of payment of debt service on the Unrefunded 1996 Bonds and the Bonds as provided in the Indenture. Any remaining funds shall then be deposited into the Rebate Fund in such amounts as are required by Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Any remaining monies may thereafter be withdrawn and used by the Authority (i) to pay certain fees and expenses of the Trustee, Rating Agencies, and the costs of administration related to the Unrefunded 1996 Bonds and the Bonds, (ii) to reimburse the Metropolitan Government any amounts paid from Non-Tax Revenues previously reclassified by the Metropolitan Government from its General Fund to the Revenue Fund to fund any deficiency in the Revenue Fund as provided in the Indenture, and (iii) third, for any lawful purpose of the Authority, including the establishment and funding of any reserves for the Project.

Maintenance of PILOT Payments, Project Parking Revenues and Non-Tax Revenues

The Metropolitan Government has covenanted under the Indenture to continue to collect and receive the PILOT Payments, the Project Parking Revenues, and the Non-Tax Revenues and not take any action which would cause the PILOT Payments or Project Parking Revenues to be reduced in amount or applied to any purpose other than the payment of debt service on the Unrefunded 1996 Bonds or the Bonds. The Metropolitan Government also shall not repeal nor amend or modify Substitute Bill No. 096-222 (relating to the pledge of PILOT Payments, Project Parking Revenues, to the extent of its interest therein, and Non-Tax Revenues), Substitute Resolution No. R96-180, Substitute Resolution No. R96-313 and Substitute Bill No. 096-378 (relating to the approval of the issuance of the Series 1996 Bonds), Resolution No. R96-177 (relating to the authorization to make PILOT Payments), or Resolution No. R2004-479 (relating to the approval of the issuance of the Bonds), in any manner so as to adversely affect the security for the Unrefunded 1996 Bonds or the Bonds.

The Metropolitan Government has covenanted that, so long as any Bonds are outstanding under the Indenture, it will maintain the Non-Tax Revenues, including the PILOT Payments and the Project Parking Revenues, in an amount which equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to the Unrefunded 1996 Bonds, the Bonds, any Parity Bonds issued under the Indenture and any Additional Secured Indebtedness (as described below).

Furthermore, the Metropolitan Government has covenanted to take, or cause to be taken, all actions necessary to maintain its eligibility to levy, collect and receive, as applicable, each of the PILOT Payments, Project Parking Revenues and Non-Tax Revenues.

Additional Bonds

The Unrefunded 1996 Bonds and the Bonds share a parity lien on the revenues pledged by the Indenture. 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. The proceeds of any Additional Bonds may only be used for the purposes described in subparagraph 3 below. Additional Bonds may be issued on a parity and equality of lien on the Trust Estate with the Parity 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. 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 Secured Indebtedness Payable from Non-Tax Revenues

The Metropolitan Government covenants in the Indenture that, so long as the 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 any of the Non-Tax Revenues to secure any indebtedness or obligation of the Metropolitan Government, the Authority, or any other person unless all the following conditions are met, and then only with respect to Non-Tax Revenues other than PILOT Payments:

1. All the payments into the respective funds and accounts provided for under the Indenture as supplemented shall have been made in full to the date of issuance of said Additional Secured Indebtedness (as defined in the Indenture) 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 the covenants, agreements and terms of the Indenture, as supplemented; and
3. Following the issuance of such Additional Secured 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.

On June 16, 1998, the Authority issued its Taxable Public Facility Revenue Bonds, Series 1998 (the “1998 Bonds”). The 1998 Bonds are payable from and secured by a pledge of Non-Tax Revenues and constitute “Additional Secured Indebtedness”. The debt service coverage table for the Series 1996 Bonds and the 1998 Bonds is included on page I-1. (See “SCHEDULE OF HISTORIC AND PROJECTED STADIUM 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 PILOT Payments, nor will it pledge the PILOT Payments or create a lien or security interest in the PILOT Payments to secure any indebtedness or obligation of the Metropolitan Government, the Authority, or any other person.

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, and 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 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 13 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 purpose, (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 Bonds for the purpose 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 Bonds, caused or incurred by the Authority in connection with the Indenture. The Bonds are limited obligations of the Authority, payable solely from the sources pledged under the Indenture. The 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 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.

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 2003 of 1,290,592. 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 (the "Metropolitan Government"), under which the boundaries of the City of Nashville and Davidson County are coextensive. (See APPENDIX B – "YEARLY INFORMATION STATEMENT OF ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE METROPOLITAN NASHVILLE AND DAVIDSON COUNTY AREA", which references the complete Yearly Information Statement at the Investor Relations website http://www.nashville.gov/finance/investor_relations.asp.)

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Security Assurance Inc.

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At June 30, 2004, Financial Security's total policyholders' surplus and contingency reserves were approximately \$2,212,545,000 and its total unearned premium reserve was approximately \$1,501,280,000 in accordance with statutory accounting practices. At June 30, 2004, Financial Security's total shareholders' equity was approximately \$2,438,206,000 and its total net unearned premium reserve was approximately \$1,255,708,000 in accordance with generally accepted accounting principles.

The financial statements included as exhibits to the annual and quarterly reports filed by Holdings with the Securities and Exchange Commission are hereby incorporated herein by reference. Also incorporated herein by reference are any such financial statements so filed from the date of this Official Statement until the termination of the offering of the Bonds. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 350 Park Avenue, New York, New York 10022, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Bonds or the advisability of investing in the Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Bond Par Amount	\$ 64,910,000.00
Original Issue Premium	1,402,661.20
Unspent Refunded Bond Proceeds	<u>4,600,000.00</u>
 Total Sources	 <u>\$ 70,912,661.20</u>

Uses of Funds

Deposit to Escrow Fund	\$ 70,170,796.73
Cost of Issuance	176,750.00
Purchaser's Discount	282,448.43
Bond Insurance	281,600.00
Additional Proceeds	<u>1,066.04</u>
 Total Uses	 <u>\$ 70,912,661.20</u>

LITIGATION AND OTHER PROCEEDINGS

The Authority

At the time of delivery of any payment for the 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 Bonds, or in any way contesting or affecting the validity of the 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 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 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 monies or security provided for the payment of the 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 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 E and is available on the Investor Relations page of the Metropolitan Government website http://www.nashville.gov/finance/investor_relations.asp.

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 Authority 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 Authority 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 opinions in substantially the forms attached hereto as Appendix C will be delivered with the Bonds. Certain legal matters with respect to the Authority and for the Metropolitan Government will be passed upon by Karl Dean, Director of Law for the Metropolitan Government.

UNDERWRITING

The Bonds were sold at public sale to Banc of America Securities LLC (the "Purchaser") at a price of \$65,748,612.77, which is equal to the par amount of the Bonds plus original issuance premium of \$1,402,661.20 and less underwriting discount of \$564,048.43 (including bond insurance). The offer of the Purchaser to purchase the Bonds, accepted by the Authority, provides for the purchase of all the Bonds.

VERIFICATION OF DEFEASANCE

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor on behalf of the Authority relating to (a) computation of forecasted receipts of principal and interest on the Escrowed Securities and the forecasted payments of principal 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 Purchasers on behalf of the Authority. Causey Demgen & Moore, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluations 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 the forecasted outcome.

FINANCIAL ADVISOR

The Authority has retained Public Financial Management, Inc. of Memphis, Tennessee, as financial advisor in connection with the issuance of the Bonds. Although Public Financial Management, Inc. has assisted in the preparation of the Official Statement, Public Financial Management, Inc. is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

INDEPENDENT AUDITORS

The general purpose financial statement 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

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services have assigned the ratings of Aaa and AAA respectively, to the Bonds with the understanding that upon delivery of the Bonds a policy insuring payment when due of principal of and interest on the Bonds will be issued by the Bond Insurer. Moody's and Standard & Poor's have assigned underlying ratings of Aa3 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 Trustees 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/ Kitty Moon Emery
Chair

APPENDIX A

GENERAL PURPOSE FINANCIAL STATEMENTS
OF THE METROPOLITAN GOVERNMENT

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

**YEARLY INFORMATION STATEMENT
OF ECONOMIC AND DEMOGRAPHIC INFORMATION**

**FOR THE METROPOLITAN NASHVILLE
AND DAVIDSON COUNTY AREA**

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 http://www.nashville.gov/finance/investor_relations.asp and is included as Appendix B 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**

(Yearly Information Statement contents continued)

- **DISTRICT ENERGY SYSTEM OVERVIEW**
- **THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT**
- **PENSION PLANS**
 - City County Plans (as of June 30, 2002)
 - Board of Education Plans (as of June 30, 2002)
- **PUBLIC EMPLOYEES' REPRESENTATION**
- **ECONOMIC AND DEMOGRAPHIC PROFILE OF NASHVILLE AND DAVIDSON COUNTY**

Introduction

Population Growth

Comparative Population Growth

Per Capita Personal Income

Comparative per Capita Personal Income

Economy of the Metropolitan Area

Employment

Employment by Industry

Miscellaneous Statistics – Twenty-five Largest Employers

Unemployment Rates

Comparative Rates of Unemployment

Investment and Job Creation

Education

The Metropolitan Board of Public Education – 2003-2004

School System – Public Education Facilities – 2002-2003

School System – Public Schools Enrollment and Attendance

Manufacturing

Trade

Agriculture

Transportation

Construction

Construction and Building Permit Activity – Unaudited Ten Year Summary

Tourism

Hotel / Motel Rooms and Percentage of Occupancy

Medical and Cultural Facilities

- **MISCELLANEOUS**

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APPENDIX C
FORM OF OPINION OF BOND COUNSEL

BASS, BERRY & SIMS PLC

**A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW**

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900 SOUTH GAY STREET, SUITE 1700
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MUSIC ROW OFFICE:
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NASHVILLE, TN 37203-4322
(615) 255-6161

October 27, 2004

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

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

Banc of America Securities LLC
Charlotte, North Carolina

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 \$64,910,000 in aggregate principal of its Public Improvement Revenue Refunding Bonds, Series 2004, dated the date hereof (the "Bonds"). The Bonds are issued pursuant to a Trust Indenture, dated as of July 1, 1996 (the "Indenture"), among the Issuer, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), and Regions Bank, Nashville, Tennessee, as successor to First American National Bank (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of the date hereof, among the Issuer, the Metropolitan Government and the Trustee (the "Supplemental Indenture").

The Issuer has authorized the issuance and sale of the Bonds and the execution and delivery of the Supplemental Indenture pursuant to resolution of the Board of Directors of the Issuer adopted on September 17, 2004. The Issuer authorized the execution and delivery of the Indenture pursuant to resolution of the Board of Directors of the Issuer adopted on February 13, 1996, as supplemented and amended on June 7, 1996 and July 19, 1996, and on September 17, 2004 (such resolutions, together with the September 17, 2004 resolution, the "Issuer Resolutions").

The Metropolitan Government has approved the issuance and sale of the Bonds by the Issuer, the execution and delivery of the Supplemental Indenture and the pledge of certain revenues of the Metropolitan Government to secure the Bonds pursuant to Resolution No. RS2004-479 of the Metropolitan Council, adopted on September 21, 2004 (the "Metro Resolution"). The Metropolitan Government authorized the execution and delivery of the Indenture pursuant to Substitute Bill No. 096-222 of the Metropolitan Council of the Metropolitan Government, passed on third reading on February 29, 1996, and Substitute Bill No. 096-378 of the Metropolitan Council of the Metropolitan Government, passed on third reading on July 16, 1996 (collectively, the "Metro Ordinances").

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, the Indenture and the Supplemental 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 and the Supplemental Indenture.

All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture, as supplemented and amended by the Supplemental 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 the Supplemental Indenture and to issue the Bonds.

2. The Issuer Resolutions have been duly and lawfully adopted, are in full force and effect and are effective to authorize the issuance and sale of the Bonds and the execution and delivery by the Issuer of the Indenture and the Supplemental Indenture.

3. The Metro Resolution and the Metro Ordinances have been duly and lawfully adopted or passed (as applicable), are in full force and effect and are effective to approve the authorization and issuance of the Bonds and the execution and delivery by the Metropolitan Government of the Indenture and the Supplemental Indenture.

4. The Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery of the Supplemental Indenture by the Trustee, constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms. The Indenture, as amended and supplemented by the Supplemental Indenture, is effective to assign in trust to the Trustee all right, title and interest of the Issuer in and to the Basic Rent and the Project Parking Revenues. The Indenture, as amended and supplemented by the Supplemental Indenture, creates a valid first lien on the Basic Rent and Project Parking Revenues received by the Issuer and assigned to the Trustee under the Indenture and on certain funds held under the Indenture in trust for the benefit of the Bondholders, on a parity and equality of lien with holders of the Issuer's outstanding Public Purpose Revenue Bonds (Stadium Project), Series 1996 (the "1996 Bonds"), subject to application thereof pursuant to the terms of the Indenture.

5. The Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by the Metropolitan Government and, assuming due authorization, execution and delivery of the Supplemental Indenture by the Trustee, constitute valid and binding obligations of the Metropolitan Government enforceable against the Metropolitan Government in accordance with their respective terms. The Indenture, as supplemented and amended by the Supplemental Indenture, is effective to assign in trust to the Trustee all right, title and interest of the Metropolitan Government in and to the PILOT Payments, the Project Parking Revenues, to the extent of its interest therein, and the Non-Tax Revenues. The Indenture, as supplemented and amended by the Supplemental Indenture, creates a valid first lien on the PILOT Payments, the Project Parking Revenues, to the extent of its interest therein, and the Non-Tax Revenues received by the Metropolitan Government and assigned to the Trustee under the Indenture and on certain funds held under the Indenture in trust for the benefit of the Bondholders, on a parity and equality of lien with holders of the Issuer's outstanding 1996 Bonds, 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 the PILOT Payments, Basic Rent, Project Parking Revenues and, to the extent the PILOT Payments, Basic Rent and Project Parking Revenues are not sufficient to pay principal of and interest on Bonds, from Non-Tax Revenues, all on a parity and equality of lieu with the Issuer's outstanding 1996 Bonds.

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, 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 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 and the Metropolitan Government have 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

APPENDIX D

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 E
CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE

The Authority and the Metropolitan Government have agreed that the Metropolitan Government shall undertake all responsibility for compliance with the continuing disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "Commission"). The Metropolitan Government has entered into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in which it has covenanted 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.

The Continuing Disclosure Certificate of the Metropolitan Government has been posted on the Metropolitan Government's Investor Relations website at http://www.nashville.gov/finance/investor_relations.asp.

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.

To the extent not set forth in the Annual Report, the Metropolitan Government shall provide additional financial information and operating data of the type included with respect to the Metropolitan Government in this Official Statement, including, but not limited to:

1. Updates of information set forth in the Official Statement related to:
 - a) Non-Tax Revenue;
 - b) PILOT Payments;
 - c) Project Parking Revenues; and
 - d) Basic Rent.

2. 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 Bonds.

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

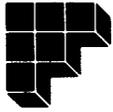
(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests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

APPENDIX F
FORM OF INSURANCE POLICY



**FINANCIAL
SECURITY
ASSURANCE®**

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS:

Effective Date:

Premium:

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud, whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

By _____

By _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022

(212) 826-0100

Form 500NY (5/90)

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APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Authority's Public Improvement Revenue Refunding Bonds, Series 2004 (the "Series 2004 Bonds") will be issued pursuant to the Indenture, which specifies the details of provisions of the Series 2004 Bonds and the terms and conditions pursuant to which the Series 2004 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 7 of Title 7 of Tennessee Code Annotated, as may be amended from time to time.

"Additional Bonds" shall mean any Bonds issued on a parity with the Series 1996 Bonds and the Series 2004 Bonds pursuant to the specific terms of the Indenture.

"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 any of the Non-Tax Revenues.

"Amortization Installment" shall mean, with respect to each maturity of Term Bonds of any Series of Bonds or Additional Secured Indebtedness, the principal amounts of such Term Bonds to be retired in consecutive years by mandatory redemption; provided, that (i) each such Amortization Installment shall be deemed to be due on the Interest Payment Date or Principal Maturity Date of each applicable year 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 Investments" shall mean Government Obligations and any other investments that are permitted under the investment policies and practices of the Metropolitan Government.

"Basic Rent" shall mean all payments of rent or any other payments made under the Lease and pledged to the payment of the Bonds.

"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 Year" shall mean with respect to the Bonds or Additional Secured Indebtedness, initially, the period from the date of issuance of a Series of Bonds or Additional Secured Indebtedness 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, including the Series 1996 Bonds and the Series 2004 Bonds.

"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 Council at a meeting duly called and convened.

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

"Credit Facility" shall mean any municipal bond insurance policy, including the Municipal Bond Insurance Policy, letter of credit, surety bond, guarantee, or other agreement under which any Person other than the Authority or the Metropolitan Government provides additional security for any Series and guarantees timely payment of the principal of and interest on all or a portion of any Series.

"Credit Facility Issuer" shall mean any Person which has provided a Credit Facility relating to any Series or any particular Bonds within a Series.

"Debt Service" shall mean, for any period or payable at any time, the principal (including Amortization Installments) of, premium, if any, and interest on the Bonds, any additional Series, or the 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 Requirement" shall mean, for any Bond Year, the sum of:

- (a) the amount required to pay the interest becoming due on the Bonds and any Additional Secured Indebtedness during such Bond Year; and
- (b) the aggregate amount required to pay the principal becoming due on the Bonds and any Additional Secured Indebtedness for 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 amounts derived from the sale of the Bonds or Additional Secured Indebtedness and used to pay interest on the Bonds or Additional Secured Indebtedness; 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.

"Development Agreement" shall mean the Development Agreement among the Metropolitan Government, the Authority, the Houston Oilers, Inc., and Cumberland Stadium, L.P., dated as of March 7, 1996.

"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.

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

"Government Obligations" shall mean

(a) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below), or

(b) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

"Indenture" shall mean the Trust Indenture dated as of July 1, 1996 among the Authority, the Metropolitan Government and the Trustee, as supplemented and amended by a First Supplemental Trust Indenture dated October 27, 2004, and as it may from time to time be further supplemented or amended by one or more additional Supplemental Indentures.

"Interest Payment Date" shall mean (a) any date on which interest is stated to be due on the Bonds or Additional Secured Indebtedness; 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 or Additional Secured Indebtedness, requires a payment of interest to be made thereon.

"Intergovernmental Agreement" shall mean the Intergovernmental Project Agreement (Stadium Project) dated February 29, 1996, by and between the Metropolitan Government and the Authority.

"Lease" shall mean any lease agreement now or hereafter executed by the Authority, as lessor, and the Lessee, or any other agency or instrumentality of the State, as lessee, providing for the use of the Project by Tennessee State University as provided in the TSU Agreement and Stadium Lease by and among the State, the Authority, and the Metropolitan Government, dated May 27, 1997.

"Lessee" shall mean the Board of Regents of the State University and Community College System of the State and its successor or successors in interest.

"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 and Outstanding Additional Secured Indebtedness, as applicable.

"Mayor" shall mean the duly elected and serving Metropolitan Mayor of the Metropolitan Government.

"Moody's" shall mean Moody's Investors Service, Inc., 99 Church Street, New York, New York, 10007, or any successor thereto.

"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 or lease payments or any other payments payable by the Lessee under the Stadium Lease by and between the Authority, as lessor and Cumberland Stadium, L.P., as lessee dated May 14, 1996. The term "Non-Tax Revenues" includes the PILOT Payments and the Project Parking Revenues.

"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.

"Outstanding", when used with reference to Bonds, shall (except for certain provisions contained in the Indenture related to demand, request, direction, insert or waiver for Bonds held by the Authority, the Metropolitan Government, the Lessee or held by 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.

"PILOT Payments" shall mean all payments made by the Department of Water and Sewerage Services of the Metropolitan Government in lieu of ad valorem taxes pursuant to Resolution No. R96-177 adopted by the Metropolitan Council on February 29, 1996.

"Principal Maturity Date" shall mean, with respect to any Series and with respect to Additional Secured Indebtedness, the annual or other periodic date on which principal matures on the Bonds or Additional Secured Indebtedness including applicable dates on which Amortization Installments are required to be applied to retire Term Bonds.

"Project" shall mean the professional football stadium and related facilities to be constructed on certain real property within the East Bank Redevelopment Project as described in the East Bank Redevelopment Plan as contained in Ordinance No. 096-163 of the Metropolitan Government, including without limitation, all buildings appurtenant thereto, all other related facilities, parking 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.

"Project Parking Revenues" shall mean all income, revenues, receipts and rents of the Authority or the Metropolitan Government derived from any and all parking lots and facilities of the Authority or the Metropolitan

Government, located in the East Bank Redevelopment Project as described in Ordinance No. 096-163, as amended, of the Metropolitan Council, whether managed by the Authority or the Metropolitan Government, or any agency or instrumentality thereof or any other Person, including any parking lot or facility leased to or from any other person.

"Rating Agency" shall mean Moody's and Standard & Poor's.

"Record Date" means, when used with respect to any Series, fifteen days 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.

"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 provisions of the Indenture.

"Series 1996 Bonds" shall mean the Authority's Public Improvement Revenue Bonds (Stadium Project), Series 1996 issued and from time to time outstanding under the Indenture.

"Series 2004 Bonds" shall mean the Authority's Public Improvement Revenue Refunding Bonds, Series 2004 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 terms of the Indenture.

"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 under the Indenture.

"Trust Estate" or "trust estate" shall mean the property which is subject to the lien of Indenture or intended to be subject to the lien of the Indenture as stated in the Indenture.

"Trustee" shall mean Regions Bank, a banking corporation organized under the State of Alabama, and its successors in interest.

"Value" of the Authorized Investments shall be determined as of the end of each month, and shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above: the value thereof established by prior agreement between the Authority, the Trustee and the Credit Facility Issuer.

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

Pledge and Assignment

The principal of, interest on and premium, if any, on the Bonds are payable from and secured by a pledge and assignment of (i) all right, title and interest of the Authority in and to the Lease (except for any rights of the Authority to reimbursement and payment of costs and expenses under the Lease, and to exemption from liability, both individual and corporate, under the Lease) and the Project Parking Revenues; (ii) all right, title and interest of the Metropolitan Government in and to the PILOT Payments, the Project Parking Revenues, to the extent of any interest therein, and Non-Tax Revenues, but only to the extent Basic Rent, Project Parking Revenues and PILOT Payments are not sufficient to pay debt service on any Interest Payment Date or Principal Maturity Date; (iii) all rents, issues, profits, income and other sums due and to become due under and pursuant to (i) and (ii); (iv) all monies and securities in any one of the funds or accounts established under the Indenture, including all monies received pursuant to any Credit Facility; and (v) all property which is by the express provisions of the Indenture required to be subject to the lien of the Indenture and any additional property that may, from time to time, by delivery or by writing of any kind, be subject to the lien of the Indenture by the Authority, by the Metropolitan Government or by anyone in their behalf.

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 hereunder.

In case any temporary or definitive Bond 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 1996 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 the Cost of Construction of the Project, or (ii) refund any or all of the Outstanding Bonds; and
- (4) 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 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 determined by the Board as set forth in a Supplemental Indenture approved by resolution of the Board at the time such Additional Bonds are authorized.

So long as no Event of Default is continuing under the Indenture, the Authority may issue Additional Bonds under the Indenture pursuant to the provisions and limitations set forth in the Indenture for any one or more purposes set forth in the Indenture; provided, however, that in no event shall the Authority issue any Additional Bonds if as a result of the issuance thereof the interest on the Series 1996 Bonds or any other Bonds previously issued under the Indenture, the interest on which is intended to be excludable from gross income for federal income tax purposes, 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 2004 Bonds and continuing so long as any Bonds are Outstanding, it will not issue or incur any indebtedness payable from or secured by a pledge of or lien on any of the Non-Tax Revenues, nor will it pledge any of the Non-Tax Revenues or create a lien on or security interest in any of the 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 then only with respect to Non-Tax Revenues other than PILOT Payments:

- (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 hereinabove described;
- (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 Secured 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 and all Additional Secured Indebtedness.

The Metropolitan Government covenants and agrees that so long as any Bonds are Outstanding, it will not issue or incur any indebtedness payable from or secured by a pledge of or lien on the PILOT Payments, nor will it pledge the PILOT Payments or create a lien or security interest in the PILOT 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.

Funds

The Indenture establishes the following trust funds which (except for the Rebate Fund) shall be subject to the lien of the Indenture: the Revenue Fund; the Bond Fund; and the Rebate Fund. The Revenue Fund and the Rebate Fund shall be held by the Metropolitan Government in trust and shall be kept separate and apart from all other funds of the Metropolitan Government. The Bond Fund shall be held by the Trustee in trust and kept separate and apart from all other funds.

Pursuant to the Intergovernmental Agreement, the Metropolitan Government has agreed to establish certain funds and sub-accounts relating to the Project, funds to be used to develop and construct the Project and pay certain costs and fees associated therewith, and funds to be used to pay debt service on indebtedness issued to finance the development and construction of the Project. Under the Intergovernmental Agreement, the Metropolitan Government and the Sports Authority have agreed that the Metropolitan Government will act as the agent for the

management and administration of all parking facilities at any time located on the Land, as described therein, and collection of all Project Parking Revenues in connection therewith. The Metropolitan Government covenants and agrees that upon collection of Project Parking Revenues as provided therein, the Project Parking Revenues will be applied as hereinafter set forth.

Deposit and Application of PILOT Payments, Basic Rent, Project Parking Revenues and Non-Tax Revenues. PILOT Payments, Project Parking Revenues and payments of Basic Rent shall be deposited as received to the Revenue Fund by the Authority and by the Metropolitan Government, as applicable. On the 20th day of each month, or if such day is not a Business Day, on the next Business Day, the Trustee shall give notice to the Director of Finance, or his designee, of the amount necessary to be transferred from the Revenue Fund to the Bond Fund to make the necessary monthly deposits for payment of principal of and interest on the Bonds. To the extent the PILOT Payments, the Project Parking Revenues, the Basic Rent and other funds on deposit in the Revenue Fund are insufficient to make the necessary monthly deposits for payment of principal and interest on the Bonds (taking into account any credits as provided below), then the Director of Finance or his designee will cause Non-Tax Revenues to be reclassified from the General Fund of the Metropolitan Government to the Revenue Fund on or before the 25th of each month in an amount necessary to make up any deficiency. Prior to making such transfer of the Non-Tax Revenues in each month, the Metropolitan Government will not make any expenditures or other disposition of the monies from the Non-Tax Revenues which would cause such amounts to be insufficient to make such transfer.

Moneys on deposit in the Revenue Fund, including investment income thereon, shall be applied, on or before the 25th day of each month, subject to credits for deposits as provided below, only in the following manner and order of priority:

(1) First, for deposit into the Bond Fund, in an amount equal to one-twelfth (1/12) of the principal due on the next succeeding Principal Maturity Date, one-twelfth (1/12) of the Amortization Installment for Term Bonds which shall become due and payable on the next Principal Maturity Date and one-sixth (1/6) of the interest due on the next succeeding Interest Payment Date; provided, however, such deposit shall be reduced to the extent that: (i) payment of interest on the Bonds has been provided from the proceeds of the Bonds; (ii) any other funds are on deposit in the Bond Fund and available for payment of principal of interest on and Amortization Installment of Bonds, including any investment income in the Bond Fund and any other monies deposited into the Bond Fund (including excess moneys from the Construction Fund); and (iii) funds, other than the PILOT Payments, Project Parking Revenues and Basic Rent, legally and properly appropriated to the payment of the Bonds and deposited in the Bond Fund on or before the 25th day of the month. Moneys on deposit in the Bond Fund shall be used only for the purpose of paying Debt Service on Bonds as the same shall become due and for no other purpose.

(2) Second, moneys shall next be used for deposit into the Rebate Fund in such amounts as are determined by the Authority to be necessary together with deposits made for such purpose by the Metropolitan Government. At the times and in the manner required by Section 148(f) of the Code, the Authority shall make or cause to be made such calculations as are necessary to determine the amount of the Authority's liability to make rebate payments to the United States with respect to each Series of Bonds and shall cause such report to be filed with the Trustee and the Metropolitan Government. An account in the Rebate Fund may be created for each "issue" (as such term is used in the Code) of Bonds. The estimated amount needed to pay rebate thereon (taking into account amounts then in the Rebate Fund) shall be deposited by the Metropolitan Government on receipt of such estimate to the extent funds are not already on deposit in the Rebate Fund.

(3) Third, remaining moneys shall thereafter be withdrawn and used by the Authority (i) first, to pay ongoing fees and expenses of the Trustee, Rating Agencies, and the costs of administration related to the Bonds, (ii) second, to pay the Metropolitan Government any amounts paid from Non-Tax Revenues previously reclassified by the Metropolitan Government from its General Fund to the Revenue Fund to fund any deficiency in the Revenue Fund, and (iii) third, for any lawful purpose of the Authority, including the establishment and funding of any reserves for the Project.

If funds other than PILOT Payments, Project Parking Revenues and Basic Rent are legally and properly appropriated to the payment of the Bonds and deposited in the Bond Fund on or before the 25th day of the month,

the amount required to be deposited to the Bond Fund from the Revenue Fund shall be reduced by the amount deposited from said appropriation.

Investment of Funds

Any moneys held as part of the Bond Fund, the Revenue 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 and by and under the control of the Metropolitan Government for funds held by the Metropolitan Government, and shall be deemed at all times a part of the Revenue Fund, 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 required payment or payments, 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 Revenue 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 the Indenture through its own Bond Department.

Remaining Amounts in Funds

Any amounts remaining in the Bond Fund, the Revenue Fund, 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. 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 the entire amount necessary to pay all the principal, premium, if any, and interest payable on such date on all Bonds then Outstanding.

Book 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.

Representations and Covenants of the Authority as to the 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 Lease (other than to the Trustee or as specifically authorized pursuant to the provisions of the Lease) or assign, transfer or hypothecate (other than to the Trustee) any payments of Basic Rent then due or to accrue in the future under the 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 Lease or the leasehold estate created thereby or any part thereof.

Books and Records of the Metropolitan Government. The Metropolitan Government will keep books and records of the PILOT Payments, Project Parking 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 PILOT Payments, Project Parking Revenues and Non-Tax Revenues. The Metropolitan Government shall collect and receive the PILOT Payments, the Project Parking 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 PILOT Payments or the Project Parking Revenues to be reduced in amount or, except as provided in the Indenture, applied to any purpose other than the payment of Debt Service on the Bonds. The Metropolitan Government covenants that it will not repeal or amend in any way which will adversely affect the security for the Bonds, Substitute Bill No. 096-222, Substitute Resolution No. R96-180, Resolution No. R96-177, or Resolution No. RS2004-479. The Metropolitan Government covenants and agrees that from and after the delivery of the Bonds and continuing so long as any Bonds are Outstanding, the Metropolitan Government will maintain Non-Tax Revenues, including the PILOT Payments and the Project Parking Revenues, in an amount which equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to the Outstanding Bonds and any Additional Secured Indebtedness. The Metropolitan Government will take, or cause to be taken, all actions necessary to maintain its eligibility to levy, collect and receive, as applicable, the PILOT Payments, each of the Non-Tax Revenues, and its interests, if any, in the Project Parking Revenue.

Use of Revenues. So long as the Authority and the Metropolitan Government are in full compliance with all the terms, covenants and agreements set forth in the Indenture and all payments to the funds described in the Indenture are current, and the requirements of the Indenture relating to maintenance of revenues are met, the Metropolitan Government may use and apply the Non-Tax Revenues (other than PILOT Payments and the Project Parking Revenues, to the extent of its interests, if any) to such purposes and uses as the Metropolitan Government, acting by and through the Metropolitan Council, shall deem appropriate.

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 hereby 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 or the Lease.

Financing Statements. The Authority, forthwith upon the execution and delivery of the Indenture and thereafter from time to time, will, at the request of the Trustee, cause the Indenture, and each Supplemental Indenture, and all financing statements, continuation statements and other instruments required by applicable law necessary in connection therewith to be filed, registered and recorded and refiled, re-registered and rerecorded as a mortgage upon the Trust Estate, in such manner and in such places as may be required by any present or future law in order to publish notice of and fully protect the lien of the Indenture, and the title of the Trustee to the Trust Estate and in order to entitle the Bonds then outstanding to the benefits and security of the Indenture, and will cause the Lease and any supplement thereto, to be filed, registered or recorded and refiled, re-registered and rerecorded in such manner and in such places as may be required by law in order to publish notice and fully protect the validity thereof, and from time to time will perform or cause to be performed any other act as provided by law, and will execute or cause to be executed any and all further instruments, which may be necessary for such publication,

protection and entitlement.

Tax Compliance. The Authority and the Metropolitan Government covenant that they will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. 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 the 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 the 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 hereby 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.

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) 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, to the Metropolitan Government and the Lessee by the Trustee, or to the Authority, the Trustee, the Metropolitan Government and the Lessee 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 PILOT Payments, Project Parking Revenues, Non-Tax Revenues, and Basic Rent, or (B) seeks to disaffirm or reject any obligations of the Authority under the Indenture, the Bonds or the Lease.

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 Indenture.

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 granted in the Indenture, 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:

- (1) 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;
- (2) 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;
- (3) 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.
- (4) 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, 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

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. The Trustee shall not be liable for other than its own willful misconduct or gross negligence. The Trustee shall not in any event be required to take, defend or appear in any legal action or proceeding or to exercise any of the trusts or powers unless it shall first be adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred thereby.

The Trustee shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements in the Indenture or in the Lease or any contracts or securities assigned or conveyed to or mortgaged with the Trustee under the Indenture contained to be performed or observed by the Authority or the Metropolitan Government or any party to the Lease or such contracts or securities; nor shall the Trustee have any obligation, duty or liability under any of such agreements. The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any default or event of default other than a failure to pay principal of or interest on the Bonds unless the Trustee shall receive from the Authority or the Metropolitan Government or the holder of any Bond written notice stating that a default or event of default under the Indenture has occurred and specifying the same, and in the absence of such notice the Trustee may conclusively assume that there is no such default or event of default.

The Trustee shall not be under any obligation to give any consent, enter into any agreement, release any property or to take any other action which is discretionary with the Trustee under the provisions of the Indenture except on written request of the holders of not less than any applicable specified percentage provided for in the Indenture or if no percentage is specified then 66-2/3% in principal amount of the Bonds Outstanding. The Trustee makes no representations as to the validity or sufficiency of the Indenture, the Lease or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority of any of the Bonds.

The obligations of the Authority under the Indenture 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 is continuing have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such.

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. In case at any time the Trustee shall cease to be eligible, the Trustee shall resign immediately.

The Trustee may at any time resign by giving written notice by first class mail to the Authority, the Lessee, the Credit Facility Issuer, if any, and the registered owner of each Bond. Upon receiving such notice of resignation, the Authority, with the prior written approval of the Metropolitan Government and the Credit Facility Issuer, if any, 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 and to the Credit Facility Issuer, if any.

The Authority or the Metropolitan Government may at any time remove the Trustee and appoint a successor Trustee, who must be acceptable to the Metropolitan Government and the Credit Facility Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders. The Trustee may be removed at any time, at the request of the Credit Facility Issuer, if any, for any breach of the trusts accepted by it. Upon such a removal, the Authority, with the prior written approval of the Metropolitan Government and the Credit Facility Issuer, if any, shall promptly appoint a successor trustee by an instrument in writing executed by order of its Board of Directors.

Supplemental Indentures

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

- (1) to add to the covenants and agreements of the Authority and the Metropolitan Government in the Indenture, other covenants and agreements thereafter to be observed or to surrender any right or power reserved or conferred in the Indenture upon the Authority or the Metropolitan Government;
- (2) 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;
- (3) to subject, describe or redescribe any property subjected or to be subjected to the lien of the Indenture;
- (4) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of the Indenture or Supplemental Indenture and 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 Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- (5) to provide for additional Series of Bonds to the extent permitted by the Indenture; and
- (6) 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 above provisions 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, 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.

With the consent 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 Council and the Trustee may from time to time and at any time enter into a Supplemental Indenture 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) 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, 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 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Upon the execution of any Supplemental 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

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

- A. By well and truly 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, 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 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;

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 herewith.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered 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.

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 (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 provided in the Indenture 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.

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 hereunder, 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.

No Recourse Against Directors, Metropolitan Government and Authority

No recourse under or upon any obligation, covenant or agreement contained in the Indenture, or in any Bond hereby secured, 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 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 or otherwise, of any sum that may remain due and unpaid upon the Bonds or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issue of such Bonds.

Governing Law

The Indenture shall be governed exclusively by the provisions set forth in the Indenture and by the applicable laws of the State of Tennessee.