RESOLUTION NO. RS2018-1391

The Metropolitan Government of
Nashville and Davidson County
(Tennessee)

____

Resolution authorizing the issuance, sale and payment of general obligation improvement bonds in an aggregate principal amount of not to exceed $775,000,000; and providing for the levy of taxes for the payment of debt service on the bonds.

Adopted ____________, 2018

Resolution No. RS2018-1391

Resolution authorizing the issuance, sale and payment of general obligation improvement bonds in an aggregate principal amount of not to exceed $775,000,000; and providing for the levy of taxes for the payment of debt service on the bonds.

WHEREAS, the Metropolitan Government is authorized under the Act and the Charter (as such terms are hereafter defined) to issue its general obligation bonds for the purposes of providing long-term financing for public works projects within the Metropolitan Government and retiring its outstanding general obligation bond anticipation notes issued to finance such public works projects; and

WHEREAS, the Metropolitan Council hereby finds that it is in the best interest of the citizens of the Metropolitan Government to (a) finance the costs of a portion of the public works projects authorized by initial Resolutions No. RS2009-746; RS2010-1120; RS2010-1139; RS2010-1363; RS2012-276; RS2012-316; RS2013-559; RS2013-710, RS2014-963, RS2014-1126, RS2015-1500, RS2016-245, RS2017-713, RS2017-963 and RS2018-1328 (together, the "Initial Resolutions"); and (b) retire a portion of its outstanding general obligation commercial paper bond anticipation notes (the "Commercial Paper") which were issued to pursuant to commercial paper Resolutions No. RS2017-687 and RS2014-1066 (as amended by R2017-688) and the Initial Resolutions to finance the costs of a portion of the public works projects authorized by Initial Resolutions; and

WHEREAS, for such purposes, the Metropolitan Council hereby finds it to be in the best interest of the citizens of the Metropolitan Government to issue its general obligation improvement bonds.

NOW THEREFORE, BE IT RESOLVED BY THE METROPOLITAN COUNTY COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE) AS FOLLOWS:

ARTICLE I.
DEFINITIONS

Section 1.1. Definition of Terms. The following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means Title 9, Chapter 21 of the Tennessee Code Annotated, as amended.

"Authorized Officer of the Metropolitan Government" means the Metropolitan Mayor, the Vice Mayor, or the Director of Finance, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the Metropolitan Government then authorized to perform such act or discharge such duty.

“Award Certificate” means the certificate executed by the Metropolitan Mayor awarding the sale of the Bonds to the winning bidder in conformance with the Bond Resolution establishing the final maturity schedule, interest rates, principal and interest payment dates and redemption provisions of the Bonds.

"Bonds" means the series of general obligation bonds authorized by this Bond Resolution.

"Bond Payment Date" means each date on which principal and/or interest shall be payable on the Bonds so long as any of the Bonds shall be outstanding.

"Bond Resolution" means this resolution, as it may be amended from time to time.

"Bondholder", "holder" and "registered owner" means the registered owner of a Bond, including any nominee of a Depository.

"Book-Entry Form" or "Book-Entry System" means 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 Metropolitan Government or the Registration Agent, constitute the written record that identifies, and records the transfer of the beneficial "book-entry" interests in those Bonds.

"Charter" means the Charter of The Metropolitan Government of Nashville and Davidson County authorized in referendum on June 28, 1962, as amended.

"Closing Date" means the date of delivery and payment of the Bonds (or any temporary Bonds as authorized by Section 3.6 hereof).

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder.

"Commercial Paper" has the meaning ascribed in the preamble.

"Debt Management Policy" means the debt management policy of the Metropolitan Government adopted by resolution of the Metropolitan Council on December 6, 2011, as heretofore supplemented and amended.

"Defeasance Obligations" means (i) direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States; (ii) obligations of any agency or instrumentality of the United States; (iii) certificates of deposit issued by a bank or trust company located in the state of Tennessee; provided, that such certificates shall be secured by a pledge of any of the obligations referred to in subdivisions (i) and (ii) having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates of deposit so secured.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

"Director of Finance" means the Director of Finance of the Metropolitan Government appointed pursuant to the provisions of the Charter or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Metropolitan Mayor to perform the duties otherwise performed by the Director of Finance, or her designee.

"Director of Law" means the Director of Law of the Metropolitan Government appointed pursuant to the provisions of the Charter or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Law, or his designee.

"DTC" means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

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

"Financial Advisor" means Hilltop Securities Inc.

"General Services District" means the General Services District of the Metropolitan Government as defined and specified in the Charter.

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

"Letter of Representation" means the Blanket Issuer Letter of Representations to DTC of the Metropolitan Government, dated April 27, 1995.

"Metropolitan Clerk" means the Metropolitan Clerk of the Metropolitan Government appointed pursuant to the provisions of the Charter or her designee acting on her behalf pursuant to the Charter.

"Metropolitan Council" means the Metropolitan County Council of the Metropolitan Government elected pursuant to the provisions of the Charter.

"Metropolitan Government" means The Metropolitan Government of Nashville and Davidson County (Tennessee).

"Metropolitan Mayor" means the Metropolitan Mayor of the Metropolitan Government elected pursuant to the provisions of the Charter or his designee acting on her behalf pursuant to the Charter.

"Metropolitan Treasurer" means the Metropolitan Treasurer of the Metropolitan Government appointed pursuant to the provisions of the Charter, or his designee acting on his behalf pursuant to the Charter.

"Official Statement" and "Preliminary Official Statement" mean that Official Statement and Preliminary Official Statement described in Section 7.2 hereof pertaining to the sale of the Bonds.

"Outstanding" means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Metropolitan Government at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Metropolitan Government for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registration Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Bond Resolution, unless proof satisfactory to the Metropolitan Government is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VI of this Bond Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“Project Fund” means the fund established by that name pursuant to Section 7.3 hereof.

"Projects" shall mean those capital improvement projects authorized by the Initial Resolutions, which are described in the exhibits listed below; provided that, notwithstanding anything herein to the contrary, no Bond proceeds may be spent on the projects described in Resolution RS2018-1328 until the conditions to the effectiveness of such resolution set forth in Tennessee Code Annotated Sections 9-21-201 et seq. shall have been satisfied:

Initial Resolution	List of Projects
RS2009-746	Exhibit C
RS2010-1120	Exhibit D
RS2010-1139	Exhibit E
RS2010-1363	Exhibit F

RS2012-276	Exhibit G
RS2012-316	Exhibit H
RS2013-559	Exhibit I
RS2013-710	Exhibit J
RS2014-963	Exhibit K
RS2014-1126	Exhibit L
RS2015-1500	Exhibit M
RS2016-245	Exhibit N
RS2017-713	Exhibit O
RS2017-963	Exhibit P
RS2018-1328	Exhibit Q

"Registration Agent" means U.S. Bank National Association, acting as registration and paying agent, or its successor or successors hereafter appointed in the manner provided in Article V hereof.

"Urban Services District" means the Urban Services District of the Metropolitan Government as defined and specified in the Charter.

"Vice Mayor" means the Vice Mayor elected pursuant to the provisions of the Charter or her designee acting on her behalf pursuant to the Charter.

ARTICLE II.
AUTHORITY, PLEDGE, AND LEVY

Section 2.1. Authority. For the purposes of (a) funding a portion of the costs of the Projects, (b) retiring all or a portion of the Commercial Paper at maturity and (c) paying costs incident to the sale and issuance of the Bonds, there shall be issued pursuant to, and in accordance with, the Initial Resolutions and the provisions of the Act and other applicable provisions of law, general obligation bonds of the Metropolitan Government in one or more series in an aggregate principal amount of not to exceed $775,000,000.

Section 2.2. Pledge. Debt service on the Bonds shall be payable from ad valorem taxes to be levied for such purpose on all taxable property in the Metropolitan Government without limit as to time, rate, or amount. Said Bonds shall be direct general obligations of the Metropolitan Government, and the full faith and credit of the Metropolitan Government, together with the taxing power of the Metropolitan Government as to all taxable property in the Metropolitan Government, are hereby irrevocably pledged. Without limiting the foregoing, the debt service on the Bonds may be paid from the debt service fund of the General Services

District for debt service attributable to Projects in the General Services District, from the debt service fund of the Urban Services District for debt service attributable to Projects in the Urban Services District, and from the school debt service fund for debt service attributable to school Projects.

Section 2.3. Levy of Taxes. For the purpose of providing for the payment of the debt service on the Bonds, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the General Services District and Urban Services District, fully sufficient to pay all such debt service falling due prior to the time of collection of the next succeeding tax levy; provided, however, taxes so levied in the General Services District shall be levied in an amount sufficient to pay that portion of such debt service attributable to school Projects and Projects in the General Services District financed by the Bonds; and the taxes so levied in the Urban Services District shall be levied in an amount sufficient to pay that portion of such debt service attributable to Projects in the Urban Services District financed by the Bonds. Notwithstanding the foregoing, the Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property within the boundaries of the Metropolitan Government to the full extent necessary to pay all debt service on the Bonds, and the full faith and credit of Metropolitan Government shall be pledged to the payment thereof. Said tax shall be assessed, collected, and paid at the time and in the same manner as the other taxes of the Metropolitan Government, shall be in addition to all other taxes and shall be without limitation as to time, rate or amount; provided; however, the tax may be reduced to the extent of any appropriations to the payment of debt service on the Bonds from other funds, taxes and revenues of the Metropolitan Government. Principal, premium, if any, and interest, on any of the Bonds, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from current funds of the Metropolitan Government, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected.

ARTICLE III.
FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 3.1. Authorized Bonds and Findings of the Metropolitan Government. No Bonds may be issued under the provisions of this Bond Resolution except in accordance with the provisions of this Article. The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed $775,000,000.

Section 3.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date). Bonds issued under the Bond Resolution shall be in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions, and insertions as are permitted or required by this Bond Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Metropolitan Government.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf of, the Metropolitan Government with the manual or facsimile signature of the Metropolitan Mayor, and with the official seal, or a facsimile thereof, of the Metropolitan Government impressed or imprinted thereon, attested by the manual or facsimile signature of the Metropolitan Clerk, and approved as to form and legality by the Director of Law by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Metropolitan Government to sign such Bond, although on the date of the adoption by the Metropolitan Government of this Bond Resolution, such individuals may not have been such officers.

Section 3.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall be designated "General Obligation Improvement Bonds, Series 2018" or such other designation as shall be determined pursuant to Section 7.1 hereof. The Bonds shall be dated the Closing Date or such other date as shall be established pursuant to Section 7.1 hereof. Subject to adjustments permitted in Section 7.1 hereof, the Bonds shall bear interest from the date thereof at a rate or rates not exceeding 6.00% or the maximum interest rate permitted by applicable law, such interest being payable semi-annually on the first day of January and July of each year, commencing on January 1, 2019. Subject to adjustments permitted in Section 7.1 hereof, the Bonds shall mature, subject to prior redemption as hereinafter provided, either serially or through mandatory redemption, commencing no earlier than July 1, 2019 and ending no later than July 1, 2038, in amounts established by the Mayor and set forth in the Award Certificate, provided that such amounts shall produce debt service on the Bonds that is approximately level for each fiscal year of the Metropolitan Government during the term of the Bonds, commencing no later than the fiscal year ending June 30, 2022.

(b) The Bonds shall be payable, principal, premium, if any, and interest, in lawful money of the United States of America at the principal corporate trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Metropolitan Government in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

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

Section 3.4. Negotiability of Bonds. All Bonds issued under this Bond Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Bond Resolution and in the Bonds.

Section 3.5. Registration, Transfer and Exchange of Bonds.

(a) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or Bonds to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any

Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Metropolitan Government to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Metropolitan Government nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. Unless otherwise provided herein, 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.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. 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 HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS BOND RESOLUTION.

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

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Metropolitan Government determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Metropolitan Government may discontinue the Book-Entry System with DTC. If the Metropolitan Government fails to identify another qualified securities depository to replace DTC, the Metropolitan Government shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE METROPOLITAN GOVERNMENT NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF 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 THIS 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.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 3.6. Authorization and Preparation of Temporary Bonds.

(a) Without unreasonable delay after the sale thereof, the Metropolitan Government shall cause definitive Bonds to be prepared, executed, and delivered to the purchaser or purchasers thereof, which Bonds shall be fully engraved (as that term is customarily used) or lithographed or printed on steel engraved borders, or, if acceptable to the purchaser or purchasers of such Bonds (such acceptance to be conclusively evidenced by the acceptance of such Bonds by such purchaser or purchasers), such definitive Bonds may be typewritten, printed, photocopied, or any combination of the foregoing. Until such definitive Bonds are ready for delivery, there may be executed by the Metropolitan Government, and upon request by an Authorized Officer of the Metropolitan Government, the Registration Agent shall also authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved, lithographed, or photocopied Bonds, or Bonds having any combination of the foregoing, as prepared and executed by the Metropolitan Government, which temporary Bonds shall be substantially of the tenor of such definitive Bonds but with such appropriate omissions, insertions, and variations as may be required.

(b) Until definitive Bonds are ready for delivery, any temporary Bond may be exchanged at the principal corporate trust office of the Registration Agent, without charge to the Bondholder, for in equal aggregate principal amount of temporary Bonds of like tenor, of the same maturity and bearing interest at the same rate.

(c) When and after definitive Bonds are ready for delivery, the Registration Agent, upon surrender to the Registration Agent at the principal corporate trust office of the Registration Agent of a temporary Bond or Bonds, shall cancel such temporary Bond or Bonds and authenticate and deliver in exchange therefor, without charge to such Bondholder, a definitive Bond or Bonds in an equal aggregate principal amount, and having the same maturity or maturities, interest rate or rates, and registration and redemption provisions as the temporary Bond or Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security of the Bond Resolution as the definitive Bonds to be issued under such Bond Resolution.

(d) Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon.

(e) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall forthwith be canceled.

Section 3.7. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Metropolitan Government may execute, and upon the request of an Authorized Officer of the Metropolitan Government the Registration Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Metropolitan Government and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Metropolitan Government and the Registration Agent may require the owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Metropolitan Government and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the Metropolitan Government may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the owner thereof shall pay all costs and expenses, including attorneys' fees, incurred by the Metropolitan Government and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Metropolitan Government and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the Metropolitan Government and the Registration Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the Metropolitan Government (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 3.8. Authentication. The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the successful bidder for the Bonds or as it may designate upon receipt by the Metropolitan Government of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

Section 3.9. Qualification for DTC. The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

ARTICLE IV.
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 4.1. Redemption Dates and Prices.

(a) Subject to the adjustments permitted pursuant to Section 7.1 hereof, the Bonds may be subject to redemption prior to maturity at the option of the Metropolitan Government on July 1, 2028 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

(b) If less than all the Bonds 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 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

> (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
>
> (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 7.1 hereof, the Metropolitan Mayor and Director of Finance, or either of them, are authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities and principal amounts set forth in the Award Certificate. In the event any or all the Bonds are sold as Term Bonds, the Metropolitan Government shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the amounts provided in the Bond Purchase Agreement for each redemption date at a price of par plus accrued interest thereon to the date of redemption. The interest of each Participant in the Term Bonds to be so redeemed shall be selected by DTC, or such Person as shall then be serving as the securities depository for the Bonds, using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Term Bonds to be so redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Metropolitan Government may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Metropolitan Government 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 this mandatory sinking fund provision shall be accordingly reduced. The Metropolitan Government shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection 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.

Section 4.2. Notice of Redemption. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Metropolitan Government not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Bonds of a series called for redemption, the notice of redemption shall state that the redemption of such Bonds of such series is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Bonds not later than the opening of business on the redemption date and that such notice shall be of no effect if such moneys are not on deposit. The Registration Agent shall mail said notices, in the case of mandatory redemption of Term Bonds, as and when provided herein and in the Bonds, and, in the case of optional redemption, as and when directed by the Metropolitan Government pursuant to written instructions from an Authorized Officer of the Metropolitan Government given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent).

Section 4.3. Payment of Redeemed Bonds.

(a) If notice of redemption shall have been given in the manner and under the conditions provided in Section 4.2 hereof and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Bonds to be redeemed as provided in this Bond Resolution, then: (1) the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date; (2) interest on the Bonds so called for redemption shall cease to accrue; and, (3) such Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of the Bond Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(b) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of the Bond Resolution.

ARTICLE V.
REGISTRATION AGENT

Section 5.1. Appointment and Acceptance of Duties. The Metropolitan Government hereby appoints the Registration Agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Metropolitan Government, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Metropolitan Government at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the Metropolitan Government at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The Metropolitan Mayor, the Director of Finance, the Metropolitan Treasurer, or any of them, is hereby authorized to execute and the Metropolitan Clerk is hereby authorized to attest such written agreement or agreements between the Metropolitan Government and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent consistent with this Bond Resolution. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any agreement is hereby authorized and directed.

Section 5.2. Permitted Acts and Functions. The Registration Agent may become the owner of any Bonds, with the same rights as it would have if it were not a Registration Agent. The Registration Agent may act as an underwriter or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the Metropolitan Government.

Section 5.3. Resignation or Removal of the Registration Agent and Appointment of Successors.

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Director of Finance. The Registration Agent may be removed at any time by the Director of Finance, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Director of Finance and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-Five Million Dollars ($75,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign and deliver any monies and securities held by it as

Registration Agent, and all books and records and other properties held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Director of Finance until such successor be appointed.

Section 5.4. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the Director of Finance shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 5.3 hereof.

ARTICLE VI.
DEFEASANCE OF BONDS

Section 6.1. Defeasance of Bonds. If the Metropolitan Government shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

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

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

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

and if the Metropolitan Government shall also pay or cause to be paid all other sums payable hereunder by the Metropolitan Government with respect to such Bonds, or make adequate provision therefor, and by resolution of the Metropolitan Council instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Metropolitan Government to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

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

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Metropolitan Government as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Metropolitan Government, as received by the Registration Agent.

ARTICLE VII.
SALE OF BONDS AND DEPOSIT OF PROCEEDS

Section 7.1. Sale of Bonds.

The Bonds shall be sold at competitive sale at a price of not less than ninety-nine percent (99%) of par, plus accrued interest, if any. To facilitate the sale of the Bonds in a manner that is in the best interest of the Metropolitan Government, the Director of Finance, in consultation with the Financial Advisor, is authorized to offer for sale an aggregate principal amount of the Bonds less than that authorized herein, to identify the par amount of Commercial Paper to be retired, to change the dated date of the Bonds to a date other than the Closing Date, to change the designation of the Bonds to a designation other than “General Obligation Improvement Bonds, Series 2018", to change the redemption dates and prices and to modify the interest payment dates, and to sell all or a portion of the Bonds as Term Bonds with mandatory redemption requirements. The Bonds shall be awarded by the Metropolitan Mayor pursuant hereto, by execution and delivery of an Award Certificate, to the bidder whose bid results in the lowest true interest cost to the Metropolitan Government. The award of the Bonds by the Metropolitan Mayor shall be binding on the Metropolitan Government, and no further action of the Metropolitan Council with respect thereto shall be required. The Director of Finance, as she shall deem to be advantageous to the Metropolitan Government in consultation with the Financial Advisor, is authorized to offer the Bonds (1) simultaneously with any other bonds or notes authorized by resolution or resolutions of the Metropolitan Council; (2) as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution of the

Metropolitan Council; and/or (3) in one or more emissions or series. The form of Bond set forth in Exhibit A shall be conformed to reflect the changes, if any, described above.

The Metropolitan Mayor and the Metropolitan Clerk are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the original purchaser of the Bonds and the Metropolitan Mayor, the Director of Finance, the Metropolitan Clerk and Director of Law are authorized to execute, publish, and deliver all certificates and documents, including the Official Statement, and closing certificates and documents, as they shall deem necessary in connection with the sale and delivery of the Bonds.

Section 7.2. Official Statement. The Metropolitan Mayor and Director of Finance, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds in the form of the Preliminary Official Statement attached hereto as Exhibit B and by this reference made a part hereof (the "Preliminary Official Statement"), with such completions, omissions, insertions and changes as shall be necessary to cause the Preliminary Official Statement to accurately describe the Bonds and the financial condition of the Metropolitan Government. After the Bonds have been sold, the Metropolitan Mayor and Director of Finance, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with the Bond Resolution as are necessary or desirable to complete it as a final Official Statement for the Bonds for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Metropolitan Mayor and Director of Finance shall arrange for the delivery to the winning bidder for the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold.

The Metropolitan Mayor and Director of Finance, or either of them, are authorized, on behalf of the Metropolitan Government, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Metropolitan Government except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 7.3. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) An amount which will be sufficient to retire the Commercial Paper identified for retirement at maturity shall be deposited to the Commercial Paper Funds established by the Issuing and Paying Agency Agreements between the Metropolitan Government and U.S. Bank National Association, related to the Commercial Paper (the “CP Paying Agent”), and invested by the CP Paying Agent as directed by the Metropolitan Treasurer until needed to retire such Commercial Paper.

(b) The balance of the proceeds of the Bonds shall be placed in a special fund of the Metropolitan Government (the "Project Fund") to be kept separate and apart from all other funds of the Metropolitan Government, which fund may bear such designation as the Director of Finance shall determine, and which fund may contain such accounts and sub-accounts as the Director of Finance shall determine. The Project Fund shall be disbursed solely to pay (i) the costs of the Projects, including all legal, fiscal, architectural, administrative and engineering costs incident thereto and reimbursing the Metropolitan Government for funds previously expended for the Projects, and (ii) the costs of issuance and sale of the Bonds. Moneys in the Project Fund shall be invested as directed by the Metropolitan Treasurer in such investments as shall be permitted by applicable law and the earnings thereon shall be retained in the project Fund and applied to additional costs of the Projects.

Section 7.4. Non-Arbitrage Certification. The Metropolitan Government recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Metropolitan Government agrees that it shall take no action which may cause the interest on any of said Bonds to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Metropolitan Council that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Metropolitan Council further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from being included in gross income for federal income tax purposes. The Metropolitan Mayor and the Director of Finance, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Metropolitan Government.

ARTICLE VIII.
MISCELLANEOUS

Section 8.1. Failure to Present Bonds.

(a) Subject to the provisions of Section 3.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the owner thereof, all liability of the Metropolitan Government to such owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Bond Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the Metropolitan Government any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Metropolitan Government.

Section 8.2. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond, or the date fixed for redemption of any Bond, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 8.3. Miscellaneous Acts. The appropriate officers of the Metropolitan Government are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the Metropolitan Government of the Bonds.

Section 8.4. Amendment. The Metropolitan Council is hereby authorized to make such amendments to this Bond Resolution as will not impair the rights of the Bondholders.

Section 8.5. No Recourse Under Bond Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Metropolitan Government contained in the Initial Resolution or this Bond Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Metropolitan Government and not of any officer, director, or employee of the Metropolitan Government in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or this Bond Resolution against any officer, director, or employee of the Metropolitan Government or against any official or individual executing the Bonds.

Section 8.6. Partial Invalidity. If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 8.7. Continuing Disclosure. The Metropolitan Government hereby covenants and agrees that it will provide financial information and event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Metropolitan Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the Metropolitan Government to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Metropolitan Government to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 8.8. Debt Management Policy. In conformance with the directive of the State Funding Board of the State of Tennessee, the Metropolitan Government has heretofore adopted its Debt Management Policy. The Metropolitan Council hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Metropolitan Government's Debt Management Policy.

Section 8.9. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 8.10. Effective Date. This Bond Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

APPROVED AS TO AVAILABILITY OF FUNDS BY:

____
Talia Lomax-O'dneal
Director of Finance

APPROVED AS TO FORM AND LEGALITY:

____
Jon Cooper
Director of Law

INTRODUCED BY:

____

____

____

____

____
MEMBERS OF COUNCIL

EXHIBIT A

Form of Bonds

REGISTERED Number ______	REGISTERED $_________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2018

Interest Rate	Maturity Date July 1, 20__	Date of Bond: _________, 2018	CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government"), a lawfully organized and existing municipal corporation, for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on January 1, 2019 and semi-annually thereafter on the first day of January and July in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank National Association, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft, or by wire transfer, as provided by the Bond Resolution, as such term is hereinafter defined, mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Metropolitan Government to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date.

Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Bond Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in $5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Bond Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Metropolitan Government and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Bond Resolution, including receipt of all principal and maturity amounts of and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid 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, as defined in the Bond Resolution. Neither the Metropolitan Government nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Metropolitan Government determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Metropolitan Government may discontinue the book-entry system with DTC. If the Metropolitan Government fails to identify another qualified securities depository to replace DTC, the Metropolitan Government shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Metropolitan Government nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of 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.

Bonds of the issue of which this Bond is one maturing on or before July 1, 2028 shall mature without option of prior redemption. Bonds maturing on July 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the Metropolitan Government on or after July 1, 2028 as a whole or in part at any time at the price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Metropolitan County Council (the "Metropolitan Council") of the Metropolitan Government in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

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

[Subject to the credit hereinafter provided, the Metropolitan Government shall redeem Bonds maturing ____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the Depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another Depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Metropolitan Government may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Metropolitan Government 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 this mandatory sinking fund provision shall be accordingly reduced. The Metropolitan Government shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection 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 call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Bonds called for redemption, the notice of redemption shall state that the redemption of such Bonds is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Bonds not later than the opening of business on the redemption date and that such notice shall be of no effect if such moneys are not on deposit. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Metropolitan Government nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Bond Resolution, as hereafter defined.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Metropolitan Government nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Bond Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or

Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Metropolitan Government to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating $775,000,000 and issued by the Metropolitan Government for the purpose of providing funds to finance public works projects, retire a portion of the Metropolitan Government's outstanding Commercial Paper (as such term is defined in the Bond Resolution), and pay costs of sale and issuance of the Bonds, all as authorized by Resolution No. RS2018-____ of the Metropolitan Council, adopted on ___________, 2018 (the "Bond Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to Title 9, Chapter 21 of the Tennessee Code Annotated, as amended (the "Act"). Copies of the Bond Resolution are on file at the office of the Metropolitan Clerk of the Metropolitan Government, and reference is hereby made to the Bond Resolution and the Act for a description of the nature, manner, and description of the pledge securing the Bonds, the nature, manner, and extent of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect to such pledge, the terms and conditions upon which the Bonds are issued thereunder, and a statement of the rights, duties, immunities, and obligations of the Metropolitan Government. Such pledge and other obligations of the Metropolitan Government under the Bond Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This Bond, both principal and interest as the same shall become due, is a full faith and credit obligation of the Metropolitan Government to which the ad valorem taxation power of the Metropolitan Government with respect to all taxable property in the Metropolitan Government has been pledged. No other taxation power of the Metropolitan Government has been pledged to the payment of the principal of, or the premium, if any, or interest on, this Bond.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond 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 hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Metropolitan Government, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Metropolitan Government has caused this Bond to be signed by the Metropolitan Mayor, attested by the Metropolitan Clerk, and approved as to form and legality by the Director of Law, under the corporate seal of the Metropolitan Government, all as of the day and date hereinabove set forth.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
(TENNESSEE)

By: ________________________________
Metropolitan Mayor

(SEAL)

ATTESTED:

____
Metropolitan Clerk

APPROVED AS TO FORM
AND LEGALITY:

____
Director of Law

Transferable and payable at the
principal corporate trust office of: U.S. Bank National Association
Nashville, Tennessee

Date of Registration: __________________

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

U.S. BANK NATIONAL ASSOCIATION
Registration Agent

By: ________________________________
Authorized Officer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto ____, whose address is ____, (Please insert Social Security or Federal Tax Identification Number ______________) the within Bond of The Metropolitan Government of Nashville and Davidson County (Tennessee), and does hereby irrevocably constitute and appoint ____________________, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: ____________

____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

EXHIBIT B

Form of Preliminary Official Statement

(attached)

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2018

NEW ISSUE - Book-Entry-Only

Ratings: Moody's: "___"
S&P: "___"
(See "Ratings" herein)

In the opinion of Bass, Berry & Sims PLC, Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, interest on the Bonds (as defined below) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. For a more detailed 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 Tennessee franchise and excise taxes. (See "TAX MATTERS" herein).

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$775,000,000*
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018

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

The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") is issuing its $775,000,000* General Obligation Improvement Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to the provisions of Tennessee law described herein and pursuant to resolution of the Metropolitan County Council of the Metropolitan Government as further described herein.

The proceeds of the Bonds will be used to (i) provide long-term financing for public works projects, (ii) retire outstanding commercial paper bond anticipation notes issued to finance public works projects and (iii) pay certain costs of issuance of the Bonds.

The Bonds will be direct obligations of the Metropolitan Government for which its full faith and credit are pledged and shall be payable from ad valorem taxes to be levied on all taxable property within the Metropolitan Government without limitation as to rate or amount. See "SECURITY AND SOURCE OF PAYMENT" herein. The Metropolitan Government has never defaulted on its bonds or notes.

The Bonds shall be fully registered bonds without coupons in denominations of $5,000 as described herein and integral multiples thereof, and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York, ("DTC") to which principal and interest will be paid. Beneficial owners of the Bonds will not receive physical delivery of Bond certificates except as described herein. U.S. Bank National Association, Nashville, Tennessee, will serve as Registrar and Paying Agent (the "Registration Agent") for the Bonds.

The Bonds will be dated their date of delivery, will mature on July 1 in each of the years and in the principal amounts as specified on the inside cover and will bear interest from their date payable on January 1 and July 1 in each year beginning January 1, 2019, at the rates per annum specified on the inside cover. The Bonds are subject to optional and mandatory redemption as described herein.

The Bonds are offered for delivery when, as, and if issued, subject to the legal opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel to the Metropolitan Government. Certain legal matters will be passed on for the Metropolitan Government by the Metropolitan Director of Law, as counsel to the Metropolitan Government, and by Bass, Berry & Sims PLC, as disclosure counsel to the Metropolitan Government. Hilltop Securities Inc., Dallas, Texas, is serving as Financial Advisor to the Metropolitan Government. The Bonds will be available for delivery through DTC on or about October __, 2018.

*Preliminary, subject to change.
This Official Statement is dated October __, 2018

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$775,000,000*
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018

Maturity (July 1)*	Amount*	Rate	Yield	CUSIP No.[1]
2019				592112
2020				592112
2021				592112
2022				592112
2023				592112
2024				592112
2025				592112
2026				592112
2027				592112
2028				592112
2029				592112
2030				592112
2031				592112
2032				592112
2033				592112
2034				592112
2035				592112
2036				592112
2037				592112
2038				592112

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

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

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

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

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

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

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

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

For additional information regarding the following, please contact:

Metropolitan Government
Ms. Talia Lomax-O'dneal
Director of Finance for the
Metropolitan Government
PO Box 196300
Nashville, TN 37219
Metropolitan Courthouse
1 Public Square
Suite 106
Nashville, TN 37201
(615) 862-6151

Official Statement
Mr. Tom Eddlemon
Treasurer for the
Metropolitan Government
PO Box 196300
Nashville, TN 37219
700 2nd Avenue South
Suite 205
Nashville, TN 37210
(615) 880-2818

TABLE OF CONTENTS

METROPOLITAN GOVERNMENT OFFICIALS, STAFF AND CONSULTANTS

Mayor and Metropolitan County Council

David Briley – Mayor
Jim Shulman – Vice Mayor

John Cooper – Council Member At Large
Erica Gilmore – Council Member At Large
Bob Mendes – Council Member At Large
Sharon Hurt – Council Member At Large
Jonathan Hall – District Council Member
Decosta Hastings – District Council Member
Brenda Haywood – District Council Member
Robert Swope – District Council Member
Scott Davis – District Council Member
Brett Withers – District Council Member
Anthony Davis – District Council Member
Nancy VanReece – District Council Member
Bill Pridemore – District Council Member
Doug Pardue – District Council Member
Larry Hagar – District Council Member
Steve Glover – District Council Member
Holly Huezo – District Council Member
Kevin Rhoten – District Council Member
Jeff Syracuse – District Council Member
Mike Freeman – District Council Member

Colby Sledge – District Council Member
Burkley Allen – District Council Member
Freddie O'Connell – District Council Member
Mary Carolyn Roberts – District Council Member
Ed Kindall – District Council Member
Sheri Weiner – District Council Member
Mina Johnson – District Council Member
Kathleen Murphy – District Council Member
Russ Pulley – District Council Member
Jeremy Elrod – District Council Member
Davette Blalock – District Council Member
Tanaka Vercher – District Council Member
Karen Johnson – District Council Member
Jason Potts – District Council Member
Fabian Bedne – District Council Member
Jacobia Dowell – District Council Member
Antoinette Lee – District Council Member
Angie Henderson – District Council Member
Dave Rosenberg – District Council Member

Select Administrative Staff

Talia Lomax-O'dneal – Director of Finance

Jon Cooper – Director of Law

Kim McDoniel – Deputy Director of Finance

Tom Eddlemon – Treasurer

Elizabeth Waites – Metropolitan Clerk

Consultants and Advisors

Metropolitan Government Counsel .... Metropolitan Department of Law
Nashville, Tennessee

Bond Counsel and Disclosure Counsel .... Bass, Berry & Sims PLC
Nashville, Tennessee

Financial Advisor .... Hilltop Securities Inc.
Dallas, Texas

NOTICE OF SALE
$775,000,000
THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018

Notice is hereby given that the Metropolitan Mayor of the Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the Metropolitan Government's $775,000,000 General Obligation Improvement Bonds, Series 2018 (the "Bonds") until:

10:00 A.M. Central Time on _____, October __, 2018.

Written bids must be addressed and delivered to the Metropolitan Government to the attention of the Metropolitan Mayor, c/o Metropolitan Clerk, 1 Public Square, Suite 205, Nashville, TN 37201. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Bonds on October __, 2018 may be postponed prior to the time bids are to be received and as published on <u>I-dealProspectus.com</u>. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours' notice.***

The Bonds will be dated the date of delivery. The interest rate or rates on the Bonds shall not exceed 6.00% per annum and shall be payable semi-annually on January 1 and July 1, commencing January 1, 2019. No bid for the Bonds will be considered for less than 105% of par, nor for more than 113% of par, as described in the Detailed Notice of Sale. In addition, each maturity of the Bonds must be reoffered at a price of not less than 100.5% and not more than 117.5% of the par amount of such maturity. The Bonds will mature on July in the years 2019 through 2038, inclusive, with term bonds optional and will be awarded on the sale date by the Metropolitan Mayor to the bidder whose bid results in the lowest true interest cost on the Bonds. The Bonds maturing July 1, 2029 and thereafter are callable on July 1, 2028 and thereafter as provided in the Detailed Notice of Sale.

After opening the bids, the Metropolitan Government reserves the right to increase or decrease the principal amount of each maturity as described in the Detailed Notice of Sale.

The Metropolitan Government expects the sale of the Bonds to satisfy the competitive sale requirements of applicable Treasury Regulations. In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the Metropolitan Government may require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds. As described in more detail in the Detailed Notice of Sale, if the competitive sale requirements are not satisfied AND the Metropolitan Government determines to apply the hold-the-offering-price rule (as described in the Detailed Notice of Sale) to any maturity of the Bonds, the prospective winning bidder's bid for the Bonds shall be cancelled and deemed withdrawn, UNLESS the prospective winning bidder affirmatively confirms its bid and agrees to comply with the hold-the-offering-price rule, in the manner described in the Detailed Notice of Sale.

The Bonds in book-entry only form (except as otherwise set forth in the Detailed Notice of Sale) and approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the Metropolitan Government. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the Tom Eddlemon, Treasurer, 700 2nd Avenue South, Suite 205, Nashville, TN 37210 (615-880-2818).

David Briley,
Metropolitan Mayor

DETAILED NOTICE OF SALE
$775,000,000
THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018

Time and Place of Sale

Notice is hereby given that the Metropolitan Mayor of the Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the Metropolitan Government's $775,000,000 General Obligation Improvement Bonds, Series 2018 (the "Bonds") until:

10:00 A.M. Central Time on _____, October __, 2018.

The written bids must be addressed and delivered to the Metropolitan Government to the attention of the Metropolitan Mayor, c/o Metropolitan Clerk, 1 Public Square, Suite 205, Nashville, TN 37201. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Bonds on October ___, 2018 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours' notice.*** The Bonds will be awarded on such date by the Metropolitan Mayor of the Metropolitan Government.

Description of Bonds

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on July 1 of each year as follows:

Year (July 1)	Principal Amount	Year (July 1)	Principal Amount
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	

Registration and Depository Participation

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of $5,000 and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on January 1 and July 1, beginning January 1, 2019, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The Metropolitan Government will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the Metropolitan Government, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 or integral multiples thereof. In addition, if the successful bidder for the Bonds certifies that it has no present intent to reoffer the Bonds, the Bonds may be issued in fully registered form only. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank National Association, as registration and paying agent (the "Registration Agent"), at its principal corporate office, and the Metropolitan Government and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Bonds.

Optional Redemption

Bonds maturing on July 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the Metropolitan Government on or after July 1, 2028 as a whole, or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Metro Council of the Metropolitan Government in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

Mandatory Redemption

The successful bidder shall have the option to designate certain consecutive serial maturities of the Bonds as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the Metropolitan Government at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be determined by DTC, or its successor, by lot or such other manner as DTC, or successor, shall determine; or if the Term Bonds are not being held under a Book-Entry System, the Term Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Purpose and Authority of Bonds

The proceeds of the Bonds will be used to (i) provide long-term financing for public works projects, (ii) retire outstanding commercial paper bond anticipation notes and (iii) pay costs of issuance of the Bonds.

The Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and an authorizing resolution adopted by the Metropolitan Council on September 18, 2018.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Metropolitan Government. The full faith and credit of the Metropolitan Government are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

Under Tennessee law, the Metropolitan Government's legislative body is authorized to levy a tax on all taxable property within the Metropolitan Government, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the resolution authorizing the Bonds.

Submission of Bid

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading **"Time and Place of Sale"**, set forth above.

Written bids must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Bonds," addressed and delivered to the following address:

Office of the Metropolitan Mayor
c/o Metropolitan Clerk
1 Public Square, Suite 205
Nashville, TN 37201

Written bids must be submitted on the Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the Metropolitan Government. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The Metropolitan Government shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The Metropolitan Government will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the Metropolitan Mayor and/or BiDCOMP/PARITY®, respectively, before the time stated above. The Metropolitan Government is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Bonds must be for not less than all of the Bonds. Bidders must bid not less than 105% nor more than 113% of par (the "Purchase Price") for all of the Bonds. Bidders must specify the interest rate or rates the Bonds are to bear in multiples of one-twentieth ($1/20^{th}$) or one-eighth ($1/8^{th}$) of one percent (1%), but no rate specified for the Bonds shall be in excess of 6.00% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity. Each maturity of the Bonds must be reoffered at a price of not less than 100.5% and not more than 117.5% of the par amount of such maturity.

Revised Maturity Schedule

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., CENTRAL TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by electronic mail of any revisions in the Preliminary Amounts by so advising and sending their electronic mail address to Hilltop Securities Inc., Financial Advisor to the Metropolitan Government, at wayne.placide@hilltopsecurities.com or 214.953.4024 by 12:00 Noon, Central Time, at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The Metropolitan Government reserves the right to change the Revised Aggregate Principal Amount of the Bonds and the Revised Annual Principal Amounts of the Bonds after determination of the winning bidder, by increasing or decreasing the Revised Annual Principal Amount of each maturity of the Bonds by not more than 15%, provided that the aggregate principal amount of the Bonds may not exceed $775,000,000. Such changes, if any, will determine the final annual principal amounts of the Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of Bonds (the "Final Aggregate Principal Amount"). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The Metropolitan Government anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Metropolitan Government for the Bonds as determined by reference to the Revised Aggregate Principal Amounts as discussed in the paragraph above. The lowest true interest cost on the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of such Bonds) produces a yield equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds thereof at the same lowest true interest cost, the Metropolitan Mayor shall determine, in the sole discretion of the Metropolitan Mayor, which of the bidders shall be awarded the Bonds.

The Metropolitan Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of Bonds will be made by the Metropolitan Mayor on the sale date specified in the Notice of Sale.

Good Faith Deposit

The successful bidder will be required to submit a good faith deposit (the "Deposit") in the amount of $15,500,000 for the Bonds. The Deposit shall be provided in the form of a federal funds wire transfer submitted to the Metropolitan Government by the successful bidder by 3:00 p.m. Central Time on the day of the sale, provided the Metropolitan Government awards the bid by 2:00 p.m. Central Time; otherwise the wire shall be received not later than 12:00 noon Central Time on the next business day following the award. The Metropolitan Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

Wire transfer instructions shall be submitted to the successful bidder. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the Metropolitan Mayor, and the Metropolitan Mayor, in the discretion of the Metropolitan Mayor, may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the Metropolitan Government as the lowest complying bidder or hold a subsequent sale of the Bonds. The Metropolitan Government shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the Metropolitan Government and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the Metropolitan Mayor and the Metropolitan Government shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds.

CUSIP

CUSIP identification numbers will be printed on the Bonds and shall not be an expense of the winning bidder. Neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Detailed Notice of Sale.

Establishment of Issue Price

General. The winning bidder(s) shall assist the Metropolitan Government in establishing the issue price of each series of Bonds as more fully described herein. All actions to be taken by the Metropolitan Government under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Metropolitan Government by the Metropolitan Government's municipal advisor identified herein and any notice or report to be provided to the Metropolitan Government may be provided to the Metropolitan Government's municipal advisor.

Anticipated Compliance with Competitive Sale Requirements. The Metropolitan Government anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of each series of Bonds (the "competitive sale requirements") because:

- the Metropolitan Government shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

- all bidders shall have an equal opportunity to bid;
- the Metropolitan Government expects to receive bids for each series of Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the Metropolitan Government anticipates awarding the sale of each series of Bonds to the bidder who submits a firm offer to purchase such series of Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Metropolitan Government Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are not Met. In the event that the competitive sale requirements are not satisfied with respect to a series of Bonds, the Metropolitan Government intends to treat the initial offering prices of such series of Bonds to the public as the issue price of such Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Bidder Right to Cancel if Metropolitan Government Elects to Apply Hold-the-Offering-Price Rule to Any Maturity. In the event the competitive sale requirements are not satisfied with respect to a series of Bonds AND the Metropolitan Government determines to apply the hold-the-offering-price rule (as described in the following paragraph) to any maturity of such series of Bonds, the prospective winning bid shall be cancelled and deemed withdrawn, UNLESS the prospective winning bidder affirmatively confirms its bid and agrees to comply with the hold-the-offering-price rule, in the manner described below.

If the Metropolitan Government has determined to apply the hold-the-offering-price rule to any maturity of a series of Bonds, no award shall be made to the prospective winning bidder and the winning bidder's bid shall be cancelled and deemed withdrawn unless and until the prospective winning bidder has affirmatively confirmed its bid and agreed to comply with the hold-the-offering-price rule. The prospective winning bidder must provide that confirmation to the Metropolitan Government no later than 60 minutes after receiving notification that the Metropolitan Government has determined to apply the hold-the-offering-price rule to any maturity of the applicable series of Bonds. Such confirmation may be provided orally, but must be promptly confirmed in writing.

If the prospective winning bidder does not provide its confirmation within the required time period, the prospective winning bidder's bid shall be cancelled and deemed to be withdrawn. The Metropolitan Government thereupon may award the applicable series of Bonds to another bidder, provided that the new prospective winning bidder confirms its bid and agrees to comply with the hold-the-offering-price rule in the manner described above, or the Metropolitan Government may cancel the sale of such Bonds, as set forth in this Notice of Sale.

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied with respect to a series of Bonds, and if the Metropolitan Government determines to apply the Hold-the-Offering-Price Rule to any maturity of such Bonds, then the winning bidder shall (i) confirm that the underwriters have offered or will offer such Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of such Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity of such series to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

The winning bidder shall promptly advise the Metropolitan Government when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the

Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The Metropolitan Government acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Metropolitan Government further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

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

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

Issue Price Certificate. The winning bidder will be required to provide the Metropolitan Government, at closing, with an issue price certificate consistent with the foregoing. A form of the issue price certificate is set forth below.

$[PRINCIPAL AMOUNT] [BOND CAPTION]
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("______"), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the "Bonds").

[Assuming the Qualified Competitive Sale Requirements Are Satisfied]

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

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by ______ are the prices listed below (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by _____ in formulating its bid to purchase the Bonds. Attached as Exhibit A is a true and correct copy of the bid provided by _____ to purchase the Bonds.

(b) ______ was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by ______ constituted a firm offer to purchase the Bonds.

[End]

[Assuming the Qualified Competitive Sale Requirements Are Not Satisfied and the Hold-the-Offering-Price Rule Applies to Certain Maturities of the Bonds]

*2. **Initial Offering Price of the Hold-the-Offering-Price-Maturities.***

(a) ________ offered the following maturities of the Bonds (the "Hold-the-Offering-Price Maturities") to the Public for purchase at the respective initial offering prices listed below (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Exhibit A.

(b) As set forth in the Detailed Notice of Sale for the Bonds, ______ has agreed in writing that, for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period (as defined below) for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, ________ has neither offered nor sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. As used in this paragraph, the term "Holding Period" means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Offering-Price Maturity has been sold to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

[End]

*3. **Defined Terms.***

(a) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Metropolitan Government means The Metropolitan Government of Nashville and Davidson County.

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

(d) Sale Date means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is _______________.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents _______'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Metropolitan Government with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Metropolitan Government from time to time relating to the Bonds.

Dated: [Issue Date]

[UNDERWRITER], as Underwriter

*By:*______________________________
*Name:*____________________________
*Title:*_____________________________

Official Statement

The Metropolitan Government will provide or cause to be provided, to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven (7) business days after the sale, or, if the Metropolitan Government, or its Financial Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent, the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The Metropolitan Government will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Metropolitan Government not later than twelve months after each of the Metropolitan Government's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the Metropolitan Government. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the Metropolitan Government with the Municipal Securities Rulemaking Board ("MSRB") at emma.msrb.com and with any State Information Depository established in the State of Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the Metropolitan Government's official statement to be prepared and distributed in connection with the sale of the Bonds.

Legal Opinion and Transcript

The book-entry Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the Metropolitan Government dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the Metropolitan Government. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that (i) based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, 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 pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code, and (ii) under existing Tennessee law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. Owners of the Bonds may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the form of opinion contained therein.

At the time of delivery of the Bonds, the Metropolitan Government will deliver to the successful bidder, at the expense of the Metropolitan Government, the opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Disclosure Counsel to the Metropolitan Government, which counsel has advised the Metropolitan Government on various matters relating to disclosure for the issuance of the Bonds.

Delivery and Payment

The Bonds are expected to be ready for delivery within forty-five (45) days after the sale thereof, in book-entry form. At least five (5) days' notice will be given to the bidder. Delivery will be made through The Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from Tom Eddlemon, Treasurer, 700 2nd Avenue South, Suite 205, Nashville, TN 37210 (615-880-2818).

David Briley,
Metropolitan Mayor

$775,000,000
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018
OFFICIAL BID FORM

The Honorable David Briley
Metropolitan Mayor
c/o Metropolitan Clerk
1 Public Square, Suite 205
Nashville, TN 37201

October ___, 2018

For your legally issued, properly executed the Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") $775,000,000 General Obligation Improvement Bonds, Series 2018 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of $__________. The Bonds will be dated the date of issuance, will mature on July 1 as shown below, and shall bear interest at the following rates:

Maturity (July 1)	Amount	Interest Rate	Reoffering Price	Maturity (July 1)	Amount	Interest Rate	Reoffering Price
2019				2029			
2020				2030			
2021				2031			
2022				2032			
2023				2033			
2024				2034			
2025				2035			
2026				2036			
2027				2037			
2028				2038			

Principal of and interest on the Bonds will be payable at the Nashville, Tennessee corporate trust office of U.S. Bank National Association.

This bid is made with the understanding that the Metropolitan Government will furnish without cost to the successful bidder the unqualified approving opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee, and the executed Bonds.

We have exercised the option to designate two or more consecutive serial maturities as Term Bonds as set forth below:

Term Bond 1, due July 1, ___________ includes the following maturities:
From July 1, ________ to July 1, ___________.
Term Bond 2, due July 1, ___________ includes the following maturities:
From July 1, __________ to July 1, ___________.

Firm Name	

In accordance with the terms of the Detailed Notice of Sale, we acknowledge and understand that, if we are awarded the Bonds, we will be required to make a federal funds wire transfer in the amount of $15,500,000 (the "Deposit") to the Metropolitan Government by 3:00 p.m. Central Time on the day of the sale, provided the Metropolitan Government awards the bid by 2:00 p.m. Central Time; otherwise the wire shall be received not later than 12:00 noon Central Time on the next business day following the award. The Metropolitan Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

Wire transfer instructions shall be submitted to us. In the event we fail to timely submit the Deposit, the award may be terminated by the Metropolitan Mayor, and the Metropolitan Mayor, in the discretion of the Metropolitan Mayor, may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the Metropolitan Government as the lowest complying bidder or hold a subsequent sale of the Bonds. The Metropolitan Government shall have no liability to us if we fail to properly submit a Deposit.

Our Deposit will be deposited by the Metropolitan Government and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. If we fail to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the Metropolitan Mayor and the Metropolitan Government shall be entitled to an amount equal to the Deposit as liquidated damages for our failure to comply with the terms of the award of the Bonds.

Accepted: October ___, 2018

Respectfully submitted,

____
Metropolitan Mayor

____
Firm Name

____
Signature

____
Title

____
Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)

OFFICIAL STATEMENT
RELATING TO

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$775,000,000*
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018

INTRODUCTION

The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") is issuing its $775,000,000* General Obligation Improvement Bonds, Series 2018 (the "Bonds"). The Bonds are issued pursuant to Chapter 21 of Title 9 of the Tennessee Code Annotated, as amended, and the resolution authorizing the Bonds adopted by the Metropolitan County Council on __________, 2018 (the "Bond Resolution").

The proceeds of the Bonds will be used to (i) provide long-term financing for public works projects, (ii) retire outstanding commercial paper bond anticipation notes and (iii) pay costs of issuance of the Bonds.

The Bonds shall be issued as fully registered bonds without coupons and shall be dated as of their date of delivery. The principal of and interest and premium, if any, on the Bonds shall be payable at the office of U.S. Bank National Association, as Registrar and Paying Agent (the "Registration Agent"), as the same shall become due and payable.

The Bonds will bear interest at the rates specified on the inside cover page, payable semiannually on January 1 and July 1 in each year beginning January 1, 2019, and will be in denominations of $5,000 or any integral multiple thereof and will mature on July 1 in each of the years and in the amounts as specified on the inside cover page. Interest on the Bonds will be paid by draft or check mailed to the person in whose name the Bond is registered in the bond registration books kept by the Registration Agent as Bond Registrar as of the close of business on the fifteenth day of the calendar month next preceding any interest payment date. As long as the Bonds are held by The Depository Trust Company, New York, New York, ("DTC") or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in next day funds on each interest payment date.

The Bonds will initially be issued in book-entry-only form and will be registered in the name of Cede & Co., as nominee of DTC. Purchases of the Bonds will be made in book-entry form through DTC Participants. No physical delivery of Bonds will be made to purchasers of the Bonds unless the book-entry-only system of registration is discontinued, or as may otherwise be provided herein. Payments on the Bonds will be made to bondholders by DTC through DTC Participants. See "THE BONDS – BOOK-ENTRY-ONLY SYSTEM" herein.

All financial and other information presented in this Official Statement has been compiled from records of the Metropolitan Government, except for information expressly attributed to other sources. All quotations from, and summaries and explanations of, provisions of statutes contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and proceedings of the Metropolitan Government relating thereto are qualified in their entirety by reference to the form of the Bonds and such proceedings. Recent historical information does not indicate future or continuing trends in the Metropolitan Government's financial position or other affairs, unless specifically stated.

*Preliminary, subject to change.

An electronic link to the Metropolitan Government's comprehensive annual financial report for the fiscal year ended June 30, 2017 is incorporated herein in Appendix A.

Certain financial and demographic information of the Metropolitan Government is set forth in Appendix B. The form of opinion of Bond Counsel is attached hereto as Appendix C, and the form of Continuing Disclosure Certificate is attached as Appendix D.

Investors should consider the entire Official Statement in making an investment decision, and should not consider information more or less important because of its location. Investors should refer to laws, reports or other documents described in this Official Statement for more complete information.

THE BONDS

Description of the Bonds

The Bonds will be issued by the Metropolitan Government pursuant to the laws of the State of Tennessee (the "State"), particularly Tennessee Code Annotated Sections 9-21-101 et. seq. (the "Local Government Public Obligations Law" or "LGPOL") and the Bond Resolution. Proceeds of the Bonds will be used as set forth hereinafter under "Purpose" and in "PLAN OF FINANCE".

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Metropolitan Government believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Metropolitan Government cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the SEC, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2018 Bond will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect

Participants"). DTC has a Standard & Poor's ratings of: AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registration Agent and request that copies of notices be provided directly to them.

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

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

Redemption proceeds and principal of or interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Metropolitan Government or the Registration Agent, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registration 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 and principal or interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Metropolitan Government, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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, the Bonds will be printed and delivered.

Use of Certain Terms in Other Sections of This Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners pursuant to the Resolution will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Metropolitan Government, the Financial Advisor or the Underwriter.

Effect of Discontinuance of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the Metropolitan Government, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution.

REDEMPTION PROVISIONS

Optional Redemption*

The Bonds maturing July 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the Metropolitan Government on July 1, 2028 and thereafter, as a whole or in part at any time, at a redemption price of par plus interest accrued to the redemption date.

If less than all of the Bonds are to be redeemed, the Registration Agent, upon written instruction from the Metropolitan Government, shall select the Bonds for redemption from such maturity dates and in such amounts as are selected by the Metropolitan Government, and if less than all the Bonds within a single maturity are to be redeemed, DTC or a successor depository shall select the Bonds from within such selected maturities by lot or such other manner as DTC or the successor depository shall determine. If less than all the Bonds within a single maturity are to be redeemed and the Bonds are no longer held under a book-entry system by DTC or a successor depository, the Registration Agent shall select the Bonds from within such selected maturities by lot or such other manner as the Registration Agent shall determine. In any event, the portion of any Series 2018 Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

[Remainder of Page Intentionally Left Blank]

* Preliminary, subject to change.

Mandatory Sinking Fund Redemption*

The Bonds maturing on __________ are subject to scheduled mandatory redemption prior to maturity in part (as selected by DTC or a successor depository using its general procedures or, if DTC or a successor depository is no longer serving as securities depository, by lot or in such other manner as may be designated by the Registration Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below (the ______________, ____ amount to be paid rather than redeemed):

Date (______)	Principal Amount

At its option, to be exercised on or before the forty-fifth (45^{th}) day next preceding such scheduled mandatory redemption date, the Metropolitan Government, may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Bond of the same maturity subject to scheduled mandatory redemption which are delivered to the Registration Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Bond of the same maturity which prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Series 2018 Bond so delivered or previously redeemed shall be credited by the Registration Agent, at the principal amount thereof to the obligation of the Metropolitan Government on such scheduled mandatory redemption date and the principal amount of the Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than 20 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Metropolitan Government nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Metropolitan Government to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

SECURITY AND SOURCE OF PAYMENT

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Metropolitan Government. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Metropolitan Government are irrevocably pledged. Under State law, the Metropolitan Government's legislative body is authorized to levy a tax on all taxable property within the Metropolitan Government, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the Bond Resolution.

By referendum passed on November 7, 2006, voters in the Metropolitan Government amended the Charter of the Metropolitan Government (the "Charter") to require that all future increases of the maximum ad valorem (real property) tax rate of $4.04 per one hundred dollars of assessed property value in the General Service District and $0.65 per one hundred dollars of assessed property value in the Urban Service District be first approved by voter referendum prior to implementation by the Metropolitan Government. The current tax rates are $2.755 for the GSD and $0.400 for the USD. The Charter amendment does not purport to specifically limit that portion of the tax rate allocable to the payment of debt service.

The LGPOL (pursuant to which the Bonds are issued) dictates the levy of a tax sufficient to pay debt service of any general obligation bonds issued thereunder, without regard to any other State or local laws to the contrary. Bond Counsel will opine that the pledge of the Metropolitan Government's unlimited taxing power is valid, binding and enforceable against it, and that there is no limitation on the Metropolitan Government's ability to impose sufficient taxes to fund debt service on the Bonds. (See Appendix C – Form of Opinion of Bond Counsel.)

If valid, the Charter amendment may limit the Metropolitan Government's ability to raise additional revenues for governmental requirements – other than the payment of general obligation debt service – by increasing property tax rates. The information set forth in Appendices A and B to this Official Statement details the percentage of the Metropolitan Government's budget funded with ad valorem property tax revenues, and provides other pertinent information regarding the Metropolitan Government's collection and expenditure of ad valorem property tax revenues.

The Metropolitan Government's Department of Law and Bond Counsel have each opined that a court would likely find the Charter amendment to be invalid as an unconstitutional limitation on the exercise of the Metropolitan County Council's taxing authority. Neither the legal effect nor the constitutionality of the Charter amendment has been challenged, and the timing and outcome of any such challenge cannot be predicted.

REMEDIES

Pursuant to State law, any holder of the Bonds may by mandamus or other suit, action or proceeding, enforce such holder's rights against the Metropolitan Government, the Metropolitan County Council or any officer, agent or employee of the Metropolitan Government, including but not limited to, the right to require the Metropolitan Government, the Metropolitan County Council and any proper officer, agent or employee of the Metropolitan Government to assess, levy and collect taxes to pay when due principal and premium, if any, of and interest on the Bonds.

PLAN OF FINANCE

The proceeds of the Bonds will be used to (i) provide long-term financing for public works projects, (ii) retire outstanding commercial paper bond anticipation notes and (iii) pay costs of issuance of the Bonds.

SOURCES AND USES OF FUNDS

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

SOURCES	
Par Amount	$
[Original Issue Premium (Discount)]	
Total Sources	$
USES	
Project Fund	$
Retirement of Commercial Paper	
Costs of Issuance(1)	
Total Uses	$

(1) Includes underwriters' discount, legal counsel fees, financial advisor fees, rating agencies fees, printing and mailing expenses and other costs of issuance of the Bonds.

FINANCIAL CONSIDERATIONS

General Fund History

Below is a historical summary of the general fund balance of the Metropolitan Government for Fiscal Years Ended June 30, 2014 through June 30, 2018.

SUMMARY OF GENERAL FUND, FISCAL YEARS 2014-2018
(in thousands of dollars)

	2018 (UNAUDITED)	2017	2016	2015	2014
Beginning Fund Balance	$106,697	$144,503	$ 138,054	$117,017	$100,538
Revenues	1,013,802	971,321	938,174	913,495	863,970
Expenditures	(954,940)	(916,632)	(854,404)	(815,485)	(787,236
Other Financing Sources (Uses)	(91,478)	(92,495)	(77,321)	(76,973)	(60,255)
Ending Fund Balance	$74,081	$106,697	$144,503	$138,054	$117,017
Unreserved Fund Balance	$56,299	$55,176	$84,493	$83,196	$81,650

Source: Metropolitan Government Department of Finance

Fiscal Year 2018 Unaudited Results; Budget for Fiscal Year 2018-2019

Current results for the Fiscal Year ended June 30, 2018 are a decrease in revenue as compared to budget, and expenses to be under budgeted numbers. The results show a use of fund balance below budgeted amounts for the Fiscal Year. Unreserved General Fund balances are $56.3 million, or 5.2% of budget. The decrease in revenue for the Fiscal Year ended June 30, 2018 is partially attributable to a high number of successful taxpayer appeals related to the reappraisal of real property values, and partially attributable to unrealized property tax collections relative to budget. As described in more detail in Appendix B, the Metropolitan Government is required to reappraise real property values every four years and adjust the tax rate such that property tax revenues are not increased or decreased as a result of the reappraisal. The most recent reappraisal was conducted in 2017, and indicated unprecedented growth in real property values in the Metropolitan Government. Accordingly, beginning in Fiscal Year ended June 30, 2018, the property tax rate was proportionately reduced to $3.155 from its Fiscal Year 2017 level of $4.516. This equalization, on its own, had no impact on property tax revenues. However, the unprecedented reappraisal results also led to a high number of successful taxpayer appeals to their reappraised property values. These appeals contributed to property tax revenues being under budget by $26 million for the Fiscal Year ended June 30, 2018. The adverse budget impact was partially offset by increases in other revenue collections over budget and by mid-year operating expense management. This reduction in property tax revenues is similarly a factor in the Fiscal Year 2018-2019 budget described below.

The Fiscal Year 2018-19 budget of $2,230,100,600 has been adopted and represents a $20,410,500 increase over Fiscal Year 2017-18, or 0.9%. The budget includes no increase in property tax rates. Increases in the budgeted expenditures are primarily in: (1) debt service ($11.7 million), and (2) Hospital Authority ($11.1 million). The additional funding for the Hospital Authority follows three years of supplemental appropriations needed in order for General Hospital to continue operations. The supplemental appropriations for Fiscal Years 2015-16, 2016-17 and 2017-18 were $10 million, $16 million and $14.7 million, respectively. The approved budget includes appropriations of fund balance of $8.9 million from the General Fund. The budget for Fiscal Year 2018-2019 includes one-time revenues totaling $45.5 million, derived from the sale of real estate, a contribution from the Convention Center Authority to help defray certain tourism-related expenditures, and an anticipated concession agreement related to on-street parking.

Future Borrowing Plans

As described in more detail in Appendix B, the Metropolitan Government maintains general obligation commercial paper programs with up to $700 million of funding capacity, of which approximately $50 million will be outstanding following the issuance of the Bonds. In the past 24 months, the Metropolitan Government has been drawing approximately $33 million of general obligation commercial paper each month. Should that spending pattern continue, the Metropolitan Government would expect to issue an additional $650 million of general obligation bonds within the next 24 months.

The Metropolitan Government has also approved the issuance of approximately $225 million of Sports Authority revenue bonds to finance the construction of a new Major League Soccer (MLS) Stadium. These bonds are expected to be paid primarily from MLS team rents and sales taxes resulting from soccer-related sales; however, the Metropolitan Government expects to pledge a portion of general fund revenues to provide additional security for the payment of the bonds. The Metropolitan Government expects to fund up to $50 million of improvements to the Metropolitan Government's Fairground properties in conjunction with the construction of the MLS Stadium. The proceeds for this funding will be derived from Bond proceeds and/or the forecasted additional general obligation debt described in the preceding paragraph.

Additional Financial, Operating and Statistical Information

See Appendix B for additional financial, operating and statistical information regarding the Metropolitan Government. See Appendix A for the Metropolitan Government's audited financial statements for the fiscal year ended June 30, 2017.

INVESTMENT CONSIDERATIONS

General

Attention should be given to the investment considerations described below, which, among others, could affect the ability of the Metropolitan Government to pay principal of and interest on the Bonds, and which could also affect the marketability of or the market price for the Bonds.

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

Financial Conditions Facing the Metropolitan Government

The following discussion highlights certain conditions facing the Metropolitan Government and is not intended to be an exhaustive discussion of conditions facing the Metropolitan Government. Notwithstanding the Metropolitan Government's strong growth and economic performance since the 2008 recession, the Metropolitan Government is managing several financial conditions described below.

As described in more detail above under "FINANCIAL CONSIDERATIONS – Future Borrowing Plans" and in Appendix B, the Metropolitan Government's capital plan contemplates significant additional capital investment, the debt service on which will place additional budgetary pressures on the Metropolitan Government. The Metropolitan Government's general obligation debt service schedule is set forth in Appendix B.

The Metropolitan Government's financial management policy targets maintaining unrestricted fund balances of a minimum of 5% of budget in each of its tax-supported operating funds. Based on the unaudited results of operations for Fiscal Year 2017-2018, unrestricted fund balances as a percent of the Fiscal Year 2018-2019 budget are 5.2% in the General Fund, 3.6% in the GSD Schools Fund, 3.1% in the GSD Debt Service Fund, 3.8% in the GSD Schools Debt Service Fund, and 2.3% in the USD Debt Service Fund. This may impair the Metropolitan Government's ability to respond to a future economic downturn without raising additional revenues.

The Metropolitan Government is working to stabilize and improve operations at General Hospital, which has experienced significant management turnover in the past year. As described above, the Metropolitan Government was required to provide supplemental funding to General Hospital in past years. The increased funding amount for the Hospital Authority in the Budget for Fiscal Year 2018-2019 is intended to alleviate the need for supplemental funding. However, the Metropolitan Government cannot guarantee that such increased funding will be sufficient.

In addition, the Metropolitan Government, like other state and local governments, is considering how best to manage its non-pension post-employment benefit obligations ("OPEB"). While the Metropolitan Government has traditionally funded its current-year OPEB obligations from its current-year operating budget, significant long-term liabilities remain. Further, the size of these liabilities is based on a number of assumptions, including but not limited to actuarial assumptions. It is possible that actual results will differ materially from current assumptions, and such changes could increase budgetary pressures on the Metropolitan Government. For more information, see Appendix B.

There is no assurance that other financial conditions not discussed in this Official Statement may become material to investors in the future.

Ratings

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

Secondary Market Prices

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

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

Cybersecurity

The Metropolitan Government utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information, and as a result, the Metropolitan Government is a target of cyberattacks attempting to both gain access to such information and to disrupt operations. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the Metropolitan Government to legal action. To mitigate against such risks, the Metropolitan Government has instituted various policies and procedures to protect its information technology infrastructure, including a cybersecurity training requirement for Metropolitan Government employees. Despite the Metropolitan Government's measures to safeguard its information technology infrastructure and the information entrusted to the Metropolitan Government, there are no guarantees that such measures will be successful. The Metropolitan Government does not currently maintain insurance against cybersecurity incidents but is actively evaluating whether to do so in the future.

LITIGATION

At the time of original delivery of the Bonds, there will also be furnished to the Underwriter a certificate of certain officers of the Metropolitan Government stating that except as disclosed in the Official Statement there is no litigation then pending, or to their knowledge threatened, affecting the validity of the Bonds or the power of the Metropolitan Government to levy and collect ad valorem taxes to pay them.

The Metropolitan Government is a party to various lawsuits in the normal course of business, but there is no pending litigation against the Metropolitan Government that, if decided adversely to the Metropolitan Government, would have a material adverse financial impact upon the Metropolitan Government or its operations.

CERTAIN LEGAL MATTERS

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

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

CONTINUING DISCLOSURE

In connection with the issuance of the Bonds and to assist the Underwriter in complying with Rule 15c2-12 (the "Rule") promulgated by the SEC under the Securities Exchange Act of 1934, as amended, the Metropolitan Government has executed the Continuing Disclosure Certificate. The Metropolitan Government has covenanted for the benefit of the holders of the Bonds that, consistent with the Rule, it will provide: annual financial information for the Metropolitan Government, including audited financial statements of the Metropolitan Government for each fiscal year ending on and after June 30, 2018, in a timely manner, and notices of certain events with respect to the Bonds. The proposed form of the Continuing Disclosure Certificate is in Appendix D hereto.

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

In evaluating its compliance with its continuing disclosure obligations during the previous five years, the Metropolitan Government made the following findings: (1) the Metropolitan Government's annual financial statements were correctly linked to each CUSIP initially-assigned to a maturity of bonds, but were not correctly linked to the CUSIPs that replaced the initially-assigned CUSIP as a result of a partial refunding of that maturity of bonds (i.e. CUSIPs distinguishing between pre-refunded and unrefunded bonds); (2) the Metropolitan Government's annual financial statements for the fiscal year ended June 30, 2011 were not correctly linked to the CUSIPs for the Metropolitan Government's then-outstanding District Energy System Revenue Bonds, Series 2002; and (3) the Metropolitan Government's annual financial statements for the fiscal years ended June 30, 2011 – 2014 were not filed within the six-month time frame required by the Metropolitan Government's continuing disclosure obligation related to The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee Revenue Refunding and Improvement Bonds (Meharry Medical College Project) Series 1996 (the filings were in each case made within the nine-month period required by all of the Metropolitan Government's other continuing disclosure agreements). The Municipality believes that it has otherwise complied in all respects with its previous continuing disclosure undertakings.

TAX MATTERS

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. A form of their opinion is attached as Appendix C. Their opinion under existing law, relying on certain statements by the Metropolitan Government and assuming compliance by the Metropolitan Government with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

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

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

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

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

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds.

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

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

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

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

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

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the 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 (b) 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.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

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

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings, have assigned ratings of "___" and "__", respectively, to the Bonds. The ratings reflect only the respective views of such organizations, and the Metropolitan Government makes no representation as to the appropriateness of the ratings. Any explanation of the significance of the ratings may be obtained only from the respective rating agency furnishing the same at the following addresses: Moody's Investors Services, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041. The Metropolitan Government furnished to each rating agency certain information and materials, some of which may not have been included in this Official Statement, relating to the Metropolitan Government and its outstanding debt. Generally, rating agencies base their ratings upon such information and materials and upon investigations, studies and assumptions by the ratings agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Bonds.

UNDERWRITING

______________, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of $____________, which is par, plus/less original issue premium/discount of $_________, less Underwriter's Discount of $___________.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the Metropolitan Government in connection with the issuance of the Bonds. The Financial Advisor's fees for services rendered with respect to the sale of the Bonds are contingent upon the issuance and delivery of the Bonds. Hilltop Securities Inc., in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, Hilltop Securities Inc. may from time to time sell investment securities to the Metropolitan Government for the investment of bond proceeds or other funds of the Metropolitan Government upon the request of the Metropolitan Government.

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

INDEPENDENT AUDITORS

An electronic link to the Metropolitan Government's comprehensive annual financial statements as of the fiscal year ended June 30, 2017 is included in Appendix A, and such financial statements have been audited by Crosslin & Associates, P.C., independent auditors, as stated in its report.

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

FORWARD-LOOKING STATEMENTS

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

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

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

MISCELLANEOUS INFORMATION

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

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

____
Metropolitan Mayor

____
Director of Finance

APPENDIX A

ELECTRONIC LINK TO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

General Purpose Financial Statements

Audited Financial Statements of the Metropolitan Government and supplementary information as of and for the fiscal year ending June 30, 2017, together with the independent auditors' report from Crosslin & Associates, Certified Public Accountants, are available through the website of the Metropolitan Government's Department of Finance at http://www.nashville.gov/Finance/Office-of-the-Treasurer/Debt/Investor-Relations.aspx and are hereby incorporated by reference as part of this Appendix A. To the extent there are any differences between the electronically posted financial statements of the Metropolitan Government and the printed financial statements of the Metropolitan Government, the printed version shall control.

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

APPENDIX B
FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT

Table of Contents

INTRODUCTION

The Metropolitan Government

The Metropolitan Government is the capital and most populous city of the State of Tennessee. It is located on the Cumberland River in northern Middle Tennessee. The city is a center for the music, healthcare, publishing, private prison, banking and transportation industries, and is home to numerous colleges and universities. Largely due to its association with the music industry, the Metropolitan Government has a vibrant tourism industry. The Metropolitan Government sits at the center of a 13-county metropolitan statistical area with a population of approximately 1.9 million, located at the intersections of Interstates 24, 40 and 65.

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

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

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

As a consolidated government, the Metropolitan Government is responsible for providing all of the services typically provided by cities, counties and school districts. The Metropolitan Government's school system is the second largest school system in Tennessee. The Metropolitan Government provides tax-supported funding for school capital and operating expenses. School system operations are managed by the Metropolitan Board of Education ("MBE"), consisting of nine publicly-elected members.

The Metropolitan Government provides water and wastewater services throughout the Metropolitan Government. Capital and operating costs of water and wastewater services are funded exclusively through revenues generated from water and wastewater rates, fees and charges. Likewise, the Metropolitan Government funds the capital and operating costs of its electric system exclusively through revenues generated from electric rates, fees and charges. Because these utility systems are not tax-supported enterprises, information regarding these utility systems is not included herein.

Fiscal Year

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

Accounting

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

The Metropolitan Government reports the following major governmental funds:

- **General Fund** – the Metropolitan Government's primary operating fund which is used to account for all financial resources of the general operations of the Metropolitan Government, except those required to be accounted for in another fund.
- **General Purpose School Fund** – used to account for the receipt and disbursement of federal, state and local funds for education purposes, except those required to be accounted for in another fund.
- **GSD General Purposes Debt Service Fund** – used to account for the accumulation of resources and the payment of principal and interest for the GSD general obligation debt.
- **GSD School Purposes Debt Service Fund** – used to account for the accumulation of resources and the payment of principal and interest for the debt related to schools.
- **USD General Purposes Debt Service Fund** – used to account for the accumulation of resources and the payment of principal and interest for the USD general obligation debt.
- **GSD Capital Projects Fund** – used to account for the use of bond proceeds for the construction and equipping of various public projects in the GSD.
- **Education Capital Projects Fund** – used to account for the use of bond proceeds for the construction and equipping of various school facilities.
- **USD Capital Projects Fund** – used to account for the use of bond proceeds for the construction and equipping of various public projects in the USD.

The Metropolitan Government reports the following major enterprise funds:

- **Department of Water and Sewerage Services** – provides services to customers on a self-supporting basis utilizing a rate structure designed to produce revenues sufficient to fund debt service requirements, operating expenses and adequate working capital.
- **District Energy System** -- provides heating and cooling services to the Metropolitan Government and downtown businesses. The District Energy System is managed by a third party and is self-supporting by utilizing a rate structure designed to fund debt service requirements, pay for operating expenses and generate adequate working capital.

Additionally, the Metropolitan Government reports the following fund types:

- **Internal service funds** – used to account for the operations of self-sustaining agencies rendering services to other agencies of the Metropolitan Government on a cost reimbursement basis. These services included fleet management, information systems, insurance, treasury management and printing.
- **Pension (and other employee benefit) trust funds** – used to account for assets and liabilities held by the Metropolitan Government in a fiduciary capacity to provide retirement and disability benefits for employees and retirees.
- **Agency funds** – used to account for assets held by elected officials as agents for individuals, collections by the Metropolitan Government due to the purchasers of certain outstanding property tax receivables, funds held by the Sheriff's Department for inmates, and funds held by the Planning Commission for performance bonds for contractors.

Operating Budgeting Process

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

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

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

Historical Summary of Major Fund Results

The tables on the following three pages provide a five-year history of revenues, expenditures and changes in fund balances for the Metropolitan Government's General Fund, Special Revenue Funds and Debt Service Funds, which are the primary tax-supported operating funds of the Metropolitan Government. The Special Revenue Funds table includes the General Purpose School Fund and various other funds with specific revenues that are to be utilized in carrying out the requirements of statutes, ordinances, grants or other governing regulations. The Debt Service Funds table includes the GSD General Purposes Debt Service Fund, the GSD School Debt Service Fund and the USD General Purposes Debt Service Fund.

[Remainder of Page Intentionally Left Blank]

THE METROPOLITAN GOVERNMENT OF NASVHILLE AND DAVIDSON COUNTY
GENERAL FUND
FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Years Ended June 30 2018 (UNAUDITED)	2017	2016	2015	2014
REVENUES:					
Property taxes	$ 539,160,083	524,330,765	$ 508,417,976	$ 499,753,779	$ 491,647,887
Local option sales tax	133,884,975	117,578,530	112,386,239	124,756,122	102,395,435
Other taxes, licenses and permits	155,826,065	149,949,331	143,264,669	132,376,873	120,627,119
Fines, forfeits and penalties	9,311,162	9,594,026	10,536,938	11,920,012	12,780,838
Revenue from use of money of property	975,494	649,586	695,634	255,599	198,903
Revenue from other governmental agencies	110,992,810	106,702,440	103,945,191	94,263,064	87,412,640
Commissions and fees	17,257,045	17,388,364	14,528,053	13,627,359	14,790,053
Charges for current services	41,905,645	39,153,918	35,359,332	31,106,384	30,996,165
Compensation for loss, sale or damage to property	903,658	2,655,387	6,879,924	3,289,222	1,193,663
Contributions and gifts	562,551	22,250	266,525	343,681	359,992
Miscellaneous	3,023,042	3,296,472	1,893,902	1,802,914	1,567,356
Total revenues	1,013,802,530	971,321,069	938,174,383	913,495,009	863,970,051
EXPENDITURES					
General government	50,846,174	49,420,430	50,211,810	47,417,134	25,903,721
Fiscal administration	23,703,880	22,980,238	21,463,006	20,510,344	21,517,557
Administration of justice	64,417,053	61,514,210	57,481,614	54,856,715	56,599,410
Law enforcement and care of prisoners	284,014,877	272,631,001	262,052,423	249,765,327	240,770,156
Fire prevention and control	131,839,625	124,384,360	116,948,664	113,389,098	109,211,951
Regulation and inspection	10,156,818	9,138,734	8,101,479	7,547,675	7,615,499
Conservation of natural resources	407,901	411,714	373,209	348,293	357,658
Public welfare	6,709,667	6,226,903	6,293,042	7,835,469	7,944,408
Pubic health	21,556,474	19,885,052	17,958,373	18,361,022	18,753,190
Hospitals	48,141,000	51,000,000	45,000,000	35,000,000	43,917,800
Public library system	30,793,711	29,789,104	27,432,634	24,003,183	21,426,128
Public works, highway, and street	34,359,154	34,324,984	32,302,132	33,124,553	31,930,278
Recreational and cultural	42,303,012	41,293,352	37,931,086	35,965,864	34,535,016
Employee benefits	87,579,887	84,585,219	81,576,678	80,114,975	79,043,492
Miscellaneous	118,110,829	109,046,528	89,278,073	87,245,357	87,709,934
Total expenditures	954,940,062	916,631,829	854,404,223	815,485,009	787,236,198
Excess (deficiency) of revenues over expenditures	58,862,468	54,689,240	83,770,160	98,010,000	76,733,853
OTHER FINANCING SOURCES (USES)					
Transfers in	26,291,860	27,006,469	22,890,396	23,509,995	20,174,668
Transfers out	(117,698,348)	(119,501,949)	(100,211,388)	(100,483,300)	(80,429,883)
Total other financing sources (uses)	(91,478,488)	(92,495,480)	(77,320,992)	(76,973,305)	(60,255,215)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(32,616,020)	(37,806,240)	6,449,168	21,036,695	16,478,638
FUND BALANCE, beginning of year	106,696,526	144,502,766	138,053,598	117,016,903	100,538,265
FUND BALANCE, end of year	$ 74,080,506	106,696,526	$ 144,502,766	$ 138,053,598	$ 117,016,903

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SPECIAL REVENUE FUNDS (1)

FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Years Ended June 30				
	2018 (UNAUDITED)	2017	2016	2015	2014
REVENUES:					
Property taxes	$ 312,907,772	305,487,946	$ 295,533,190	$ 291,219,946	$ 286,542,463
Local option sales tax	224,215,780	216,851,995	214,139,486	192,810,899	186,859,425
Other taxes, licenses and permits	115,629,215	102,665,159	90,624,525	80,547,035	69,743,468
Fines, forfeits and penalties	4,021,696	4,744,371	6,194,363	5,540,757	4,910,031
Revenue from the use of money or property	1,936,251	979,439	893,265	722,798	870,054
Revenue from other governmental agencies	509,993,765	506,130,905	475,832,993	462,085,581	458,085,265
Commissions and fees	6,766,648	8,860,141	9,497,930	9,474,964	9,330,306
Charges for current services	30,486,463	30,254,093	29,979,888	27,648,479	28,787,365
Compensation for loss, sale or damage to property	3,334,839	7,084,983	3,188,064	1,909,472	1,486,943
Contributions and gifts	6,191,334	4,875,806	5,563,171	4,796,650	6,424,294
Miscellaneous	208,655	191,095	847,745	587,883	633,575
Total revenues	1,215,692,418	1,188,125,933	1,132,294,620	1,077,344,464	1,053,673,189
EXPENDITURES					
General government (1)	90,684,046	83,418,867	78,008,259	73,963,991	62,990,380
Fiscal administration	1,442,826	788,278	271,676	200,547	228,557
Administration of justice	10,578,509	9,909,052	13,872,252	14,377,227	13,691,453
Law enforcement and care of prisoners	24,042,249	24,491,295	21,818,071	23,141,747	23,004,447
Fire prevention and control	11,809	52,851	6,500	1,105,747	2,308,173
Regulation and inspection	63,729	79,210	87,755	81,650	167,225
Public welfare	36,313,702	33,527,326	32,656,928	30,594,494	30,417,582
Public health and hospitals	23,909,026	22,544,410	22,604,542	21,055,299	23,413,534
Public library system	854,279	855,202	951,871	1,040,918	923,424
Public works, highways and streets	87,631,657	33,895,323	31,551,513	29,843,795	29,887,199
Recreational and cultural	2,148,090	2,255,096	2,113,171	2,369,651	1,801,619
Education	1,020,783,589	965,420,840	918,529,638	871,205,208	856,359,742
Capital outlay	27,869,530	22,320,891	25,378,504	25,739,455	24,853,521
Total expenditures	1,276,333,041	1,199,558,641	1,147,850,680	1,094,719,729	1,070,046,856
Excess (deficiency) of revenues over expenditures	(60,640,623)	(11,432,708)	(15,556,060)	(17,375,265)	(16,373,667)
OTHER FINANCING SOURCES (USES)					
Insurance recovery		-	-	-	-
Transfers in	231,769,152	174,827,192	140,720,312	108,588,367	97,581,716
Transfers out	(187,293,043)	(132,361,241)	(105,413,507)	(106,556,684)	(75,528,001)
Total other financing sources (uses)	44,476,109	42,465,951	35,306,805	2,031,683	22,053,715
Excess (deficiency) of revenues and other sources over expenditures and other uses	(16,164,514)	31,033,243	19,750,745	(15,343,582)	5,680,048
FUND BALANCE, beginning of year	200,924,740	169,891,497	150,140,752	165,484,334	159,804,286
FUND BALANCE, end of year	$ 184,760,226	200,924,740	$ 169,891,497	$ 150,140,752	$ 165,484,334

(1) Special revenue funds are used to account for specific revenues to be utilized in carrying out the specific terms of statutes, ordinances, grant requirements or governing regulations and include the General Purpose School Fund.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT SERVICE FUNDS

FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Years Ended June 30				
	2018 (UNAUDITED)	2017	2016	2015	2014
REVENUES:					
Property taxes	$ 146,115,870	$142,484,847	$140,059,158	$137,822,517	$135,931,269
Local option sales tax	56,055,237	48,503,623	39,178,209	22,509,494	26,223,882
Fines, forfeits and penalties	323,999	323,165	324,053	266,864	534,916
Revenue from the use of money of property	440,719	188,611	743,257	718,531	461,938
Revenue from other governmental agencies	6,030,459	5,419,643	4,024,838	3,247,299	2,817,234
Compensation for loss, sale, or damage to property		-	-	6,084,798	650,000
Bond interest tax credit	4,874,645	4,859,357	4,864,020	4,839,480	4,837,386
Miscellaneous	12	-	-	-	-
Total revenues	213,840,941	201,779,246	189,193,535	175,488,983	171,456,625
EXPENDITURES					
Principal retirement	140,979,840	132,859,891	115,957,762	113,588,002	97,320,344
Interest	125,106,557	103,366,006	104,982,211	103,301,816	101,497,666
Fiscal charges	7,385,847	6,792,950	7,898,402	6,911,332	3,226,035
Total expenditures	273,290,244	243,018,847	228,838,375	223,801,150	202,044,045
Excess (deficiency) of revenues over expenditures	(59,449,303)	(41,239,601)	(39,644,840)	(48,312,167)	(30,587,420)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt		-	338,311,539	163,710,000	-
Payments to refunded bond escrow agent		-	(409,215,077)	(176,341,921)	-
Bond issue premium (discount)		-	73,093,369	13,815,134	-
Transfers in	49,017,272	39,630,948	31,647,985	53,665,301	17,655,902
Transfers out		-	-	-	(2,844,500)
Total other financing sources (uses)	49,017,272	39,630,948	33,837,816	54,848,514	14,811,402
Excess (deficiency) of revenues and other sources over expenditures and other uses	(10,432,031)	(1,606,653)	(5,807,024)	6,536,347	(15,776,018)
FUND BALANCE, beginning of year	20,674,780	22,283,433	28,090,457	21,554,110	37,330,128
FUND BALANCE, end of year	$ 10,242,749	$ 20,674,780	$ 22,283,433	$ 28,090,457	$ 21,554,110

FISCAL YEAR 2018 UNAUDITED RESULTS; BUDGET FOR FISCAL YEAR 2018-2019

Current results for the Fiscal Year ended June 30, 2018 are a decrease in revenue as compared to budget, and expenses to be under budgeted numbers. The results show a use of fund balance below budgeted amounts for the Fiscal Year. Unreserved General Fund balances are $56.3 million, or 5.2% of budget. The decrease in revenue for the Fiscal Year ended June 30, 2018 is partially attributable to a high number of successful taxpayer appeals related to the reappraisal of real property values, and partially attributable to unrealized property tax collections relative to budget. As described in more detail in Appendix B, the Metropolitan Government is required to reappraise real property values every four years and adjust the tax rate such that property tax revenues are not increased or decreased as a result of the reappraisal. The most recent reappraisal was conducted in 2017, and indicated unprecedented growth in real property values in the Metropolitan Government. Accordingly, beginning in Fiscal Year ended June 30, 2018, the property tax rate was proportionately reduced to $3.155 from its Fiscal Year 2017 level of $4.516. This equalization, on its own, had no impact on property tax revenues. However, the unprecedented reappraisal results also led to a high number of successful taxpayer appeals to their reappraised property values. These appeals contributed to property tax revenues being under budget by $26 million for the Fiscal Year ended June 30, 2018. The adverse budget impact was partially offset by increases in other revenue collections over budget and by mid-year operating expense management. This reduction in property tax revenues is similarly a factor in the Fiscal Year 2018-2019 budget described below.

The Fiscal Year 2018-19 budget of $2,230,100,600 has been adopted and represents a $20,410,500 increase over Fiscal Year 2017-18, or 0.9%. The budget includes no increase in property tax rates. Increases in the budgeted expenditures are primarily in: (1) debt service ($11.7 million), and (2) Hospital Authority ($11.1 million). The additional funding for the Hospital Authority follows three years of supplemental appropriations needed in order for General Hospital to continue operations. The supplemental appropriations for Fiscal Years 2015-16, 2016-17 and 2017-18 were $10 million, $16 million and $14.7 million, respectively. The approved budget includes appropriations of fund balance of $8.9 million from the General Fund. The budget for Fiscal Year 2018-2019 includes one-time revenues totaling $45.5 million, derived from the sale of real estate, a contribution from the Convention Center Authority to help defray certain tourism-related expenditures, and an anticipated concession agreement related to on-street parking.

REVENUES

The Metropolitan Government derives its revenues from the following sources:

Property Taxation

The Tennessee Constitution provides counties and municipalities with the authority to levy real and personal property taxes based on the value of the property. The Metropolitan Government levies property taxes on a calendar year basis, with property tax bills being sent by September 15 of each year and payment due before March 1 of the following year. The process for the valuation of property, the assessment of property value, the levy of property taxes, the collection of property taxes, the remittance of incremental property taxes to the Issuer and the collection of delinquent property taxes is described below.

Property Valuation

Pursuant to the Property Tax Act, the Assessor of Property of the Metropolitan Government (the "Assessor") appraises the value of all real property every four years. Except in circumstances where property is subsequently improved or damaged, this appraised value serves as the basis for the assessment and levy of real property taxes through the ensuing four-year period. The goal of the Assessor is to estimate fair market value for each property. Fair market value is defined as the most probable price a property would sell for in an open market under normal conditions. In order to determine the appraisal, the Assessor's office uses acceptable methods approved by the State Comptroller's Office to estimate the value of each property. Because all properties need to be appraised by January 1 in the year of a reappraisal, the Assessor uses mass appraisal techniques aided by appraisal models of benchmark properties developed by its staff and processed by computers into a value indication for each property.

A taxpayer wishing to protest the appraised value of its real property may request an informal review by Assessor staff by the end of April of each tax year, and staff may make adjustments to the appraised or assessed value. If the taxpayer remains unsatisfied, it may appeal its protest to the Metropolitan Board of Equalization, for hearing in June or July. If a taxpayer is still unsatisfied, it may further appeal to the State Board of Equalization on or about August 1.

Assessed Value

Each year, the Assessor determines the "assessed value" of each parcel of real and personal property, based on the most recent valuation and the classification of the property under the Property Tax Act. Leased personal property is assessed against the lessee on the basis of the use of the property by the lessee. The assessed value of a parcel of property, rather than its appraised value, is the measure against which property taxes are levied. For real property, the Property Tax Act currently provides for the following classification and assessment of properties:

Use Classification	Assessed Value as a Percentage of Appraised Value
Public Utility	55%
Industrial and Commercial	40
Residential	25
Farm Property	25

For personal property, the Property Tax Act currently provides for the following classification and assessment of properties:

Use Classification	Assessed Value as a Percentage of Appraised Value
Public Utility	55%
Industrial and Commercial	30

Properties owned by governmental or religious, charitable, scientific, literary or educational institutions are exempt from assessment and, therefore, any requirement to pay property taxes.

Metropolitan Government-owned utilities (Nashville Electric Service and the Water and Sewer Department) are also exempt from assessment, but are assessed a separate in-lieu-of-tax. Nashville Electric Service is taxed under Tennessee law pursuant to the provisions of the Municipal Electric System Tax Equivalent Law of 1987. Under this law, the annual tax equivalent is the sum of: (a) the equalized tax rate applied to the net plant value and book value of materials and supplies, and (b) four percent (4%) of the average of revenue less power cost for the preceding three (3) fiscal years. In-lieu-of-tax payments from Nashville Electric Service and the Water and Sewer Department are reflected in the Metropolitan Government's financial statements as if they were property taxes.

Levy of Property Taxes

The Metropolitan Government is divided into two service districts, the General Services District and the Urban Services District. The General Services District embraces the entire area of Davidson County. Properties in the General Services District are taxed to support the services, functions and debt obligations which are chargeable to the whole population, such as general government administration, police, fire protection, courts, jails, health, welfare, hospitals, streets and roads, traffic, schools, parks and recreation, airport facilities, auditoriums, public housing, urban renewal, planning and public libraries. The Urban Services District, originally conformed to the corporate limits of the City of Nashville as they existed on April 1, 1963, the date of the consolidation of the City of Nashville and Davidson County into the Metropolitan Government. Since April 1, 1963 the area of the Urban Services District has been expanded by annexation from 72 square miles to 184 square miles. Properties in the Urban Services District are subject to an additional tax to support additional police protection, storm sewers, street lighting and refuse collection. The current tax rate in the General Services District is \$2.755 per \$100 of assessed value and the additional tax rate for the Urban Services District is $0.40 per $100 of assessed value, for a combined tax rate of $3.155 per $100 of assessed value.

The Metropolitan Government operates on a July 1 to June 30 fiscal year. Each year, as part of its budget process, the Metropolitan Mayor (the "Mayor") must submit the operating budget for the upcoming fiscal year to the Metropolitan Council. The Metropolitan Council may revise the budget proposed by the Mayor, except that the budget as finally amended and adopted must provide for all expenditures required by law and for all debt service requirements for the ensuing fiscal year. The Metropolitan Council is required to finally adopt the annual operating budget not later than June 30. If the Metropolitan Council fails to adopt a budget prior to the beginning of the fiscal year, it shall be conclusively presumed to have adopted the budget as submitted by the Mayor. After the annual operating budget has been adopted, the Metropolitan Council is required to adopt a property tax levy sufficient to fund the adopted budget.

By referendum held on November 7, 2006, voters in the Metropolitan Government amended the Metropolitan Government's Charter to require that any future increase above the tax levy rate then in effect ($4.69 per $100 of assessed value for properties located in the Urban Services District) be first approved by voter referendum. The Department of Law of the Metropolitan Government has issued its opinion (Legal Opinion No. 2006-03) to the effect that such Charter amendment requiring a voter referendum is invalid because it violates the Tennessee Constitution, but the constitutionality of the voter referendum requirement has not been adjudicated.

Tax Abatement Programs

The Metropolitan Government's Industrial Development Board (the "IDB") is authorized by Tennessee law to negotiate and accept payments in lieu of ad valorem taxes to maintain and increase employment opportunities and household income. The IDB acts as a conduit organization for property tax abatements through payment in lieu of taxes (PILOT) agreements. The Director of the Mayor's Office of Economic and Community Development serves as the Executive Director of the IDB and negotiates PILOT agreements, presents to the Metropolitan Council for approval, and if approved, presents to the IDB for approval. The abatements, which may be as much as 100% of the standard real and/or personal property taxes, may be granted to any qualified business located within or relocating to property within the boundaries of the Metropolitan Government, making significant capital investments and retaining or increasing a significant number of full-time employees. Consideration is given on a case-by-case basis and includes analyses of job creation, economic impact, capital investment and wage rates.

A list of active PILOTs is set forth on page B-115 of the financial statements attached hereto as Appendix A. The Metropolitan Government subsequently entered into a ten-year PILOT Agreement with Ryman Hospitality with respect to the real property comprising the Opryland Hotel, under which Ryman is required to make PILOT payments equal to real property taxes payable with respect to the Opryland Hotel in 2016.

The Metropolitan Government recognizes the assessed value real and personal property subject to a PILOT agreement, and PILOT payments are reflected in the Metropolitan Government's financial statements as if they were property taxes.

Historical Property Tax Rate Adjustments

In the last 18 years, the Metropolitan Council has adjusted property tax rates on five occasions, in each case increasing the tax rate to generate additional tax revenues to satisfy increased budget demands. The following table identifies the year of the rate adjustment and the percentage increase in the General Services District ("GSD") levy, the Urban Services District ("USD") levy and the combined GSD/USD levy. The Metropolitan Government cannot predict whether the historical pattern of rate adjustments will continue. Any decision to increase or reduce taxes must be approved by the Metropolitan Council.

Year	GSD Adjustment	USD Adjustment	Combined GSD/USD Adjustment
1997	14.03%	18.75%	15.08%
1998	3.79	0.00	2.91
2001	26.69	12.16	23.78
2005	19.88	0.00	16.67
2012	13.48	8.77	12.83

Adjustment of Property Tax Rates as a Result of Reappraisal

As described above, the Property Tax Act requires that property be reappraised every four years. The Property Tax Act further requires that the result of reappraisal be revenue neutral in the aggregate. As a result, upon the reappraisal of property within the Metropolitan Government, the property tax rate must be adjusted by the Metropolitan Council so that, when levied against the new aggregate assessed value of property within the Metropolitan Government, it generates revenues identical to the prior property tax rate, when levied against the prior aggregate assessed property value.

Each of the last five reappraisals have resulted in a decrease in the tax rate as listed below, reflecting in each case a proportionate increase in aggregate appraised values. The next reappraisal year is in 2021.

Reappraisal Year	Combined GSD/USD Equalization Rate Adjustment
2001	(12.74)%
2005	(12.23)
2009	(11.94)
2013	(3.09)
2017	(30.1)

Billing, Collection and Delinquencies

Property taxes are collected by the Metropolitan Trustee, which is the office established as the property tax collection agency for the Metropolitan Government under Tennessee law. The Metropolitan Trustee sends a tax bill to taxpayers on or before September 15 of each year. Property taxes must be paid before March 1 of the following year, after which they become delinquent. The Property Tax Act provides that delinquent property taxes are subject to a penalty of 0.5 percent and interest of 1 percent. These penalty and interest amounts are thereafter added to delinquent taxes on the first day of each succeeding month until the taxes are paid.

To aid in the collection of property taxes, the Property Tax Act imposes a lien on the property to secure payment of the tax. The lien for taxes becomes a first lien on the property as of January 1 of the tax year, and takes priority over any pre-existing liens on the property, with the exception of pre-filed federal tax liens. The Property Tax Act authorizes the Metropolitan Government, approximately one year after delinquency, to file suit in chancery or circuit court to collect the delinquent property taxes, as well as the penalties, interest and costs of collection, including attorney's fees. The Property Tax Act also authorizes the Metropolitan Government, approximately two years after delinquency, to seize and sell property if the Metropolitan Government is unable to collect delinquent property taxes by other means. If the Metropolitan Government is unable to sell the seized property for an amount equal to the amount of delinquent taxes (including penalties, interest and expenses), then the Metropolitan Government is required to take ownership of the property. The Property Tax Act then requires the Metropolitan Government to arrange for the sale of the property. The sale price is required to be no less than the amount of delinquent taxes, unless the Metropolitan Government certifies that a sale on such terms is not feasible. The proceeds from the sale are first applied to the payment of delinquent taxes.

The Metropolitan Government's current policy is to sell delinquent real property taxes through a bid process on or about June 1 of the year after due (the agreement whereby the Metropolitan Government sells such delinquent real property taxes each year is referred to herein as the "Receivables Sale Agreement"). Under the terms of each Receivables Sale Agreement, the purchaser pays to the Metropolitan Government the purchase price and in return is entitled to all collections of delinquent real property taxes that are sold pursuant to that Receivables Sale

Agreement. Historically, the purchase price paid to the Metropolitan Government has been at least 100% of the original amount of taxes due. It is likely that the Metropolitan Government will continue this policy and enter into subsequent and similar arrangements in the future. However, the Metropolitan Government can accept a purchase price of less than 100% of the original amount of tax due.

Statistical Data Regarding Property Tax Collections and Concentration

TEN-YEAR HISTORY OF ASSESSED VALUATION

The following table presents a ten-year history of assessed property value for the Fiscal Years Ended June 30, 2008 through June 30, 2017 (with numbers expressed in thousands):

FY Ended June 30	Total Assessed Value (USD/GSD)	Growth (Decline) from Prior Year
2008	$16,152,729	--
2009	16,554,354	2.5%
2010	19,222,371	16.1
2011	19,208,515	(0.1)
2012	19,104,264	(0.5)
2013	19,160,523	0.3
2014	20,209,537	5.5
2015	20,376,059	0.8
2016	20,742,695	1.8
2017	21,314,821	2.8

PRINCIPAL PROPERTY TAXPAYERS

The following table presents information concerning the ten largest property taxpayers of the Metropolitan Government for the Fiscal Year Ended June 30, 2017.

Taxpayer	2016 Assessed Valuation	Amount of Tax	% of Total Tax Levy
Electric Power Board (1)	$ N/A	$ 30,371,839	3.28 %
RHP Hotels Inc./Gaylord	259,990,271	10,337,067	1.12
Healthcare Corporation of America	198,378,920	8,609,468	0.93
AT&T Telephone/BellSouth	161,649,479	7,179,577	0.78
Piedmont Natural Gas	119,410,206	5,198,120	0.56
The Mall at Green Hills	92,329,992	4,169,622	0.45
Opry Mills Co.	90,083,998	4,068,193	0.44
Vanderbilt	89,559,996	4,038,418	0.44
Highwoods Realty	75,267,760	3,499,908	0.38
Verizon	69,973,828	2,837,933	0.31
	$ 1,156,644,450	$ 80,310,145	8.69 %

Source: Tax Assessor's Office, Trustee Office

(1) As described above, the amount of tax for the Electric Power Board represents a payment in lieu of taxes and is not based on an assessed valuation.

Sales Tax

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

Other Taxes, Licenses, and Permits

This category includes charges for licenses and permits issued by departments, agencies, boards and commissions of the Metropolitan Government. Also included is the Hotel/Motel Tax, which is assessed against the gross receipts of hotels and motels within the Metropolitan Government, based on occupancy. Currently, there is a 6% tax levied by Metropolitan County Council ordinance. Half of the revenues derived from such tax are required to be allocated to the Convention Center Authority for payment of its bonds (see page B-30 below). 2% of the remaining 3% is required to be appropriated for tourist promotion, and the 1% balance is allocated to the general fund.

Also included in this category is the Hall income tax, which is a six-percent tax on income derived from dividends on stock and interest on bonds. The Tennessee General Assembly has taken legislative action to phase-out the Hall income tax by January 1, 2021, by reducing the tax by one percent per year. Because three-eighths of the proceeds derived from the Hall income tax is distributed to local governments, the reduction and elimination of the Hall income tax will reduce and eliminate a source of income for the City. The Metropolitan Government collected approximately $11.4 million from the Hall income tax for the fiscal year ended June 30, 2018.

Fines, Forfeits and Penalties

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

Revenue from Use of Money or Property

This category includes interest on investments, rentals and commissions for use of Metropolitan Government property or rights.

Revenue from Other Governmental Agencies and Contributions and Gifts

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

Charges for Current Services

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

Other Revenue Sources

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

Transfers In

Transfers are attributable to the budgeted allocation of resources from one fund to another for items such as the general fund's portion of hotel occupancy taxes, debt service requirements, and indirect cost recovery.

EXPENDITURES

Overview

As a metropolitan government under Tennessee law, the Metropolitan Government must provide the services typically provided by cities, counties and school districts. Public services include police, fire and public safety, mental health and other social services, courts, jails, and juvenile justice, secondary education, public works, streets and transportation, construction of all public buildings and facilities, parks and recreation, libraries and cultural facilities and events, and zoning and planning. The tables on pages B-5 through B-7 highlight the amounts of costs and services funded from the three major tax-supported operating funds.

Public Employees and Employees' Costs

Employee costs account for approximately 59% of all General Fund expenditures.

As of June 30, 2017, the Metropolitan Government and the Metropolitan Board of Education (the "MBE") employed approximately 18,424 persons full time of whom approximately 10,116 worked full-time for the MBE and 8,308 worked full-time for the Metropolitan Government. Approximately 1,052 (93%) of the uniformed personnel of the Fire Department are members of Local No. 140 of the International Association of Firefighters. The Police Department has 1935 active employees, of which 1426 are sworn personnel. Approximately 1212 sworn officers (or 85%) of the Police Department belong to the Fraternal Order of Police, Andrew Jackson Lodge No. 5, the designated employee representative. Of those employed by the MBE, approximately 1548 (or 24%) of the teaching employees are members of the Metropolitan Nashville Education Association (the "MNEA"); 639 (or 17%) of the remaining non-teaching employees are members of the Service Employees International Union; and 151 (or 4%) are in the Steel Workers Union.

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

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

Pension Plan Overview

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

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

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

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

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

Metropolitan Nashville Public School's (MNPS) teachers participate in the State Employees, Teachers, and Higher Education Employees' Pension Plan (SETHEEPP), a cost-sharing multiple-employer, contributory, defined benefit plan administered by the Tennessee Consolidated Retirement System (TCRS). Approximately 7,573 current teachers and retired teachers are covered by TCRS. TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

The TCRS employer contribution rate is established at an actuarially determined rate and set every two years by the TCRS Board of Trustees. MNPS is required to make contributions based on the established rate directly to TCRS. The Metropolitan Government funds this contribution from its operating funds and revenues, through its annual funding of MNPS's education budget. The employer rate for the fiscal years ending June 30, 2017 and June 30, 2016, was 9.03% of annual covered payroll. The employer's contributions to TCRS for the years ending June 30, 2017 and 2016 were $26,023,655 and $27,095,828, respectively, equal to the required contributions for each year. Teachers are required by state statute to contribute 5% of salary to the plan.

The Closed Plans are defined benefit plans collectively covering one active employee and approximately 1,700 retired employees. Contributions to the Closed Plans are funded from Metro's operating fund through the Guaranteed Payment Plan and contributions from the State of Tennessee.

Metro Active Plan

Benefits

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

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

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

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

Funding

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

Historic Employer Contribution: Metro has historically made employer contributions at a rate higher than the minimum required contribution. Metro's policy has been to make annual contributions to the Active Plans equal to the actuary's recommended rate, sufficient to amortize the unfunded liability over the 40 year period commencing in 1978. Beginning with the plan year ended June 30, 2006, the Benefit Board adopted a level unfunded liability amortization period of 15 years. The level amortization period is designed to reduce contribution volatility compared with a continuing decline in the amortization period. The chart below shows the annual employer contribution rate (in both percentage of employee salary and aggregate dollar terms) for the past 10 years. The employer contribution rate for fiscal year 2016-2017 is 12.340%. The contribution rate for 2017-2018 is 12.340%. Factors affecting the reduction in the contribution rate are investment returns, compensation increases were less than expected, and COLA adjustments were less than projected.

Historical Metro Contributions
Metro Active Plan

Fiscal Year Ending June 30	Contribution Rate	Contribution Amount
2017	12.340%	$73,868,818
2016	15.510	85,676,490
2015	17.987	94,045,896
2014	17.117	87,643,045
2013	15.938	82,653,128
2012	15.416	81,636,995
2011	15.416	81,502,645
2010	13.012	72,253,372
2009	13.012	72,561,790
2008	16.658	90,922,719
2007	16.637	85,427,968
2006	13.857	68,674,155
2005	12.171	58,894,435
2004	9.265	44,902,059
2003	6.610	30,123,759

Key Actuarial Assumptions. Current actuarial assumptions include a discount rate of 7.5%, cost-of-living adjustments (COLA) of 2.50% for Division A and 1.50% for Division B, salary increases averaging 4.0% annually and five year smoothing of gains and losses, and an inflation rate of 2.60%.

Schedule of Funding Progress

Effective June 30, 2014, the Metropolitan Government adopted GASB Statement No. 68, which revised the calculation and financial statement disclosure regarding the liability related to pensions. The table below provides a history of funding progress based on the Metropolitan Government's net pension liability.

Metropolitan Government of Nashville and Davidson County Open Pension Plan
Schedule Funding Progress
June 30, 2017
(dollars expressed in thousands)

Fiscal Year Ending	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
June 30, 2014	$2,797,807	$2,697,364	$100,443	96.41%	$556,220	18.06%
June 30, 2015	2,832,405	2,763,496	68,909	97.57%	513,759	13.41%
June 30, 2016	2,909,545	2,688,227	221,318	92.39%	531,267	41.66%
June 30, 2017	3,009,103	2,968,259	40,844	98.64%	538,699	7.58%

TCRS

Closed TCRS Plan for employees hired on or before June 30, 2014

Benefits

TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. The plan was closed to new members on June 30, 2014. Benefit provisions are established in state statue found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly.

[Remainder of Page Intentionally Left Blank]

Funding Sources

Teachers contribute 5% of their salaries, and the Metropolitan Government, via funding of the school budget, contributes an amount equal to the percentage of certified payroll set by the TCRS each year. The certified percentage results from a bi-annual TCRS actuarial report and equals normal cost, accrued liability cost and administrative costs (minus teacher contributions).

Metropolitan Government's Proportionate Share of Net Pension Liability (Asset)

Closed TCRS Plan

June 30, 2017

(amounts expressed in thousands)

Plan Year Ending	Metro's Proportion of Net Pension Liability (Asset)	Metro's Proportionate Share Of Net Pension Liability (Asset)	Metro's Covered Payroll	Metro's Proportionate Share of Net Pension Liability (Asset) As Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
June 30, 2014	-8.74%	(1,421)	343,139	-0.41%	-100.08%
June 30, 2015	8.49%	3,477	317,727	1.09%	99.81%
June 30, 2016	8.30%	51,891	299,733	17.31%	97.14%

Open TCRS defined benefit plan and defined contribution plan for employees hired on or after July 1, 2014

Benefits

Employees hired on or after July 1, 2014 became members of a new plan that consists of two components, a defined benefit plan and a defined contribution plan. TCRS members in the defined benefit plan are eligible to retire either at the age of 65 and vested with five years of service or under the rule of 90 where a combination of age and service credit totals 90. An actuary reduced benefit is available at age 60 or the rule of 80. Disability benefits are available after five years of service for those who become disabled and cannot engage in gainful employment. Benefits are determined by a formula using the member's high five-year average salary and years of service. TCRS members in the defined contribution plan elect to participate in the Optional Retirement Program. Members are immediately vested in employer and employee contributions. Members make the determination as to how the employer contributions made on their behalf are invested. Members can choose among a variety of investment products. Benefit provisions are established in state statue found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly.

[Remainder of Page Intentionally Left Blank]

The maximum employer pension cost is a total of 9% of salary for both the defined benefit plan and the defined contribution plan. Employer contributions to the defined benefit plan will be 4% of salary and employer contributions to the defined contribution plan will be 5% of salary.

Metropolitan Government's Proportionate Share of Net Pension Liability (Asset)

Open TCRS Plan

June 30, 2017

(dollars expressed in thousands)

Plan Year Ending	Metro's Proportion of Net Pension Liability (Asset)	Metro's Proportionate Share Of Net Pension Liability (Asset)	Metro's Covered Payroll	Metro's Proportionate Share Of Net Pension Liability (Asset) as Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
June 30, 2015	-14.13%	(569)	29,367	-1.94%	127.46%
June 30, 2016	-12.73%	(1,325)	56,003	-2.37%	121.88%

Annual Contributions

Required TCRS contributions in 2016 and 2017 were 9.04% and 9.03% of salary, or $27,095,828 and $26,023,655.

Trends

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

Additional Information

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

[Remainder of Page Intentionally Left Blank]

Closed Plans – Guaranteed Payment Plan

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

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

Current Funded Status

The table below provides a description of the status of the funding of the Metropolitan Government's Closed Plans. This information was previously presented on an actuarial basis. As a result of GASB Statement No. 68, this table is now and will in the future be presented on the basis of the plan's net position and net pension liability.

Metropolitan Government of Nashville and Davidson County Closed Pension Plans
Schedule Funding Progress
June 30, 2017
(amounts expressed in thousands)

Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
Metro Teachers	$249,761	$89,448	$160,313	35.81%
County Teachers	31,677	1,173	30,504	3.70%
City Teachers	14,321	921	13,400	6.43%
City Employees	33,356	-	33,356	0.00%
County Employees	6,612	-	6,612	0.00%

[Remainder of Page Intentionally Left Blank]

Historical Contributions

Contributions
Metro Closed Plans

Fiscal Year Ending June 30	Metro Contributions	State Contributions
2017	$33,490,352	$15,484,346
2016	33,493,456	16,200,749
2015	33,524,016	16,902,423
2014	33,512,358	17,593,670
2013	33,521,052	18,130,962
2012	33,520,844	18,769,087
2011	33,529,553	19,333,186
2010	33,519,574	19,643,816
2009	33,513,758	20,106,215
2008	33,507,435	20,635,657
2007	33,486,214	21,017,217
2006	33,474,046	21,260,495
2005	33,519,098	21,699,309
2004	33,577,400	21,143,526
2003	33,577,329	20,983,034

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

Other Post-Employment Benefits

The Metropolitan Government currently provides various other post-employment benefits ("OPEB") other than pensions, with healthcare representing the most significant portion of the OPEB cost. For any retiree in the Metro, City or County Plan who elects to participate in the Metro Medical Benefit Plan, the Metropolitan Government contributes 75% of all premium payments, and the retiree contributes 25%. For employees hired July 1, 2013 or later, the Metropolitan Government contribution is based on years of service and ranges from 25% for a retiree with less than 15 years of service to 75% for a retiree with 20 or more years of service. July 1, 2014, Metro implemented a Medicare Part D or Employer Group Waiver Plan for eligible retirees that are expected to reduce OPEB liability. Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid, administrative costs and anticipated inflationary increases. The Metropolitan Government also provides a matching contribution on dental insurance for any retiree who elects to participate and provides life insurance at no charge. During the year ended June 30, 2017, contributions totaled $55,188,979.

For any retiree in the Metro, City or County Education Plans who elects to participate in the medical and dental insurance plans of the Metropolitan Nashville Public Schools, Schools contribute 75% of all premium payments with the retiree contributing the remaining 25%. Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid. During the year ended June 30, 2017, contributions totaled $21,676,865.

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

For June 30, 2017, amounts related to OPEB were (all amounts in thousands):

	Metro Plan	School Plan
Net OPEB Obligation	$ 1,259,769	$ 246,381
Actuarial Accrued Liability (AAL)	2,326,893	605,476
Unfunded AAL	2,326,893	605,476
Annual Required Contribution	206,850	57,146

The key assumptions used in developing these amounts include:

- Current level of benefits provided
- July 1, 2017 valuation date and census data
- Actual dependent coverage information
- 4.5% rate of return (net of administrative expenses), 2.75% rate of inflation, and 4.5% of projected increases in salary
- Health care cost trend rate: 8% graded to 5% for other medical expenses, 8% graded to 5% for prescription drugs, 4% each year for dental and vision expenses

New Developments in State Law and Reporting

Under current Tennessee law and except as described below, the Metropolitan Government is generally not permitted to change the terms of a pension plan to reduce an accrued benefit, or the right to accrue future benefits, of any participant who is eligible to receive benefits under the plan (i.e., any vested participant) unless that participant consents to the decrease or reduction in benefits. However, a pension plan can be amended so as to exclude new employees. In addition, "The Public Employee Defined Benefit Financial Security Act of 2014" (the "2014 Act"), was signed into law by the Governor of Tennessee on May 22, 2014. The 2014 Act provides that for all affected employees of any political subdivision (such as the Metropolitan Government) hired on or after the effective date of the 2014 Act, the political subdivision may freeze, suspend or modify benefits, employee contributions and plan terms and design on a prospective basis (except as to those employees employed prior to the effective date of the 2014 Act where applicable law provides otherwise).

The 2014 Act also requires each political subdivision which provides its own defined benefit plan (such as Metro's Active Plans and Closed Plans) to annually make a payment to its pension plan of no less than 100% of the actuarially-determined contribution that incorporates both the normal cost of benefits and amortization of the pension plan's unfunded accrued liability, if any. As described herein, the Metropolitan Government has historically funded at least 100% of the actuarially-determined contribution. The Metropolitan Government is in compliance with the 2014 Act and does not anticipate that continued compliance will materially affect the financial condition of the Metropolitan Government.

In 2012, the Governmental Accounting Standards Board ("GASB") approved Statement No. 68, *Accounting and Financial Reporting for Pensions*, which first applied to the Active Plans and the TCRS Plans beginning with the Metropolitan Government's 2015-2016 fiscal year. Among other things, Statement No. 68 requires the Metropolitan Government to identify the plan's net pension liability (total plan liability minus the plan's net position) as a liability on the Metropolitan Government's statement of net position. For each fiscal year, Statement No. 68 also requires the Metropolitan Government to recognize certain changes in its net pension liability as a pension expense on its schedules of revenues, expenses and changes in net position. These accounting changes do not have any effect on the Metropolitan Government's cash flows or fund financial statements, but do negatively impact the government wide statements of net position and activities, as described above.

In 2015, GASB approved Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which will be effective beginning with the Metropolitan Government's 2017-2018 fiscal year. Among other things, Statement No. 75 requires the Metropolitan Government to identify the OPEB plan's net OPEB liability (total OPEB liability minus the plan's net position) as a liability on the Metropolitan Government's statement of net position. For each fiscal year, Statement No. 75 also requires the Metropolitan Government to recognize certain changes in its net OPEB liability as expense on its schedules of revenues, expenses and changes in net position. These accounting changes do not have any effect on the Metropolitan Government's cash flows or fund financial statements, but do negatively impact the government wide statements of net position and activities, as described above.

INVESTMENT POLICY

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

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

1) Preservation of principal

2) Maintenance of liquidity

3) Maximize returns

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

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

[Remainder of Page Intentionally Left Blank]

CAPITAL FINANCING AND BONDS

Capital Improvements Budget Process

The Charter requires the Metropolitan Government to annually prepare a five-year capital improvements budget. The Mayor submits to the Metropolitan County Council the capital improvements budget, based on information from all officers, departments, boards, commissions and other agencies requesting funds from the Metropolitan Government for capital improvements, and recommends those projects to be undertaken during the ensuing fiscal year and the method of financing them. The Mayor's recommendation notes the impact of proposed projects on the debt structure of the Metropolitan Government and includes in the appropriate current operating budget any projects to be financed from current revenues for the ensuing fiscal year.

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

Current Capital Improvements Budget

The following information identifies recommended capital projects in the 2017-2018 Capital Improvements Budget, which are given priority for funding by the Mayor and the Metropolitan County Council for fiscal year 2017-2018 and the following five fiscal years.

The water and sewer improvements listed on the following page include both water and sewer system projects and stormwater projects. Water and sewer improvements will be funded from water and sewer system revenues and/or proceeds from water and sewer system revenue bonds. Stormwater improvements would be funded with general obligation bonds but would be primarily payable from stormwater fees, which are set at rates sufficient to provide for the payment in full of all stormwater-related debt service.

[Remainder of Page Intentionally Left Blank]

FY2017-2018 to FY2022-2023 Capital Improvements Budget – Final – By Agency

Departments	FY2017-18	%of '17-'18 Total	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	Total	%of '18-'23 Total
Agricultural Extension	$222,000	0.007%						$222,000	0.002%
Arts Commission	1,934,000	0.065%	2,130,000	$1,640,000				5,704,000	0.055%
Assessor of Property	2,000,000	0.068%	$100,000	$100,000				2,200,000	0.021%
Codes & Building Safety	750,000	0.025%						750,000	0.007%
County Clerk	1,723,422	0.058%	$1,000					1,724,422	0.017%
Criminal Court Clerk	135,000	0.005%						135,000	0.001%
District Energy System – USD		0.000%	1,779,800	495,000	495,000	2,115,300		4,885,100	0.047%
Elections Commission		0.000%	3,500,000					3,500,000	0.034%
Farmers Market	3,600,000	0.122%	950,000	200,000				4,750,000	0.046%
Finance	233,000,000	7.871%	2,000,000	2,000,000				237,000,000	2.293%
Fire Department	27,300,000	0.922%	21,000,000	21,000,000				69,300,000	0.671%
General Hospital	44,234,600	1.494%	3,292,500	2,775,000				50,302,100	0.487%
General Services	113,080,900	3.820%	216,588,600	44,532,600	18,600,000			392,802,100	3.801%
General Sessions Court	787,000	0.027%						787,000	0.008%
Health	2,000,000	0.068%						2,000,000	0.019%
Historical Commission	3,794,000	0.128%	155,000					3,949,000	0.038%
Information Technology Services	29,417,700	0.994%	676,900	312,700				30,407,300	0.294%
Juvenile Court	100,000	0.003%						100,000	0.001%
MDHA	55,840,000	1.886%	29,250,000	46,500,000	26,500,000	26,500,000	14,500,000	199,090,000	1.926%
Metro Action Commission	19,190,000	0.648%	17,786,000	966,000				37,942,000	0.367%
Metropolitan Clerk		0.000%	2,300,000					2,300,000	0.022%
MNPS (Schools)	597,750,000	20.192%	757,274,000	809,900,000	765,236,600	578,752,000	559,384,000	4,068,296,600	39.366%
MTA	105,430,000	3.562%	67,310,000	45,415,000	26,165,000	93,015,000	40,265,000	377,600,000	3.654%
Municipal Auditorium	6,050,000	0.204%	2,000,000	1,100,000	100,000	500,000	1,500,000	11,250,000	0.109%
Parks & Recreation	230,250,000	7.778%	122,000,000	117,000,000				469,250,000	4.541%
Planning	8,050,000	0.272%	2,400,000					10,450,000	0.101%
Police	109,101,900	3.686%						109,101,900	1.056%
Public Library	65,446,000	2.211%	49,594,000	46,284,000	38,212,000	31,566,000	13,850,000	244,952,000	2.370%
Public Works – GSD	921,121,100	31.116%	316,395,000	258,055,000	272,682,000	253,020,000	104,500,000	2,125,773,100	20.570%
Public Works – USD	82,530,000	2.788%	1,000,000	1,000,000	1,000,000	1,000,000		86,530,000	0.837%
Social Services	772,500	0.026%						772,500	0.007%
State Fair Board	15,725,000	0.531%	15,000,000					30,725,000	0.297%
Water & Sewer GSD	35,090,000	1.185%	40,910,000	53,740,000	34,365,000	58,925,000	69,990,000	293,020,000	2.835%
Water & Sewer USD	243,835,000	8.237%	254,160,000	294,505,000	385,855,000	178,945,000	99,685,000	1,456,985,000	14.098%
Totals	**$2,960,260,122**	**100.000%**	**$1,929,552,800**	**$1,747,520,300**	**$1,569,210,600**	**$1,224,338,300**	**$903,674,000**	**$10,334,556,122**	**100.000%**

General Obligation Commercial Paper and Bonds

The Metropolitan Government typically funds general governmental capital projects through draws on its general obligation commercial paper programs, which consist of: (i) up to $200 million of notes for which liquidity support is provided by JPMorgan Chase Bank, (ii) up to $175 million of notes for which liquidity support is provided by MUFG Union Bank, and (iii) up to $325 million of extendable notes for which there is no liquidity provider. The Metropolitan Government routinely issues long-term general obligation bonds to retire commercial paper.

Tennessee law does not impose any limit on the amount of general obligation bonds that may be issued by Tennessee local governments, including the Metropolitan Government, and, except as follows, no voter referendum is required for a Tennessee local government to issue general obligation bonds. Tennessee law does require that a local government's issuance of general obligation bonds (other than for school projects) be preceded by the adoption and publication of a resolution evidencing the local government's intent to issue general obligation bonds. If 10% of the voters of the local government sign a petition protesting the issuance of the general obligation bonds, the bonds may not be issued until the proposed bond issue has been approved by voter referendum.

Debt Calculations

The tables set forth on the following pages only reflect the Metropolitan Government's long-term general obligation bonded indebtedness as of June 30, 2017, including the Metropolitan Government's District Energy System Revenue and Tax Refunding Bonds, Series 2012A (the "DES Bonds"). These tables do not reflect:

(1) the issuance of the Bonds or the approximately $50 million in principal amount of commercial paper that will remain outstanding following the issuance of the Bonds;
(2) the Metropolitan Government's obligations to the Tennessee State School Bond Authority (the "TSSBA") with respect to approximately $32 million of outstanding Qualified Zone Academy Bonds and Qualified School Construction Bonds issued by the TSSBA on behalf of the Metropolitan Government;
(3) obligations of the Metropolitan Government which are payable solely from the revenues of one or more utility systems (i.e. water, sewer and electric);
(4) obligations of the Metropolitan Government's Airport Authority, which are payable solely from revenues of airport operations;
(5) tax increment financing obligations of the Metropolitan Development and Housing Agency and the Metropolitan Government's Industrial Development Board, which are described in further detail below; or
(6) obligations of the Metropolitan Government's Sports Authority and Convention Center Authority, which are described in further detail below.

[Remainder of Page Intentionally Left Blank]

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
COMPUTATION OF NET GENERAL OBLIGATION DEBT
JUNE 30, 2017

Gross General Obligation Debt				
General Obligation Bonds Payable				
General Services District:				
For School Purposes	$	844,105,336		
For General Purposes		1,613,724,862		
Urban Services District:				
For General Purposes		231,364,802		
Total Gross General Obligation Debt			$	2,689,195,000
Less:				
Amounts Available In Debt Service Funds				
General Services District:				
For School Purposes		6,750,433		
For General Purposes		9,437,916		
Urban Services District:				
For General Purposes		4,486,431		
Total Amounts Available In Debt Service Funds				20,674,780
Net General Obligation Debt			$	2,668,520,220

Source: The Metropolitan Government CAFR and Finance Department as of June 30, 2017

[Remainder of Page Intentionally Left Blank]

DEBT RATIOS

AS OF JUNE 30, 2017

Total Debt		
Debt to Estimated Market Value		3.44%
Debt to Assessed Value		12.62%
Debt per Capita	$	3,929.22
Net Debt		
Debt to Estimated Market Value		3.41%
Debt to Assessed Value		12.52%
Debt per Capita	$	3,899.01

The above table is based upon:

Estimated Market Value	$	78,262,509,134
Assessed Value	$	21,314,820,654
Population		684,410

Source: The Metropolitan Government CAFR and Finance Department as of June 30, 2017

[Remainder of Page Intentionally Left Blank]

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

HISTORICAL DEBT RATIOS

(dollar amounts, other than Net Debt Per Capita, expressed in thousands)

Fiscal Year	Population	Estimated Market Valuation	Assessed Valuation	Gross Debt	Debt Service Monies Available	Net Debt	Ratio of Net Debt to Market Valuation	Ratio of Net Debt to Assessed Valuation	Net Debt Per Capita
2007-08	619,626	$ 60,386,015	$ 16,152,729	$ 1,725,785	$ 56,803	$ 1,668,982	2.76 %	10.33 %	$ 2,693.53
2008-09	626,144	61,881,138	16,554,354	1,585,025	43,962	1,541,063	2.49	9.31	2,461.20
2009-10	635,710	63,157,227	19,222,371	1,910,500	25,950	1,884,550	2.98	9.80	2,964.48
2010-11	626,681	63,280,838	19,208,515	1,895,530	37,955	1,857,575	2.94	9.67	2,964.15
2011-12	635,475	63,127,519	19,104,264	1,923,680	29,168	1,894.512	3.00	9.92	2,981.25
2012-13	648,295	63,259,449	19,160,523	2,323,100	37,330	2,285,770	3.61	11.93	3,525.82
2013-14	658,602	65,810,055	20,209,537	2,227,730	21,554	2,206,176	3.35	10.92	3,349.79
2014-15	668,347	66,270,673	20,376,059	2,124,090	28,090	2,096,000	3.16	10.29	3,136.10
2015-16	678,889	67,533,296	20,742,695	2,364,890	22,283	2,342,607	3.47	11.29	3,450.65
2016-17	684,410	78,262.509	21,314,821	2,689,195	20,675	2,668,520	3.41	12.52	3,899.01

Source: The Metropolitan Government CAFR as of June 30, 2017

[Remainder of Page Intentionally Left Blank]

The following table sets forth annual debt service requirements of the Metropolitan Government on outstanding general obligation bonds secured by ad valorem taxes.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
GENERAL OBLIGATION DEBT SERVICE SCHEDULE[(1)]

	Existing Debt Service[(2)]			Series 2018 Bonds[(3)]			Total Debt Service[(3)]		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2019	$153,825,000	$113,618,639	$267,443,639						
2020	160,135,000	107,305,595	267,440,595						
2021	167,145,000	100,297,369	267,442,369						
2022	170,590,000	92,429,131	263,019,131						
2023	179,725,000	84,298,195	264,023,195						
2024	190,825,000	76,178,504	267,003,504						
2025	190,590,000	67,804,863	258,394,863						
2026	171,580,000	59,459,082	231,039,082						
2027	156,965,000	51,548,173	208,513,173						
2028	154,215,000	44,000,097	198,215,097						
2029	112,860,000	37,691,871	150,551,871						
2030	117,055,000	32,944,134	149,999,134						
2031	117,910,000	27,383,052	145,293,052						
2032	123,055,000	21,647,407	144,702,407						
2033	128,445,000	15,639,314	144,084,314						
2034	93,440,000	9,414,450	102,854,450						
2035	93,850,000	4,948,839	98,798,839						
2036	33,240,000	2,048,600	35,288,600						
2037	34,595,000	691,900	35,286,900						
2038	--	--	--						
2039	--	--	--						
Total	**$2,550,045,000**	**$949,349,215**	**$3,499,394,215**						

[(1)] With the exception of the proposed Bonds, this table includes and excludes (as applicable) those debt obligations described above under "CAPITAL FINANCING AND BONDS – Debt Calculations".
[(2)] Source: Department of Finance Treasury Debt Schedules as of June 30, 2018
[(3)] Preliminary and subject to change

Contingent Debt and Payment Liabilities

As of the date of this Official Statement, the Metropolitan Government has the following outstanding contingent obligations payable from certain monies of the Metropolitan Government as hereinafter described.

District Energy System of the Metropolitan Government

The Metropolitan Government owns a District Energy System ("DES"), which provides steam and chilled water to approximately 40 buildings in downtown Nashville for the purposes of general heating and air conditioning. DES is managed by Constellation NewEnergy Projects ("CNE") of Baltimore, Maryland. The Metropolitan Government is a customer of DES and purchased approximately 47.1% of the steam and 44.5% of the chilled water sold by the system for the Fiscal Year ended June 30, 2017. The Metropolitan Government has covenanted to provide funding in an amount equal to any shortage in revenues necessary to pay debt service on outstanding DES obligations and/or necessary to pay operating expenses (the "Metro Funding Amount"). The budgeted Metro Funding Amount for Fiscal Year 2018-2019 is $1,640,300. In addition to covering any DES operating shortfalls, the Metro Funding Amount also provides for the payment of debt service on the DES Bonds.

The Sports Authority of the Metropolitan Government

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

Nissan Stadium. The Sports Authority owns Nissan Stadium, which is the home of the National Football League's Tennessee Titans and the home stadium of Tennessee State University. The Sports Authority has financed (or refinanced) a portion of the construction and improvement of Nissan Stadium through the issuance of its Series 2012A, 2013B and 2014 Bond issues and through a bank loan incurred in 2015.

Aggregate debt service on the Sports Authority's Nissan Stadium debt approximates $5.2 million per year, and is payable through 2033. This debt is payable primarily from dedicated revenue streams (consisting of a payment in lieu of tax from the Water and Sewerage Department, parking revenues, lease payments from Tennessee State University, and a ticket tax at Nissan Stadium). In the event of a deficiency in such revenues to pay debt service, the Nissan Stadium debt is payable from the Metropolitan Government's non-tax General Services District General Fund revenues (the "GSD Non-Tax Revenues").

Bridgestone Arena. The Sports Authority owns Bridgestone Arena, which is the home of the National Hockey League's Nashville Predators and is the primary large-scale concert venue in the Metropolitan Government. The Sports Authority financed certain expenses associated with relocating the Predators to the Arena with its Series 1998 Bonds (since refunded by its Series 2012B Bonds). Debt service on the Bridgestone Arena debt averaged approximately $1.7 million per year and was payable primarily from surcharges levied on Arena tickets ("Arena Surcharges"), with any deficiency payable from GSD Non-Tax Revenues. The Bridgestone Arena debt was retired on July 1, 2018.

Ford Ice Center. The Sports Authority owns the Ford Ice Center, a two-sheet ice skating and hockey facility located in the southeastern part of the Metropolitan Government. The Ford Ice Center is leased to, and operated by, Mid-Ice, LLC, an affiliate of the Nashville Predators. The Sports Authority financed the construction of the Ford Ice Center with its Series 2013A Bonds. Debt service on the Ford Ice Center debt is approximately $1.1 million per year, and is payable through 2033. This debt is payable primarily from Arena Surcharges and Predators lease payments. In the event of a deficiency, the debt is payable from GSD Non-Tax Revenues.

First Tennessee Ballpark. The Sports Authority owns the First Tennessee Ballpark, the downtown baseball park that is the home of the Nashville Sounds, the AAA affiliate of Major League Baseball's Oakland Athletics. The Ballpark was financed by the Sports Authority's Series 2013A and 2013B Ballpark Bonds. Debt service on the Ballpark Bonds is approximately $4.35 million annually, and is payable through 2043. Debt service on the Series 2013A and 2013B Ballpark Bonds is primarily payable by incremental Ballpark sales tax revenues, tax increment financing payments from development adjacent to the Ballpark, and (in the case of the Series 2013B Bonds only) Sounds lease payments. Any deficiency is payable from the Metropolitan Government's non-tax Urban Services District General Fund revenues ("USD Non-Tax Revenues").

The obligation of the Metropolitan Government to make the payments on the Sports Authority's debt is not a general obligation of the Metropolitan Government but rather is required to be paid solely from GSD Non-Tax Revenues or USD Non-Tax Revenues, as applicable, appropriated by the Metropolitan Government for such payments.

As of the date of this Official Statement, the Metropolitan Government has not been called upon to make a payment under the outstanding Sports Authority debt except with respect to Ballpark Bonds, where the Metropolitan Government has been required to contribute between $600,000 and $1,415,000 to fund annual debt service. The Metropolitan Government can offer no assurance as to whether annual contributions with respect to the Ballpark Bonds will remain in this range or whether or not there will be future calls on the Metropolitan Government to make a payment under other Sports Authority debt obligations.

The Metropolitan Government has approved the issuance of approximately $225 million of Sports Authority revenue bonds to finance the construction of a new Major League Soccer (MLS) Stadium. These bonds are expected to be paid primarily from MLS team rents and sales taxes resulting from soccer-related sales; however, the Metropolitan Government expects to pledge a portion of general fund revenues to provide additional security for the payment of the bonds.

The Sports Authority is currently studying of the current condition of Bridgestone Arena and Nissan Stadium, both of which were constructed in the late 1990s, for the purpose of forecasting repairs and future capital needs.

Convention Center Authority of the Metropolitan Government

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

On April 21, 2010, the CCA issued $51,730,000 of its Tourism Tax Revenue Bonds, Series 2010A-1 and $152,395,000 Tourism Tax Revenue Bonds Federally Taxable, Series 2010A-2 (Build America Bonds-Direct Payment) (together, the "CCA Series 2010A Bonds"), and $419,090,000 Subordinate Tourism Tax Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds-Direct Payment) (the "CCA Series 2010B Bonds"), to finance the development, construction, equipping, furnishing, repair, refurbishment and opening of a new downtown convention center facility (the "Convention Center" or "Music City Center"). For more information on the Convention Center and the Omni Hotel discussed below, see "Tourism" herein.

The CCA Series 2010A Bonds are payable solely from certain hotel/motel tax revenues, incremental sales tax revenues and certain other designated tourism tax revenues (the "Tourism Tax Revenues"). The CCA Series 2010B Bonds are payable from Tourism Tax Revenues, subordinate to the payment of the CCA Series 2010A Bonds, and from Convention Center operating income. If those funds are insufficient to pay debt service when due on the CCA Series 2010B Bonds, the Metropolitan Government has pledged its GSD Non-Tax Revenues (as it has with respect to the Authority bonds described above) to the payment of debt service on the CCA Series 2010B Bonds. The maximum annual debt service on the CCA Series 2010B Bonds is approximately $27.1 million, net of direct payment subsidies payable by the federal government as a result of the CCA Series 2010B Bonds being issued as Build America Bonds. The CCA has established a debt service reserve equal to $26.5 million.

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

The obligation of the Metropolitan Government to make the payments on the above debt is not a general obligation of the Metropolitan Government but rather is required to be paid solely from GSD Non-Tax Revenues appropriated by the Metropolitan Government for such payments.

As of the date of this Official Statement, the Metropolitan Government has not been called upon to make a payment under the outstanding debt. However, the Metropolitan Government can offer no assurance as to whether there will be future calls on the Metropolitan Government to make a payment under these debt obligations.

Metropolitan Development and Housing Agency

In December 2014, the Metropolitan Development and Housing Agency ("MDHA") entered into a lease arrangement pursuant to which MDHA constructed and operates an approximately 1,000-space parking facility in downtown Nashville. The lease arrangements obligate MDHA to annual lease payments of approximately $2.9 million through 2044. The lease payments are payable primarily from parking revenues generated by the parking facility, which are projected by MDHA to be sufficient therefor, and in the event of a deficiency, from a subordinate pledge of USD Non-Tax Revenues.

The obligation of the Metropolitan Government to make the payments on the above debt is not a general obligation of the Metropolitan Government but rather is required to be paid solely from USD Non-Tax Revenues appropriated by the Metropolitan Government for such payments.

As of the date of this Official Statement, the Metropolitan Government has not been called upon to make a payment under the outstanding debt. However, the Metropolitan Government can offer no assurance as to whether there will be future calls on the Metropolitan Government to make a payment under these debt obligations.

Additional Contingent Obligations

The Metropolitan Government may fund, from time to time, additional projects payable from specific dedicated revenues. To the extent the Metropolitan Government elects to fund all or a portion of such projects, the Metropolitan Government may incur additional debt supported by certain of its revenues, including but not limited to its GSD Non-Tax Revenues and USD Non-Tax Revenues.

Tax Increment Financing

The Metropolitan Government routinely participates in tax increment financings ("TIFs") related to redevelopment projects. In a TIF, an instrumentality of the Metropolitan Government (e.g. the Metropolitan Development and Housing Agency ("MDHA") or the Industrial Development Board (the "IDB")) will issue its tax increment financing bonds or notes and grant the proceeds to a developer to incentivize the completion of a redevelopment project. To secure payment of the TIF bonds or notes, the Metropolitan Government agrees to divert all or a portion of the incremental real and personal property tax revenues related to the project to the payment of debt service on the tax increment financing bonds. As of the date of this Official Statement, the City is obligated to divert certain incremental real and personal property taxes to the payment of debt service on the following TIFs:

MDHA TIFs: As of the end of its September 30, 2017 fiscal year, MDHA had outstanding approximately $164 million of TIF bonds and notes to finance redevelopment projects in and around the downtown Nashville area. The Metropolitan Government funded approximately $23.3 million of debt service payments on these bonds and notes during MDHA's 2017 fiscal year.

IDB TIFs: In 2015, the IDB issued its $21,935,000 TIF Bond to finance the redevelopment of the Bellevue Mall. This TIF Bond matures in 2038 and the maximum annual debt service is approximately $2.5 million.

DEMOGRAPHIC AND STATISTICAL INFORMATION

Population Growth

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

The Metropolitan Government of Nashville and Davidson County
Demographic Statistics – Population Growth

Area	2000	2010	Change 2000 - 2010	2016 Estimates
Nashville/Davidson	569,891	626,681	10.0%	684,410
MSA	1,311,789	1,670,900	27.4%	1,855,298
State of Tennessee	5,689,283	6,346,105	11.5%	6,651,194
United States	281,421,906	308,745,538	9.7%	323,127,513

Source – Census Bureau (census.gov)

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

Per Capita Personal Income

Area	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nashville/Davidson	$43,190	$45,827	$46,408	$47,505	$48,941	$47,729	$46,986	$51,179	$56,064	$58,283
MSA	39,338	40,923	40,271	41,579	43,512	44,865	44,916	47,423	50,747	52,450
State of Tennessee	34,117	35,322	34,635	35,653	37,457	38,778	38,814	40,125	42,128	43,326
United States	39,821	41,082	39,376	40,277	42,461	44,282	44,493	46,494	48,451	49,246

Source – Bureau of Economic Analysis (bea.gov)

Employment

The following table shows the labor force segments of the eight-county Nashville Metropolitan Statistical Area for calendar years 2013 through 2017.

NASHVILLE MSA
EMPLOYMENT BY INDUSTRY

	2017	2016	2015	2014	2013
Total Employed – All Industries [1]	980	950	915	880	846
In Percentages:					
Education & Health Services	15.29%	15.34%	15.39%	15.44%	15.67%
Financial Activities	6.51%	6.60%	6.52%	6.43%	6.35%
Government	12.08%	12.13%	12.40%	12.58%	13.45%
Information	2.39%	2.43%	2.36%	2.34%	2.54%
Leisure & Hospitality	11.35%	11.12%	10.98%	10.87%	10.58%
Manufacturing	8.23%	8.61%	8.64%	8.83%	8.61%
Professional & Business Services	16.59%	16.42%	16.04%	15.51%	14.42%
Trade, Transportation, Utilities	18.87%	19.02%	19.29%	19.64%	19.97%
Other	8.68%	8.32%	8.39%	8.36%	8.33%

(1) Total Nonfarm Employment in thousands
Source - Bureau of Labor Statistics (bls.gov)

UNEMPLOYMENT RATES

The following table sets forth the unemployment percentage rates in Davidson County, the MSA, the State and the United States for the calendar years 2008-2017.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nashville/Davidson	5.4%	8.9%	8.2%	7.5%	6.2%	5.9%	5.0%	4.4%	3.6%	2.7%
MSA	5.8	9.5	8.6	7.8	6.4	6.2	5.2	4.5	3.8	2.9
State of Tennessee	6.6	10.5	9.7	9	7.8	7.8	6.5	5.6	4.8	3.7
United States	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4

[Remainder of Page Intentionally Left Blank]

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS

JUNE 30, 2017

Employer	Employees	% of Total Employment
Vanderbilt University	26,400	2.71 %
State of Tennessee	24,548	2.52
Metro Nashville-Davidson Co. Government and Public Schools	18,820	1.93
U.S. Government	12,891	1.32
Healthcare Corporation of America	10,180	1.04
Nissan North America Inc.	10,100	1.04
Saint Thomas Health	7,100	0.73
Community Health Systems Inc.	5,000	0.51
Randstad	4,361	0.45
Asurion	4,000	0.41
	123,400	12.66 %

Sources:

Principal Employers and Number of Employees - Nashville Area Chamber of Commerce, Nashville Business Journal

Total Employment - TN Department of Labor & Workforce Development

Note: The schedule reflects employers and number of employees within the Metropolitan Statistical Area.

Private-Sector Investment and Job Creation

Since July 1, 2017, the Nashville Area Chamber of Commerce announced 93 business relocations or expansions into the Nashville MSA, corresponding to 6,554 new jobs.

Since July 1, 2017, the Nashville Area Chamber of Commerce announced 43 business relocations or expansions into Davidson County, collectively bringing 3,936 new jobs into Metro Davidson County. Continued expansion has occurred in recent years in corporate and regional headquarters, information processing operations, the automotive industry, health care management and many areas where the local economy has established strength and growth potential.

Over the past several years, many sizable headquarters, shared service operations, and manufacturing operations have relocated and / or expanded in Nashville. In the current 2017-2018 fiscal year, Philips announced that it would locate 815 new healthcare technology jobs in downtown Nashville. Asurion announced that it would consolidate its operations into a new building in Nashville, with plans to add 400 net new jobs. Cargill Protein announced an expansion of its Nashville facility, adding 100 new jobs. ServiceSource Corporation is expanding its downtown office and adding 450 new positions in Nashville. Mobile Mentor is building its first U.S. office in Nashville, adding 110 new jobs. AllianceBernstein announced that the global asset management firm will relocate its corporate headquarters to Nashville, bringing 1,050 jobs to downtown Nashville. Fire Door Solutions opened a new office in Nashville, adding 170 jobs in Davidson County.

In the 2016-2017 Fiscal Year, Warner Music Group announced they were locating their Central Business Office and bringing 175 new jobs to downtown Nashville. Smile Direct announced an expansion adding 440 new jobs to their Headquarters. Bridgestone Americas announced the expansion of their back office adding 450 new jobs in Antioch.

Manufacturing

As of December 2016, an average of 80,700 persons were employed in the manufacturing industries in the MSA, engaging in a wide range of activities and producing a variety of products, including food, tobacco, textiles and furnishings, lumber and paper, printing and publishing, chemical and plastics, leather, concrete, glass, stone, primary metals, machinery and electronics, motor vehicle equipment, measuring and controlling devices, and consumer products.

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

Trade

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

Agriculture

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

Transportation

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

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

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

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

In 1973, the Metropolitan Government acquired the net assets of the Nashville Transit Company and the Metropolitan Transit Authority was established. MTA provides a comprehensive public transportation system covering the entire metropolitan area. In addition to regularly scheduled bus routes, MTA provides special transportation services for the handicapped and operates bus service in the downtown area for shoppers, tourists and downtown workers. The revenues derived from the transit system are not sufficient to pay the expenses incurred in the operation of the system. The Metropolitan Government and the State of Tennessee contributed in the fiscal year ending June 30, 2016, approximately $40.014 million and $4.585 million, respectively, to pay approximately 60.7%

of the Authority's operating expenses. The State directs revenues from a two cent per gallon gasoline tax, which it imposes on local governments that may be applied to mass transit. The contribution of the Metropolitan Government was paid from its general revenues.

The Metropolitan Nashville Airport Authority (the "Airport Authority") owns Nashville International and John C. Tune airports. Funding for the Airport Authority's capital and operating expenses is provided exclusively from Airport Authority revenues. Nashville International Airport (BNA) (the "Airport") is situated approximately eight miles from downtown Nashville. For the Fiscal Year ended June 30, 2017, the Airport served more than 13.5 million total passengers, operating an average of 440 daily flights to 55 nonstop markets. In May 2018, the Airport added five weekly nonstop international flights to London's Heathrow Airport.

In 2016, the Airport Authority announced plans for BNA Vision, a major renovation and expansion project intended to meet projected growth in passengers. BNA Vision is currently in the process of construction and completion, and by 2023 is expected to include a new parking garage, a new international arrivals facility and new hotel and office facilities.

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

In May 2018, Metropolitan Government voters rejected a $9 billion transit funding program aimed at relieving congestion in Nashville and the surrounding region. The Metropolitan Government expects to continue to pursue some type of transit program in the future, but no detailed program or proposals have been identified. Under State law, the Metropolitan Government may not hold another funding referendum until May 2019.

Construction

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

Of the ten major areas of office development in Nashville, the Downtown area is the largest, with approximately 8.5 million square feet of leasable space. The Downtown area achieved positive absorption of 591,178 square feet through the first three quarters of 2017. Office vacancy in the Downtown area at the end of Q3 2017 was 7.9% with another 752,589 square feet currently under construction. There continues to be strong interest throughout the Downtown area and around the new Music City Center, which has sparked continued strong interest in office space and hotel development downtown. All office submarkets except Airport South and North Nashville, have vacancy rates at 10% or lower, reflecting the overall vitality of the city and improvement over past years. Area-wide the city has a vacancy rate of 8.2%. Leasing activity remains steady and growing in many Nashville office submarkets, which is a positive sign of very dynamic economic patterns in Nashville. There is continued national interest in Nashville, and Tennessee's attractiveness has been evident with new relocations, renewals and expansions.

[Remainder of Page Intentionally Left Blank]

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

Calendar	Residential Construction		Non-Residential Construction		Repairs, Alterations and Installations		Other (1)		Total	
Year	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Permit Value
2008	4,361	412,842,242	489	408,945,106	3,597	460,743,268	858	21,723,839	9,305	1,304,254,455
2009	3,149	318,357,857	495	375,074,904	1,913	205,828,855	1,730	14,464,364	7,287	913,725,980
2010	2,067	294,470,986	528	647,479,914	6,722	424,461,986	1,663	15,189,625	10,980	1,381,602,481
2011	2,166	372,440,931	444	382,483,854	3,163	377,053,306	1,840	18,738,180	7,613	1,150,716,271
2012	2,656	526,206,509	735	621,590,087	4,850	431,579,639	2,047	34,340,897	10,288	1,613,717,132
2013	3,406	737,396,336	762	493,330,146	3,405	455,745,450	2,135	23,344,644	9,708	1,709,816,576
2014	4,579	1,163,334,572	696	692,801,880	3,244	397,757,642	2,522	23,934,719	11,041	2,277,828,813
2015	5,774	1,428,091,853	762	937,747,113	2,988	441,598,956	2,862	38,771,613	12,386	2,846,209,535
2016	5,858	1,751,681,098	1,136	1,607,184,808	2737	562,151,606	2,694	21,911,674	12,425	3,942,929,186
2017	5,537	1,084,398,438	1,196	1,996,276,985	2,342	572,053,980	2,642	24,394,733	11,717	3,677,124,136

(1) *Includes moved residential buildings, house trailers, and the demolition of residential and non-residential buildings and signs & billboard permits*
Metropolitan Government Department of Code Administration

Healthcare

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

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

Higher Education

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

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

Professional Sports

The Metropolitan Government is home to four professional sports franchises, all of which are located in or near downtown Nashville. The National Hockey League's Nashville Predators has played their hockey games in the Bridgestone Arena for the past 21 years. Nashville hosted the NHL All-Star game in 2017. The National Football League's Tennessee Titans have played their football games in Nissan Stadium since 1999. Nashville is scheduled to host the NFL draft in 2019. The Nashville Sounds – the AAA affiliate of the Oakland Athletics – play their baseball games in First Tennessee Ballpark. Nashville Soccer Club – a member of the United Soccer League – plays its soccer games at First Tennessee Ballpark. In 2020, Nashville Soccer Club is expected to become a member of Major League Soccer, and play its games at a stadium to be constructed on the Metropolitan Government's Fairgrounds Property, located just south of downtown Nashville.

Cultural Facilities

Library System

The Nashville Public Library system includes a 300,000 square feet downtown main library and 20 community branches located across the county. In addition, an extensive online offering of books and resources has extended its reach beyond the traditional branch system. The library facilities host numerous in-house programs and community events throughout the year. The State of Tennessee is currently constructing in downtown Nashville a 165,000 square foot library and archives, scheduled to open in fall 2019.

Performing Arts

The Tennessee Performing Arts Center is the first state-funded facility of its kind in the nation and is home to the Nashville Ballet, the Nashville Opera Association, and the Tennessee Repertory Theatre. The arts center occupies an entire city block, and its venues include Andrew Jackson Hall (2,472 seats), the James Polk Theater (1,075 seats), the Andrew Jackson Theater (256 seats), and the War Memorial Auditorium (1,661 seats). The center plays host to numerous events each year, including an annual series of Broadway plays. The Nashville Children's Theater is home to the oldest professional theater for children in the county. Thousands of school age children and adults are treated to a variety of productions each year. The Schermerhorn Symphony Center is an 1,844-seat concert hall located in downtown Nashville, which hosts the Nashville Symphony.

Museums and Visual Arts

The Frist Art Museum occupies the former Nashville's historic downtown former post office building. A public-private partnership between the Metropolitan Government, the Frist Foundation and the Dr. Thomas F. Frist, Jr. family, the Frist Center contains more than 24,000 square feet of gallery space capable of showcasing major national and international visual arts exhibitions.

The Parthenon, located in Nashville's Centennial Park, is a full-scale replica of the original building in Athens, Greece. The reproduction was built to honor Nashville's reputation for education and has attracted visitors since 1897. The recently restored building serves as Nashville's permanent art museum, holding a collection of paintings by 19th and 20th century American artists.

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

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

The Country Music Hall of Fame and Museum is one of the world's largest and most active popular music research centers and the world's largest repository of country music artifacts. In May 2001, the Museum moved to a new 130,000 square foot facility in downtown Nashville. In 2014, the Museum expanded to 350,000 feet to connect to the new Omni headquarters hotel described below.

The Adventure Science Center features a state-of-the-art Planetarium as well as exhibits and programs which focus on geology, zoology, ecology, physics and other sciences. The Nashville Zoo at Grassmere is a zoological garden and historic plantation farmhouse located six miles from downtown. The Zoo contains over 6,000 individual animals and attracts approximately 950,000 visitors each year.

A new Tennessee State Museum located in downtown Nashville is scheduled to open to the public in October 2018, and the National Museum of African American Music is scheduled to open in 2019 in downtown Nashville, directly across Broadway from the Bridgestone Arena.

Music Concert Venues

The Metropolitan Government hosts large concert events at either Bridgestone Arena or Nissan Stadium. Smaller indoor venues include the Ryman Auditorium – the 2,362-seat original home of the Grand Ole Opry – and the new Grand Ole Opry, a 4,372 seat theater venue located near Gaylord Opryland Resort & Convention Center that hosts America's longest running live radio show. The Metropolitan Government opened the Ascend Amphitheater in 2015, which maintains capacity of 6,800 and is located downtown, adjacent to the Cumberland River. The 4,500-seat Woods Amphitheatre at Fontanel is located nine miles north of downtown.

Tourism

Tourism is a major industry in Nashville. The Nashville Convention and Visitors Corporation and U.S. Travel Data Center estimate more than 14.5 million tourists came to Nashville in 2017 and spent an estimated $6 billion. Annual visitation to Nashville has increased over 45% in the last ten years.

The Nashville MSA has more than 354 hotels offering more than 41,733 rooms. Nashville has experienced hotel room sales growth 84 of the last 87 months.

MSA HOTEL AND MOTEL ROOMS / OCCUPANCY RATE

Calendar Year	Rooms Available	Occupancy Rate
2008	34,921	62.50%
2009	35,662	57.00%
2010	35,639	59.50%
2011	35,727	63.50%
2012	36,263	66.80%
2013	37,124	69.80%
2014	37,824	72.50%
2015	38,721	73.70%
2016	40,558	75.10%
2017	41,733	74.10%

Source: Nashville Conventions and Visitors Corporation

The following is a description of the major sources of tourism for the Metropolitan Government:

Conventions and Corporate Meetings

Nashville's Music City Center opened in May 2013 and features a 350,000 square foot exhibit hall, 75,000 square feet of ballroom space (consisting of a 57,000 square foot grand ballroom and an 18,000 square foot junior ballroom), 90,000 square feet of meeting rooms, 31 loading docks and a parking garage with 1,800 spaces. The Center's location created a high demand for hotel rooms, particularly full service properties. An 800-room full-service Omni headquarters hotel opened in September 2013 next to the Music City Center. In the fall of 2016 a 454-room full-service Westin Hotel opened adjacent to the Music City Center. A 533-room J.W Marriott opened in 2018. Several smaller hotels have also opened near the Music City Center. The Music City Center and its adjacent hotels are located within walking distance of the downtown entertainment district described below.

Located approximately ten miles from downtown is the Gaylord Opryland Resort & Convention Center, the third largest hotel/convention center under one roof in the United States. The complex features 2,881 hotel rooms, 263,000 square feet of exhibit space and 300,000 square feet of meeting space. A $90 million indoor waterpark is currently under construction. Adjacent to the Gaylord Opryland Resort & Convention Center is the Grand Ole Opry, described above, and Opry Mills – a 1.1 million square foot megamall, which opened in May 2000. The mall contains 200 stores, theme restaurants, a 20 screen multi-theater complex and an IMAX theater.

Downtown Entertainment District

The downtown entertainment district encompasses approximately 20 square blocks centered around historic Lower Broadway (or Lower Broad). Lower Broad consists primarily of historic brick restaurants and bars that feature live music with no cover charge. Many of the restaurants and bars are owned and/or sponsored by current and past music artists. Lower Broad is a short walk to the Music City Center and its adjacent hotels, Nissan Stadium, Bridgestone Arena, the Ryman, the Country Music Hall of Fame and Museum and most other downtown Nashville attractions.

The Convention Center, Omni, Westin and J W Marriott hotels are located downtown in the Metropolitan Government's Central Business District, and are within walking distance of many notable attractions, including, the Bridgestone Arena, the Ryman Auditorium, Frist Center for the Visual Arts, Schermerhorn Symphony Center, Musicians Hall of Fame and Museum and the Johnny Cash Museum.

Seasonal, Festival and Sporting Events

Downtown Nashville annually hosts several seasonal, festival and sporting events. Downtown Nashville hosts one of the nation's largest new year's eve parties each year, with approximately 100,000 people coming to downtown for fireworks and live music. Nashville also hosts a four-day music festival each June known as CMA Music Fest. The event includes performances by more than 100 entertainers and groups, autograph sessions and activities directed at the attendees. Nissan Stadium hosts the college football Music City Bowl each December, and the Bridgestone Arena is a regular host for Southeastern Conference and NCAA men's and women's basketball tournaments.

Education

As described above, the Nashville public schools make up the second largest school system in Tennessee. The following table summarizes the school system's enrollment and attendance trends.

Public Schools Enrollment and Attendance

School Year	Enrollment	Average Attendance
2007-2008	74,733	70,231
2008-2009	75,043	69,686
2009-2010	76,329	70,979
2010-2011	78,096	73,808
2011-2012	79,117	75,072
2012-2013	81,077	76,946
2013-2014	82,863	75,190
2014-2015	84,500	76,252
2015-2016	85,797	77,791
2016-2017	86,633	78,098
2017-2018	85,379	77,117

APPENDIX C
FORM OF OPINION OF BOND COUNSEL

(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

October ___, 2018

We have acted as bond counsel to The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") in connection with the issuance of $775,000,000 General Obligation Improvement Bonds, Series 2018, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

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

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

3. The Bonds constitute general obligations of the Metropolitan Government for the payment of which the Metropolitan Government has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the boundaries of the Metropolitan Government.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. The opinion set forth in the preceding sentence is subject to the condition that 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 Metropolitan Government has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) 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 (b) Tennessee franchise taxes by reason of the inclusion of the book 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.

Yours truly,

APPENDIX D
Form of Continuing Disclosure Certificate

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$775,000,000
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered this _______ day of October, 2018 by The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") in connection with the issuance of its $775,000,000 General Obligation Improvement Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to the provisions of Tennessee law described herein and pursuant to the resolution of the Metropolitan County Council of the Metropolitan Government on December 6, 2016.

The Metropolitan Government covenants and agrees as follows:

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

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

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

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

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

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

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

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

"Official Statement" shall mean the Official Statement dated September 18, 2018, relating to the Bonds.

"Participating Underwriter" shall mean ________________________________.

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

"State" shall mean the State of Tennessee.

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

SECTION 3. Provision of Annual Reports. Not later than one year after the end of the Fiscal Year, commencing with Fiscal Year ending June 30, 2018, the Metropolitan Government shall provide an Annual Report to the MSRB at emma.msrb.org and to the State Depository, if any. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the Metropolitan Government may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the Metropolitan Government shall include unaudited financial statements of the Metropolitan Government in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the Metropolitan Government will be submitted. The audited financial statements of the Metropolitan Government, when available, will be provided to the MSRB and to the State Depository, if any. If the Annual Report (or audited financial statements which were to be separately submitted) is not timely filed, the Metropolitan Government shall in a timely manner send a notice to the MSRB and to the State Depository, if any. As of the date hereof, the Metropolitan Government is in compliance with the all required disclosure filings.

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

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

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

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

(d) An update of the following financial information and operating data set forth in Appendix B to the Official Statement:

1. INTRODUCTION – Historical Summary of Major Fund Results
2. REVENUES – Property Taxation – Tables Entitled "Ten-Year History of Assessed Valuation" and "Principal Property Taxpayers"
3. The tabular pension and OPEB information presented under EXPENDITURES
4. CAPITAL FINANCING AND BONDS – Current Capital Improvements Budget
5. CAPITAL FINANCING AND BONDS – Debt Calculations
6. DEMOGRAPHIC AND STATISTICAL INFORMATION – Population Growth
7. DEMOGRAPHIC AND STATISTICAL INFORMATION – Employment
8. The tabular information presented under DEMOGRAPHIC AND STATISTICAL INFORMATION – Construction
9. The tabular information presented under DEMOGRAPHIC AND STATISTICAL INFORMATION – Tourism
10. The tabular information presented under DEMOGRAPHIC AND STATISTICAL INFORMATION – Education

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

SECTION 5. Reporting of Significant Events.

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

a. Principal and interest payment delinquencies;

b. Non-payment related defaults, if material;

c. Unscheduled draws on debt service reserves reflecting financial difficulties;

d. Unscheduled draws on credit enhancements reflecting financial difficulties;

e. Substitution of credit or liquidity providers, or their failure to perform;

f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

g. Modifications to rights of Bondholders, if material;

h. Bond calls, if material, and tender offers;

i. Defeasances;

j. Release, substitution, or sale of property securing repayment of the securities, if material;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

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

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

SECTION 11. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the Metropolitan Government, the Participating Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. <u>Intermediaries; Expenses</u>. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorneys' fees).

SECTION 13. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Tennessee.

SECTION 14. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 15. Filings with the MSRB. All filings required to be made with the MSRB shall be made electronically at emma.msrb.org, shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: ______________________________
David Briley, Metropolitan Mayor

Attest: ______________________________
Elizabeth Waites, Metropolitan Clerk

APPROVED AS TO FORM AND LEGALITY:

____
Jon Cooper, Director of Law

24677725.10

EXHIBIT C

Project List for Initial Resolution RS2009-746

(attached)

EXHIBIT D

Project List for Initial Resolution RS2010-1120

Par Amount: $3,500,000

Equipping General Hospital with new patient record systems and software in connection with the electronic health records requirements of the American Recovery and Reinvestment Act of 2009, and in order to receive federal incentive payments provided to hospitals in early compliance thereunder

EXHIBIT E

Project List for Initial Resolution RS2010-1139

Par Amount: $17,000,000

Design, construction, renovation, improvement, repair, maintenance and equipping of Metropolitan Government school buildings and facilities

EXHIBIT F

Project List for Initial Resolution RS2010-1363

(attached)

EXHIBIT G

Project List for Initial Resolution RS2012-276

(attached)

EXHIBIT H

Project List for Initial Resolution RS2012-316

Par Amount: $10,000,000

Qualified Energy Conservation Bonds for energy-efficiency capital improvements for Bridgestone Arena and other municipal buildings

EXHIBIT I

Project List for Initial Resolution RS2013-559

(attached)

EXHIBIT J

Project List for Initial Resolution RS2013-710

(attached)

EXHIBIT K

Project List for Initial Resolution RS2014-963

Par Amount: $21,000,000

School technology equipment and equipment for the fire, public works and parks departments and the Metropolitan Action Commission

EXHIBIT L

Project List for Initial Resolution RS2014-1126

(attached)

EXHIBIT M

Project List for Initial Resolution RS2015-1500

(attached)

EXHIBIT N

Project List for Initial Resolution RS2016-245

(attached)

EXHIBIT O

Project List for Initial Resolution RS2017-713

(attached)

EXHIBIT P

Project List for Initial Resolution RS2017-963

(attached)

EXHIBIT Q

Project List for Initial Resolution RS2018-1328

Par Amount: $50,000,000

(a) all or a portion of the costs of the planning, design, development, construction, renovation, modification, improvement, upgrade, expansion, repair, maintenance, rehabilitation, demolition, equipping and/or acquisition of fairgrounds buildings and facilities; (b) all or a portion of the costs to construct, reconstruct, renovate, improve and acquire streets, roads, driveways, parking, utilities, drainage, under-road electric service, water, sewer and storm water system improvements, and other necessary public infrastructure improvements directly associated with the construction of the soccer stadium at the fairgrounds; (collectively, the "Projects"), as all such Projects are more specifically set forth below; (c) acquisition of all property, real and personal, appurtenant to the foregoing and acquisition or construction of certain public art as required by Ordinance No. BL2000-250; (d) legal, fiscal, architectural, administrative, engineering and other costs incident to all the foregoing.

2018 Fairgrounds Spending Plan

TOTAL - $50,000,000

	Not to Exceed Amount
*** Fairgrounds Buildings and Facilities**	
Total	25,000,000
*** Infrastructure related to Soccer Stadium**	
Total	25,000,000

EXHIBIT C

Project List for Initial Resolution RS2009-746

(attached)

EXHIBIT D

Project List for Initial Resolution RS2010-1120

Par Amount: $3,500,000

Equipping General Hospital with new patient record systems and software in connection with the electronic health records requirements of the American Recovery and Reinvestment Act of 2009, and in order to receive federal incentive payments provided to hospitals in early compliance thereunder

EXHIBIT E

Project List for Initial Resolution RS2010-1139

Par Amount: $17,000,000

Design, construction, renovation, improvement, repair, maintenance and equipping of Metropolitan Government school buildings and facilities

EXHIBIT F

Project List for Initial Resolution RS2010-1363

(attached)

EXHIBIT G

Project List for Initial Resolution RS2012-276

(attached)

EXHIBIT H

Project List for Initial Resolution RS2012-316

Par Amount: $10,000,000

Qualified Energy Conservation Bonds for energy-efficiency capital improvements for Bridgestone Arena and other municipal buildings

EXHIBIT I

Project List for Initial Resolution RS2013-559

(attached)

EXHIBIT J

Project List for Initial Resolution RS2013-710

(attached)

EXHIBIT K

Project List for Initial Resolution RS2014-963

Par Amount: $21,000,000

School technology equipment and equipment for the fire, public works and parks departments and the Metropolitan Action Commission

EXHIBIT L

Project List for Initial Resolution RS2014-1126

(attached)

EXHIBIT M

Project List for Initial Resolution RS2015-1500

(attached)

EXHIBIT N

Project List for Initial Resolution RS2016-245

(attached)

EXHIBIT O

Project List for Initial Resolution RS2017-713

(attached)

EXHIBIT P

Project List for Initial Resolution RS2017-963

(attached)

EXHIBIT Q

Project List for Initial Resolution RS2018-1328

Par Amount: $50,000,000

(a) all or a portion of the costs of the planning, design, development, construction, renovation, modification, improvement, upgrade, expansion, repair, maintenance, rehabilitation, demolition, equipping and/or acquisition of fairgrounds buildings and facilities; (b) all or a portion of the costs to construct, reconstruct, renovate, improve and acquire streets, roads, driveways, parking, utilities, drainage, under-road electric service, water, sewer and storm water system improvements, and other necessary public infrastructure improvements directly associated with the construction of the soccer stadium at the fairgrounds; (collectively, the "Projects"), as all such Projects are more specifically set forth below; (c) acquisition of all property, real and personal, appurtenant to the foregoing and acquisition or construction of certain public art as required by Ordinance No. BL2000-250; (d) legal, fiscal, architectural, administrative, engineering and other costs incident to all the foregoing.

2018 Fairgrounds Spending Plan

TOTAL - $50,000,000

Not to Exceed Amount

* Fairgrounds Buildings and Facilities

Total	**25,000,000**

* Infrastructure related to Soccer Stadium

Total	**25,000,000**