

Interest on the Series 2020 Bonds will be included in the gross income of the owners thereof for federal income tax purposes. For a more detailed explanation of certain tax consequences under federal law which may result from the ownership of the Series 2020 Bonds, see the discussion under the heading "TAX MATTERS" herein. Under existing law, the Series 2020 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).

\$225,000,000

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

**FEDERALLY TAXABLE PUBLIC IMPROVEMENT REVENUE BONDS
(MLS PROJECT), SERIES 2020**

Dated: Date of Delivery

Due: August 1, as shown on inside cover

The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Authority") is issuing its \$225,000,000 Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued in fully registered form, without coupons, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2020 Bonds. Individual purchases of beneficial ownership interests in the Series 2020 Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants (as hereinafter defined). Interest on the Series 2020 Bonds will be payable semi-annually on February 1 and August 1 of each year, commencing on August 1, 2021, calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2020 Bonds are to be issued under and subject to the Constitution and the laws of the State of Tennessee (the "State"), including particularly, Title 7, Chapter 67, Tennessee Code Annotated, as amended, and Title 9, Chapter 21, Tennessee Code Annotated, as amended. The Series 2020 Bonds shall also be issued pursuant to a Trust Indenture, dated as of December 1, 2020 (the "Indenture"), by and between the Authority and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee"). The Trustee shall also serve as registration and paying agent for the Series 2020 Bonds.

The proceeds of the Series 2020 Bonds will be used to pay (i) costs to acquire, construct, improve, renovate and equip a Major League Soccer stadium and related facilities, as more fully described herein; (ii) architectural, engineering, legal and consulting costs incident thereto; (iii) capitalized interest on the Series 2020 Bonds; and (iv) costs incident to the issuance and sale of the Series 2020 Bonds. Payments of principal of, premium, if any, and interest on the Series 2020 Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Series 2020 Bonds purchased by them. See "DESCRIPTION OF THE SERIES 2020 BONDS-Book-Entry-Only System" herein. The Series 2020 Bonds are subject to redemption prior to their stated maturities as more fully set forth herein.

The principal of, premium, if any, and interest on the Series 2020 Bonds will be payable solely from and secured solely by a pledge of (i) Sales Tax Revenues and Ticket Tax Revenues provided to the Authority by The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") pursuant to an Intergovernmental Project Agreement, dated as of December 1, 2020, between the Authority and the Metropolitan Government (the "Intergovernmental Agreement"); (ii) Stadium Lease Payments made to the Authority pursuant to the Stadium Lease between the Authority and Walsh Management LLC (the "Team"); and (iii) in the event of a deficiency in the above-described revenues, a pledge of Non-Tax Revenues provided to the Authority by the Metropolitan Government pursuant to the Intergovernmental Agreement (subject to the prior pledge of the Non-Tax Revenues to the payment of previously issued debt obligations of the Authority and the Convention Center Authority and any bonds issued on a parity therewith). All capitalized terms not defined above are defined herein.

The Series 2020 Bonds are not general obligations of the Authority but are limited obligations secured solely by the revenues and receipts pledged to the payment of such Series 2020 Bonds as provided above and more fully discussed herein. Neither the State of Tennessee nor any political subdivision thereof, including the Authority and the Metropolitan Government, shall be obligated to pay the principal of, premium, if any, or interest on the Series 2020 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and the Metropolitan Government, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2020 Bonds or other costs incident thereto. The Authority has no taxing power.

The Series 2020 Bonds are offered for delivery when, as, and if issued, subject to the legal opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed on for the Authority and the Metropolitan Government by Robert E. Cooper, Jr., Director of Law, and for the Underwriters by their counsel, Adams and Reese LLP, Nashville, Tennessee. The Series 2020 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about December 17, 2020.

Citigroup

BofA SECURITIES

LOOP CAPITAL MARKETS

J.P. MORGAN

MORGAN STANLEY

RAYMOND JAMES

SIEBERT WILLIAMS SHANK & CO., LLC

UBS

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

MATURITY SCHEDULE

**\$225,000,000
FEDERALLY TAXABLE PUBLIC IMPROVEMENT REVENUE BONDS
(MLS PROJECT), SERIES 2020**

Maturity Date	Principal	Interest		
<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.*</u>
2023	\$ 100,000	0.947%	0.947%	592090GA6
2024	5,805,000	1.030%	1.030%	592090GB4
2025	5,865,000	1.230%	1.230%	592090GC2
2026	5,935,000	1.496%	1.496%	592090GD0
2027	6,025,000	1.596%	1.596%	592090GE8
2028	6,120,000	1.860%	1.860%	592090GF5
2029	6,235,000	1.960%	1.960%	592090GG3
2030	6,355,000	2.060%	2.060%	592090GH1
2031	6,485,000	2.210%	2.210%	592090GJ7
2032	6,630,000	2.310%	2.310%	592090GK4
2033	6,785,000	2.460%	2.460%	592090GL2
2034	6,950,000	2.560%	2.560%	592090GM0
2035	7,130,000	2.660%	2.660%	592090GN8

\$38,870,000 3.019% Term Bond Due August 1, 2040, Yield 3.019%, CUSIP No. 592090GP3

\$109,710,000 3.169% Term Bond Due August 1, 2051, Yield 3.169%, CUSIP No. 592090GQ1

* Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Series 2020 Bonds, and the Authority makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2020 Bonds.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, in connection with the offering of the Series 2020 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Authority, the Underwriters or their respective consultants and attorneys. This Official Statement does not constitute an offer or solicitation in any jurisdiction which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from the Authority, the Metropolitan Government and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters.

This Official Statement is not to be construed as a contract with the purchaser of the Series 2020 Bonds. Statements contained in this Official Statement which involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such, and are not to be construed as a representation of fact. This Official Statement contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

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

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2020 Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture (as defined herein), and the provisions with respect thereto included in the aforementioned documents and agreements.

Due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2020 Bonds, could be adversely affected as described in the following sentence. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and liquidity, and market value of outstanding debt obligations, such as the Series 2020 Bonds.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT MATERIAL FACTS AND CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2020 BONDS SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE SERIES 2020 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) BY REASON OF CERTAIN EXEMPTIONS CONTAINED IN THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE AUTHORITY, THE METROPOLITAN GOVERNMENT, THE SERIES 2020 BONDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE FINANCIAL ADVISOR HAS BEEN EMPLOYED BY THE AUTHORITY AND THE METROPOLITAN GOVERNMENT TO ADVISE THEM WITH RESPECT TO CERTAIN MATTERS RELATING TO THE PROPOSED STRUCTURE OF THE SERIES 2020 BONDS. THE FINANCIAL ADVISOR HAS NOT BEEN EMPLOYED AND ASSUMES NO DUTY OR OBLIGATION TO ADVISE ANY OTHER PARTY AS TO ANY ASPECT OF THE TRANSACTION, INCLUDING THE HOLDERS OF THE SERIES 2020 BONDS.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

KIM ADKINS, Chair

CATHY BENDER, Vice-Chair

EMMETT WYNN, Secretary/Treasurer

MONICA C. FAWKNOTSON, Executive Director

MARGARET BEHM
JAD DUNCAN
MELVIN GILL
FRANK HARRISON
AARON MCGEE

COL. DON DEERING
GLENN FARNER
JON GLASSMEYER
DAN HOGAN
ANNA PAGE

Metropolitan Mayor

JOHN COOPER

Vice Mayor, President of the Metropolitan County Council

JIM SHULMAN

Director of Finance

KEVIN CRUMBO

Director of Law

ROBERT E. COOPER, Jr.

Chief Accountant

PHIL CARR

Metropolitan Treasurer

MICHELL BOSCH

Metropolitan Clerk

ELIZABETH WAITES

Consultants and Advisors

Metropolitan Government Counsel Metropolitan Department of Law
Nashville, Tennessee

Bond Counsel Bass, Berry & Sims PLC
Nashville, Tennessee

Municipal Advisor Hilltop Securities Inc.
Dallas, Texas

This Summary Statement is not intended to be complete. Before purchasing the Series 2020 Bonds, the purchaser should refer to the Official Statement in its entirety.

SUMMARY OF THE OFFERING

THE SERIES 2020 BONDS.....	The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) \$225,000,000 Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020.
BOOK-ENTRY SYSTEM	The Series 2020 Bonds will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments on the Series 2020 Bonds will be made. Individual purchases will be made in book-entry form only, in principal amounts of \$5,000 or any integral multiple thereof. Beneficial owners of the Series 2020 Bonds will not receive physical delivery of bond certificates, but each beneficial owner will receive a credit balance on the books of the Participant (as defined herein) from whom the beneficial owner purchased the Series 2020 Bonds. The credit balance will be confirmed by an initial transaction statement stating the details of the Series 2020 Bonds purchased.
DENOMINATION	Fully registered bonds, \$5,000 or any integral multiple thereof.
DATE OF ISSUE; DELIVERY	The Series 2020 Bonds will be delivered on or about December 17, 2020 and will be dated the delivery date.
INTEREST PAYMENTS	Interest is payable on February 1 and August 1, commencing on August 1, 2021.
OPTIONAL REDEMPTION	The Series 2020 Bonds maturing on or after August 1, 2031, are subject to redemption by The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) (the “Authority”) prior to maturity on or after August 1, 2030, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par, plus interest accrued to the redemption date.
PURPOSE	The Series 2020 Bonds will be issued to pay the: (i) costs of constructing, acquiring, erecting, extending, improving and equipping a Major League Soccer stadium as more fully described herein; (ii) architectural, engineering, legal and consulting costs incident thereto; (iii) capitalized interest on the Series 2020 Bonds; and (iv) costs incident to the issuance and sale of the Series 2020 Bonds.
AUTHORITY	The Series 2020 Bonds are being issued pursuant to a Trust Indenture entered into by and between the Authority and Regions Bank, as trustee, dated as of December 1, 2020 (the “Indenture”).
SECURITY	The Series 2020 Bonds are not general obligations of the Authority or The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) but are limited obligations secured solely by a pledge of (i) Sales Tax Revenues and Ticket Tax Revenues provided to the Authority by the Metropolitan Government pursuant to an Intergovernmental Project Agreement, dated as of December 1, 2020, between the Authority and the Metropolitan Government (the “Intergovernmental Agreement”); (ii) Stadium Lease Payments made to the Authority pursuant to the Stadium Lease between the Authority and Walsh Management LLC (the “Team”); and (iii) in the event of a deficiency in the above-described revenues, a pledge of Non-Tax Revenues provided to the

Authority by the Metropolitan Government pursuant to the Intergovernmental Agreement (subject to the prior pledge of the Non-Tax Revenues to the payment of previously issued debt obligations of the Authority and the Convention Center Authority and any bonds issued on a parity therewith), as all such terms are defined herein. See “SECURITY AND SOURCES OF PAYMENT” herein.

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

TAX STATUS..... Interest on the Series 2020 Bonds will be included in the gross income of the owners thereof for federal income tax purposes. For an explanation of certain tax consequences under federal law that may result from the ownership of the Series 2020 Bonds, see the discussion under the heading “TAX MATTERS” herein.

Under existing law, the Series 2020 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.

MUNICIPAL ADVISOR..... Hilltop Securities Inc., Dallas, Texas.

TRUSTEE AND REGISTRATION AND PAYING AGENT Regions Bank, Nashville, Tennessee will serve as trustee, registration agent and paying agent for the Series 2020 Bonds.

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**OFFICIAL STATEMENT
RELATING TO

\$225,000,000
THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

FEDERALLY TAXABLE PUBLIC IMPROVEMENT REVENUE BONDS
(MLS PROJECT), SERIES 2020**

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the financial information contained in the Appendices attached hereto, is to furnish information in connection with the sale by The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) (the “Authority”) of its \$225,000,000 Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020 (the “Series 2020 Bonds”).

The Series 2020 Bonds are to be issued under and subject to the Constitution and the laws of the State of Tennessee (the “State”), including particularly, Title 7, Chapter 67, Tennessee Code Annotated, as amended (the “Sports Authority Act”), and the applicable provisions of the Local Government Public Obligations Act, codified at Title 9, Chapter 21, Tennessee Code Annotated, as amended (the “LGPOA”). The Series 2020 Bonds shall also be issued pursuant to a Trust Indenture, dated as of December 1, 2020 (the “Indenture”), by and between the Authority and Regions Bank, Nashville, Tennessee, as trustee (the “Trustee”). The Trustee shall also serve as registration and paying agent for the Series 2020 Bonds. Unless otherwise provided, all terms used herein in connection with the Series 2020 Bonds and not defined herein shall have the meanings given in the Indenture and provided in Appendix E hereto.

Payment of the Series 2020 Bonds will be paid solely from and secured solely by a pledge of the Trust Estate established by the Indenture, which Trust Estate consists of (i) Sales Tax Revenues and Ticket Tax Revenues provided to the Authority by The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) pursuant to an Intergovernmental Project Agreement, dated as of December 1, 2020, between the Authority and the Metropolitan Government (the “Intergovernmental Agreement”); (ii) Stadium Lease Payments made to the Authority pursuant to the Stadium Lease between the Authority and Walsh Management LLC (the “Team”); and (iii) in the event of a deficiency in the above-described revenues, a pledge of Non-Tax Revenues provided to the Authority by the Metropolitan Government pursuant to the Intergovernmental Agreement (subject to the prior pledge of the Non-Tax Revenues to the payment of previously issued debt obligations of the Authority and the Convention Center Authority and any bonds issued on a parity therewith).

This Official Statement should be considered in its entirety, and no one subject discussed should be considered less important than any other by reason of its location in the text. Reference should be made to laws, reports or other documents referred to in this Official Statement for more complete information regarding their contents. Terms used in this Official Statement in connection with the Series 2020 Bonds and not otherwise defined herein shall have the same meanings as given to them in the Indenture. (See APPENDIX E - “THE INDENTURE AND THE INTERGOVERNMENTAL AGREEMENT”).

DESCRIPTION OF THE SERIES 2020 BONDS

Purpose of the Series 2020 Bonds

The Series 2020 Bonds are being offered to pay the (i) costs to acquire, construct, improve, renovate and equip a Major League Soccer (“MLS”) stadium and related facilities, as more fully described herein (the “Stadium”); (ii) architectural, engineering, legal and consulting costs incident thereto (collectively, the “Project”); (iii) capitalized interest on the Series 2020 Bonds; and (iv) costs incident to the issuance and sale of the Series 2020 Bonds.

Book-Entry-Only System

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Series 2020 Bonds, and will be deposited with DTC.

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

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2020 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2020 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2020 Bonds will be made to DTC. DTC’s practice is to credit Direct Participants’ accounts on the payable date in accordance with their respective holdings shown on DTC’s records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such

Participant and not of DTC, the Registration Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Authority or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

THE AUTHORITY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE SERIES 2020 BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

REDEMPTION OF SERIES 2020 BONDS

General Provisions Regarding Redemption

The Series 2020 Bonds shall be redeemable pursuant to the terms of the Indenture. See APPENDIX E - "THE INDENTURE AND THE INTERGOVERNMENTAL AGREEMENT". The Authority covenants that any and all such moneys received by it which are to be used to redeem the Series 2020 Bonds shall be paid to the Trustee under the Indenture, and, in such event, the Trustee shall use any and all such moneys to redeem the Series 2020 Bonds when and as the Series 2020 Bonds shall in accordance with their terms be redeemable.

Optional Redemption

The Series 2020 Bonds maturing on or after August 1, 2031, are subject to redemption by the Authority on or after August 1, 2030, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par, plus interest accrued to the redemption date.

Mandatory Sinking Fund Redemption

Subject to the credit hereinafter provided, the Authority shall redeem Series 2020 Bonds maturing August 1, 2040 and August 1, 2051 (the "Term Bonds") 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 Series 2020 Bonds of which these Term Bonds are, or such Person as shall then be serving as the securities depository for the Series 2020 Bonds, shall determine the interest of each Participant in the Term Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2020 Bonds, the Term 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 Term Bonds to be redeemed on said dates are as follows:

Redemption Date <u>(August 1)</u>	Principal Amount <u>Redeemed</u>
2036	\$7,320,000
2037	7,540,000
2038	7,765,000
2039	8,000,000
2040 [†]	8,245,000

Redemption Date <u>(August 1)</u>	Principal Amount <u>Redeemed</u>
2041	\$ 8,490,000
2042	8,760,000
2043	9,040,000
2044	9,325,000
2045	9,620,000
2046	9,925,000
2047	10,240,000
2048	10,565,000
2049	10,900,000
2050	11,245,000
2051 [†]	11,600,000

[†]Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Term 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 Term 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 Term 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 Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Term Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Selection of Bonds for Redemption

If less than all of the Series 2020 Bonds are called for optional redemption, the Authority shall select the Series of Bonds to be redeemed, the maturity or maturities of Bonds to be redeemed and the amounts of such maturity or maturities to be redeemed by notifying the Trustee of such selection in writing. If less than all of the Series 2020 Bonds of a particular maturity shall be called for optional or mandatory sinking fund redemption, the particular portions (\$5,000 or any integral multiple thereof) of the Series 2020 Bonds to be redeemed shall be selected by the Trustee on a pro rata basis determined by (i) dividing the principal amount of the Series 2020 Bonds of the maturity to be optionally redeemed by the total principal amount of such maturity of the Series 2020 Bonds then Outstanding, and (ii) multiplying such quotient by the principal amount of such maturity of Series 2020 Bonds held by each Beneficial Owner.

Notice of Redemption

Notice of redemption, whether optional or mandatory, shall be given by the Trustee, as applicable, by first-class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date,

to the registered owner of each Series 2020 Bond designated for redemption. Interest on the Series 2020 Bonds, or portions of Series 2020 Bonds, shall cease to accrue from and after such redemption date and on said date there will become due and payable on the Series 2020 Bonds, the principal amount thereof to be redeemed, premium, if any, and interest accrued thereon to the redemption date. Any notice of redemption which is mailed in the manner provided in the Indenture shall be conclusively presumed to have been duly given whether or not the owner receives the notice. Failure to give notice by mail or any defect in the notice to the owner of the Series 2020 Bonds designated for redemption shall not affect the validity of the proceedings for redemption. Failure of DTC, or any successor, to provide notice to any DTC Participant will not affect the validity of such redemption.

SECURITY AND SOURCES OF PAYMENT

The Series 2020 Bonds are limited special obligations of the Authority payable only from the Trust Estate in accordance with the Indenture.

The Series 2020 Bonds are not general obligations of the Authority or the Metropolitan Government but are limited obligations secured solely by the revenues and receipts pledged to such Series 2020 Bonds. Neither the State nor any political subdivision thereof, including the Authority and the Metropolitan Government, shall be obligated to pay the principal of, premium, if any, or interest on the Series 2020 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and the Metropolitan Government, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2020 Bonds or other costs incident thereto. The Authority has no taxing power.

Trust Estate

Pursuant to the Indenture, the Authority will pledge, transfer and assign to the Trustee all of its right, title and interest in and to the Trust Estate. The Trust Estate, as described in the Indenture, consists of the following (including, without limitation, the right to enforce any of the terms thereof):

- (a) All of the Authority's right, title and interest in all amounts that constitute Stadium Lease Payments; and
- (b) All of the Authority's right, title and interest in and to the Intergovernmental Agreement, including the rights thereunder to receive from the Metropolitan Government the (i) Sales Tax Revenues, (ii) Ticket Tax Revenues and (iii) Non-Tax Revenues (but only to the extent Sales Tax Revenues, Ticket Tax Revenues and Stadium Lease Payments are insufficient to pay debt service on the Series 2020 Bonds and subject to the prior pledge of such Non-Tax Revenues to prior obligations of the Authority and the Convention Center Authority and any obligations issued on a parity therewith), any right to bring actions and proceedings under the Intergovernmental Agreement for the enforcement thereof, and to do all things that the Authority is entitled to do under the Intergovernmental Agreement; and
- (c) All moneys and securities in any one of the funds or accounts established under the Indenture.

The Trust Estate will be for the equal and proportionate benefit and security of the registered owners, from time to time, of the Bonds issued and to be issued under the Indenture or any of them, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond.

Sales Tax Revenues. Sales Tax Revenues are any and all state and local tax revenue derived from the sale of admissions to Team games and also the sale of food and drink sold on the premises of the Stadium in conjunction with those games, parking charges, and related services, as well as the sale by the Team within the Metropolitan Government of authorized franchise goods and products associated with the Team's operations as a professional sports franchise at the time the Stadium begins operations, which tax revenue is apportioned and distributed to the Metropolitan Government pursuant to Tennessee Code Annotated Sections 67-6-103(d) and 67-6-712(c)(1)(A). Under Tennessee Code Annotated Section 67-6-103(d), State sales taxes in the amount of 6% (out of a total state sales tax levy of 7%), and local option sales taxes in the amount of 2.25%, of those sales described above are remitted

monthly to the Metropolitan Government, and the Metropolitan Government has agreed in the Intergovernmental Agreement to pay such Sales Tax Revenues to the Authority.

Ticket Tax Revenues. Ticket Tax Revenues are revenues received by the Authority from the Metropolitan Government under the Intergovernmental Agreement and derived from that portion of the levy by the Metropolitan Council, pursuant to Section 7-3-204, Tennessee Code Annotated, and Ordinance No. BL2018-1289, of a ticket tax (the “Ticket Tax”) on admission to all events at the Stadium, dedicated to the payment of debt service on the Bonds. Under applicable law, Ticket Tax Revenues are required to be remitted by the Team to the Metropolitan Government on a monthly basis, and the Metropolitan Government has agreed in the Intergovernmental Agreement to pay such Ticket Tax Revenues to the Authority. The amount of the Ticket Tax is \$1.75 in years one through five, and increases to \$3.00 over time. However, the Ticket Tax Revenues constitute that portion of the proceeds of the Ticket Tax that are dedicated to the payment of debt service on Authority bonds issued to finance the construction or improvement of the Stadium, which is \$1.75 of the total Ticket Tax (also sometimes referred to herein as the “Debt Service Portion of the Ticket Tax Revenues”). Upon the increases in the Ticket Tax above \$1.75 in year six and beyond, the balance of the proceeds of the Ticket Tax will be deposited to a reserve account maintained by the Metropolitan Government on behalf of the Authority to be used for long-term capital expenditures at the Stadium (the “Capital Improvements Revenues”). The Capital Improvements Revenues will not be available to pay debt service on the Series 2020 Bonds.

Stadium Lease Payments. Stadium Lease Payments are lease payments made by the Team to the Authority pursuant to the terms of the Stadium Lease. Stadium Lease Payments for each year equal that year’s debt service on the Series 2020 Bonds, minus the sum of that year’s Sales Tax Revenues and Ticket Tax Revenues.

Non-Tax Revenues. Non-Tax Revenues are defined in the Indenture as all income and revenues of the Metropolitan Government which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and normal and customary accounting practices of the Metropolitan Government are deposited to and become assets of the General Services District General Fund of the Metropolitan Government, derived from any source other than income and revenues derived from the exercise by the Metropolitan Government of its powers to levy and collect taxes of any kind. The term “Non-Tax Revenues” does not include: ad-valorem property taxes; sales taxes; state-shared taxes; revenues of any agency or instrumentality of the Metropolitan Government; revenues which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and the normal and customary accounting practices of the Metropolitan Government, are deposited to and become assets of any proprietary fund or enterprise fund of the Metropolitan Government; payments made by the Department of Water and Sewerage Services of the Metropolitan Government in lieu of ad valorem taxes pursuant to Resolution No. R96-177 adopted by the Metropolitan County Council on February 29, 1996 (the “1996 Water/Sewer PILOT Payments”); lease payments payable to the Metropolitan Government from the stadium currently known as Nissan Stadium, and parking revenues from the parking lots surrounding Nissan Stadium (the “Nissan Stadium Payments”); or ticket surcharge revenues collected by the Metropolitan Government or the Authority from patrons of the Authority’s downtown arena currently known as Bridgestone Arena (the “Bridgestone Arena Payments”).

The Intergovernmental Agreement obligates the Metropolitan Government to provide Non-Tax Revenues to the Authority for the payment of debt service on the Series 2020 Bonds to the extent that the Sales Tax Revenues, Ticket Tax Revenues and Stadium Lease Payments are insufficient.

Pledge of Non-Tax Revenues Subordinate to Prior Pledge in Favor of Authority and Convention Center Bonds

The pledge of Non-Tax Revenues under the Intergovernmental Agreement is subject and subordinate to the prior pledge of such Non-Tax Revenues in favor of the Authority’s Taxable Public Improvement Revenue Bonds, Series 2012A (Stadium Project), Public Improvement Revenue Refunding Bonds, Series 2013B (Taxable), Public Improvement Revenue Refunding Bonds, Series 2014, and Public Facility Revenue Improvement Bonds, Series 2013A (Taxable) (collectively, the “Prior Authority Bonds”) and The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (the “Convention Center Authority”) Subordinate Tourism Tax Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment) (the “Convention Center Authority Bonds”), the Convention Center Authority financial incentive payment obligations related to Omni Hotels & Resorts (the “Omni Incentive”), and any bonds issued on a parity therewith. The Prior Authority Bonds are payable primarily from and secured by other sources of payment, including certain sports

complex revenues, and are only payable from Non-Tax Revenues in the event of a deficiency. The Convention Center Authority Bonds and Omni Incentive are primarily payable from and secured by a subordinate pledge of certain tourism tax revenues and certain convention center operating revenues and are only payable from Non-Tax Revenues in the event of a deficiency.

The documents authorizing the Prior Authority Bonds and the Convention Center Authority Bonds permit the issuance of bonds on parity therewith to fund additional capital improvements to the Authority's outdoor football stadium and indoor hockey facilities, and to the Convention Center Authority's Music City Center. However, the Metropolitan Government has covenanted in the Intergovernmental Agreement not to pledge Non-Tax Revenues to any additional debt (whether or not on parity with the Prior Authority Bonds or the Convention Center Authority Bonds) unless historic annual Non-Tax Revenues are at least 200% of the aggregate maximum annual debt service on the Prior Authority Bonds, the Convention Center Authority Bonds, the Omni Incentive, the Series 2020 Bonds and any additional bonds then secured (or proposed to be secured) by a pledge of Non-Tax Revenues. See "SECURITY AND SOURCE OF PAYMENT – Intergovernmental Agreement" herein.

Historic Non-Tax Revenues

The tables that follow show historic Non-Tax Revenues and the Debt Service Coverage. The amounts shown represent the amounts legally available to be pledged to pay debt service on the Prior Authority Bonds, the Convention Center Authority Bonds, the Omni Incentive and the Series 2020 Bonds in the event that the primary sources of payment are insufficient for such purpose. The data showing historic Non-Tax Revenues was derived from the financial records of the Metropolitan Government. The Metropolitan Government has historically appropriated, and anticipates that it will continue to appropriate, Non-Tax Revenues to the Metropolitan Government's general governmental operating expenses, subject to the pledge of Non-Tax Revenues in favor of the above-described obligations. Following the issuance of the Series 2020 Bonds, the maximum annual debt service on the Prior Authority Bonds, the Convention Center Authority Bonds, the Omni Incentive and the Series 2020 Bonds (calculated on a net-basis with respect to the Convention Center Authority Bonds, which were issued as direct payment Build America Bonds) will be \$60,300,820.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**Schedule of Historic Non-Tax Revenues ⁽¹⁾⁽²⁾
Fiscal Years Ending June 30, 2014 through June 30, 2019**

	<u>2020 (Unaudited)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Other Payments in Lieu of Taxes	\$ 54,801,427	\$ 32,325,904	\$ 27,123,685	\$ 26,401,645	\$ 26,716,941	\$ 24,857,671	\$ 22,292,728
Licenses	26,536,115	27,128,866	27,117,583	26,730,660	26,723,401	25,542,229	24,247,771
Permits	38,279,741	34,900,897	33,202,229	34,164,188	31,558,926	22,890,212	19,314,649
Franchise Fees	16,490,202	18,875,199	18,885,172	17,358,640	17,086,803	20,528,760	18,639,853
Fines, Forfeitures and Penalties	5,014,278	6,855,593	9,311,162	9,594,026	10,536,938	11,920,012	12,780,839
Revenue from the use of money or property	236,764	1,532,269	971,572	626,901	623,983	229,334	179,418
Commission and fees	13,437,944	17,058,875	17,257,045	17,388,364	14,528,053	13,627,359	14,790,053
Charges for current services	36,402,572	42,116,416	40,807,084	38,985,111	35,145,956	30,475,154	29,253,934
Compensation from property	513,103	13,096,344	903,657	2,655,387	6,879,924	3,289,222	1,193,663
Contributions and gifts	406,680	318,780	562,551	20,249	266,525	343,681	359,992
Miscellaneous revenue	1,079,380	897,243	3,023,042	3,296,472	1,893,902	1,802,915	1,567,356
TOTAL GSD NON-TAX REVENUES	<u>\$193,198,206</u>	<u>\$195,106,386</u>	<u>\$179,164,782</u>	<u>\$177,221,643</u>	<u>\$171,961,352</u>	<u>\$155,506,549</u>	<u>\$144,620,256</u>

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

(2) Non-Tax Revenues for purposes of this table do not include any 1996 Water/Sewer PILOT Payments, Nissan Stadium Payments or Bridgestone Arena Payments.

(3) Other Payments in Lieu of Taxes for the Fiscal Year ended June 30, 2020 reflects a (i) \$12,260,000 Payment in Lieu of Tax from the Convention Center Authority, which the Authority has agreed to make annually through 2043 in amounts that fluctuate in proportion to changes in the Metropolitan Government's ad valorem property tax rates, to the extent the Authority has funds available after payment of operating expenses and debt service obligations; and (ii) a \$10,000,000 Payment in Lieu of Tax from the Water and Sewer Department (in addition to the 1996 Water/Sewer PILOT Payments), which the Department has agreed to make annually.

(4) Compensation from property for the Fiscal Year Ended June 30, 2019 reflects \$10,678,083 from the sale of parcels of property of unusually large value by the Metropolitan Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**Schedule of Historic GSD Non-Tax Revenues
Fiscal Years Ending June 30, 2016 through June 30, 2020**

	2020 (Unaudited)	2019	2018	2017	2016
GSD Non-Tax Revenues	\$193,198,206	\$195,106,386	\$179,164,782	\$177,221,643	\$171,961,352
Maximum Annual Debt Service ⁽¹⁾					
Sports Authority -- NFL Stadium Bonds	6,008,134	6,008,134	6,008,134	6,008,134	6,008,134
Sports Authority -- Hockey Facility Bonds	1,084,831	1,084,831	1,084,831	1,084,831	1,084,831
Convention Center Authority Debt ⁽²⁾	26,284,196	26,284,196	26,284,196	26,284,196	26,284,196
Hotel Payments	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Maximum Annual Debt Service	\$48,377,161	\$48,377,161	\$48,377,161	\$48,377,161	\$48,377,161
Coverage Without Series 2020 MLS Bonds	3.99	4.03	3.70	3.66	3.55
Series 2020 MLS	11,923,660	11,923,660	11,923,660	11,923,660	11,923,660
Total Maximum Annual Debt Service, including Series 2020 MLS Bonds	\$60,300,820	\$60,300,820	\$60,300,820	\$60,300,820	\$60,300,820
Coverage	3.20	3.24	2.97	2.94	2.85

⁽¹⁾ All debt service numbers are based on Fiscal Year 2027, which reflects the highest maximum aggregate annual debt service on bonds supported by a pledge of GSD Non-Tax Revenues, following the issuance of the Series 2020 Bonds.

⁽²⁾ Reflects debt service on the Convention Center Authority's Series 2010B Bonds (net of scheduled direct payment tax credits and not accounting for sequestration).

Listed below are descriptions of the primary amounts that comprise Non-Tax Revenues:

Other Payments in Lieu of Taxes – Other payments in lieu of taxes consist of payments in lieu of ad valorem property taxes by a tax-exempt governmental entity in an amount not to exceed the taxes payable on privately-owned property of a similar nature. This category does not include the 1996 Water/Sewer PILOT Payments.

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

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

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

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

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

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

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

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

FLOW OF FUNDS

The Indenture establishes the following funds:

(a) Capitalized Interest Fund – to be funded with Series 2020 Bond proceeds and used to pay interest on the Series 2020 Bonds through May 1, 2022.

(b) Tax Revenue Fund – will receive deposits of Sales Tax Revenues and Ticket Tax Revenues on a monthly basis once Stadium begins operations.

(c) Lease Revenue Fund – will receive deposits of Stadium Lease Payments, which are required by the Stadium Lease to be made no less than 20 days prior to each debt service payment date.

(d) Non-Tax Revenue Fund – will receive deposits of Non-Tax Revenues from the Metropolitan Government, which will be made in the manner described below.

(e) Debt Service Fund – to be funded in the manner described below prior to each debt service payment date and used to pay debt service on the Series 2020 Bonds.

The Indenture sets forth the following flow of funds:

(a) Monies in the Capitalized Interest Fund, Tax Revenue Fund, Lease Revenue Fund and Non-Tax Revenue Fund shall be used, in that order, to pay Trustee Expenses as and when due.

(b) Monies in the Capitalized Interest Fund, Tax Revenue Fund, Lease Revenue Fund and Non-Tax Revenue Fund shall be transferred to the Debt Service Fund in the following manner:

(i) On the 30th day preceding each Debt Service Payment Date, the Trustee will provide the Authority notice of (A) the Debt Service due and payable on the ensuing Debt Service Payment Date, (B) the amount then on deposit in the Capitalized Interest Fund, the Tax Revenue Fund and the Lease Revenue Fund, and (C) the difference between (A) and (B). Under the terms of the Stadium Lease, the Authority will in turn invoice the Team for the Stadium Lease Payment due with respect to such Debt Service Payment Date, which Stadium Lease Payment is due not later than the 20th day preceding the Debt Service Payment Date.

(ii) In the event amounts on deposit in the Capitalized Interest Fund, Tax Revenue Fund, and Lease Revenue Fund on the 20th day preceding any Debt Service Payment Date are insufficient to provide for the payment of all Debt Service coming due on such Debt Service Payment Date, the Trustee shall immediately notify the Metropolitan Government and the Authority of such event and the amount of such insufficiency that exists in the Capitalized Interest Fund, Tax Revenue Fund and Lease Revenue Fund. If there still remains a deficiency in the Capitalized Interest Fund, Tax Revenue Fund and the Lease Revenue Fund as of the 5th day prior to a Debt Service Payment Date, the Trustee shall immediately, and in no event later than the close of business such 5th day prior to the Debt Service Payment Date, notify the Metropolitan Government and the Authority of such remaining deficiency and the amount of such deficiency in the Capitalized Interest Fund, Tax Revenue Fund and Lease Revenue Fund. Upon being so notified by the Trustee of the remaining deficiency, the Authority shall cause the Metropolitan Government, pursuant to the Intergovernmental Agreement, to deposit to the Non-Tax Revenue Fund an amount of Non-Tax Revenues equal to such insufficiency no later than three Business Days prior to such Debt Service Payment Date.

(iii) Immediately prior to such Debt Service Payment Date, the Trustee shall:

- (A) FIRST, transfer the amount necessary to provide for such Debt Service Payment from the Capitalized Interest Fund to the Debt Service Fund; and
- (B) SECOND, transfer any remaining amount necessary to provide for such Debt Service Payment from the Tax Revenue Fund to the Debt Service Fund; and
- (C) THIRD, transfer any remaining amount necessary to provide for such Debt Service Payment from the Lease Revenue Fund to the Debt Service Fund; and
- (D) FOURTH, transfer the remaining amount necessary to provide for such Debt Service Payment from the Non-Tax Revenue Fund to the Debt Service Fund.

(iv) The Trustee shall use amounts on deposit in the Debt Service Fund to pay, as and when due, the principal of and interest coming due on the Bonds on such Debt Service Payment Date.

(v) After all of the transfers contemplated by (iii) above have been made and the Debt Service Payment has been made in full, any remaining amounts: (A) in the Capitalized Interest Fund shall be retained therein; (B) in the Tax Revenue Fund shall be retained therein (if not distributed as described in the following sentence), (C) in the Lease Revenue Fund shall be retained therein, and (D) in the Non-Tax Revenue Fund shall be paid to the Authority. Notwithstanding the foregoing, any amounts remaining on deposit in the Tax Revenue Fund following a Principal Maturity Date shall be paid to the Authority, which shall apply any such funds to the reimbursement of the Metropolitan Government for any Non-Tax Revenues theretofore applied to the payment of debt service on the Bonds, and/or to the reimbursement of the Team for any Stadium Lease Payments theretofore applied to pay debt service on the Bonds, all in accordance with the Stadium Lease and the Intergovernmental Agreement.

ADDITIONAL BONDS

The Authority covenants under the Indenture that no additional series of bonds shall be issued under the Indenture except in accordance with the terms and conditions of the Indenture. Additional Bonds may be issued on a parity and equality of lien on the Trust Estate with the Series 2020 Bonds if all the following conditions are met:

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

See “APPENDIX E: THE INDENTURE AND THE INTERGOVERNMENTAL AGREEMENT” for more information regarding the security and sources of payment of the Series 2020 Bonds and the covenants of the Authority related thereto.

INTERGOVERNMENTAL AGREEMENT

The following summarizes certain limited provisions of the Intergovernmental Agreement between the Authority and the Metropolitan Government. Reference is made to the Intergovernmental Agreement, which is included as part of Appendix E, for the detailed provisions thereof. Defined terms in the Intergovernmental Agreement which are not defined herein will have the meaning assigned to such terms in the Intergovernmental Agreement, and in the event of any conflicts between any definitions used in this summary and the definitions in the Intergovernmental Agreement, the provisions of the Intergovernmental Agreement will control. The Intergovernmental Agreement shall remain in effect so long as there are Outstanding Bonds.

Duties of the Metropolitan Government

Pursuant to the Intergovernmental Agreement, the Metropolitan Government covenants and agrees that:

- (a) It will remit all Sales Tax Revenues to the Authority until the Bonds have been paid in full.
- (b) It will remit all Ticket Tax Revenues to the Authority until the Bonds have been paid in full.
- (c) It will establish a MLS Stadium Capital Improvement Fund (the “Capital Fund”), to be kept separate and apart from all other funds of the Metropolitan Government and deposit the proceeds of the Capital Improvements Revenues from the Ticket Tax to the Capital Fund.

(d) If funds in the available funds of the Indenture are insufficient to pay debt service when due on the Bonds, transfer to the Trustee Non-Tax Revenues at such times and in such amounts necessary to cure the deficiency.

(e) For so long as any Bonds are outstanding, it will not repeal or amend the ordinances authorizing the collection of the Sales Tax Revenues or the Ticket Tax Revenues in such a manner as to reduce the amount of Sales Tax Revenues or Ticket Tax Revenues payable to the Authority pursuant to the Intergovernmental Agreement.

(f) For so long as any Bonds are outstanding, it will not issue or incur, or permit to be issued or incurred, any indebtedness payable from or secured by a pledge of or lien on any of the Non-Tax Revenues (“Additional Secured Indebtedness”), nor will it pledge any of the Non-Tax Revenues or create a lien on or security interest in any of the Non-Tax Revenues to secure the indebtedness or obligation of the Metropolitan Government, the Authority, or any other entity, unless all the following conditions are met, in which case such Additional Secured Indebtedness may be issued on subordinate basis with respect to any Bonds.

Duties of the Authority

Pursuant to the Intergovernmental Agreement, the Authority covenants and agrees that:

(a) It will cause the proceeds of the Bonds to be deposited as required by the Indenture and used solely for the purposes described herein.

(b) It will cause the completion of the construction of the Stadium with the proceeds of the Bonds and any funds paid by the Team.

(c) It will deposit the Sales Tax Revenues and the Ticket Tax Revenues received from the Metropolitan Government to the Tax Revenue Fund established in the Indenture for application as provided therein.

(d) It will adopt an annual budget for the Stadium indicating all operating expenses, revenues and capital improvements and submit to the Metropolitan Council an annual audit and report of its business affairs and transactions in compliance with the requirements of the Sports Authority Act.

(e) It will comply with all the terms and conditions set forth in the Indenture, including, without limitation, the obligation to use funds held in the Surplus Revenue Fund created by the Indenture to reimburse the Metropolitan Government for any payments of the Non-Tax Revenues made by the Metropolitan Government for debt service on the Bonds up to said amount.

THE AUTHORITY

The Authority is a public non-profit corporation and instrumentality of the Metropolitan Government organized in 1995 pursuant to the Sports Authority Act. The purpose of the Sports Authority Act as stated therein is to promote and develop recreational opportunities by facilitating the acquisition, construction, and rehabilitation of sports complexes, stadiums, arenas, and other recreational facilities for the holding of professional and amateur athletic events by authorizing the incorporation of public corporations to plan, promote, finance, construct, acquire, renovate and equip sports complexes, stadiums, arenas, structures, and facilities for public participation and enjoyment of professional and amateur sports activities for the people in the State of Tennessee.

Although the Authority is a public instrumentality of the Metropolitan Government, the Metropolitan Government is not liable for the payment of the principal of, or premium (if any) or interest on the Series 2020 Bonds, or any other bonds of the Authority, or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Authority under the Indenture or otherwise, except to the extent the Metropolitan Government has expressly pledged its revenues or income under the Indenture. (See “SECURITY AND SOURCES OF PAYMENT”).

The Sports Authority Act provides that the Authority shall be governed by a Board of Directors of not less than seven directors who are appointed by the Metropolitan Mayor and confirmed by the Metropolitan Council. The Authority's charter, as amended, provides for governance by thirteen directors. Directors hold office for staggered

terms and receive no compensation except reimbursement for actual expenses incurred in the performance of their duties.

The Sports Authority Act empowers the Authority, among other things, to (i) acquire, improve, repair, extend, equip, furnish, operate, and maintain one or more projects, including all real and personal properties which the Board of Directors of the Authority may deem necessary in connection therewith, (ii) operate, maintain, manage, and enter into contracts for the operation, maintenance, and management of any project undertaken, (iii) lease, rent, and contract for the operation of all or any part of any project for sports and recreational facilities, (iv) lease space in a project as from time to time may not be needed for sports purposes, (v) fix and collect rates, rentals, fees, and charges for the use of any and all facilities of the Authority, (vi) issue and sell its revenue bonds pursuant to the LGPOA for the purpose of carrying out any of its powers, and (vii) pledge the revenues and receipts therefrom, as security for the payment of the principal of, and premium (if any) and interest on, any bonds so issued and any agreements made in connection therewith. The Authority is authorized by the Sports Authority Act and the LGPOA to issue the Series 2020 Bonds for the purpose described herein, and to enter into the Indenture.

The incorporators, members, directors, and officers of the Authority shall not be personally liable for any costs, losses, damages or liabilities, including payments on the Series 2020 Bonds, caused or incurred by the Authority in connection with the Indenture. The Series 2020 Bonds are limited obligations of the Authority, secured solely by the sources pledged under the Indenture. The Series 2020 Bonds and the premium (if any) and interest thereon shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof (other than the Authority), and their issuance shall not, directly or indirectly or contingently, obligate the State or any political subdivision thereof (including the Authority and the Metropolitan Government) to levy any form of taxation therefor or make any appropriation for their payment. The Series 2020 Bonds shall never constitute general obligations of the Authority within the meaning of any constitutional or statutory provision or limitation and shall never constitute or give rise to a pecuniary liability of the Authority. The Authority has no taxing power.

THE METROPOLITAN GOVERNMENT

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

PLAN OF FINANCE

The Stadium

On December 20, 2017, Major League Soccer, L.L.C. (“MLS”) awarded an expansion team to the Team and its affiliates. The Team commenced play in Nashville in the 2020 MLS regular season. The Team will initially play its home games in an existing facility in Nashville, until such time as a soccer-specific stadium (the “Stadium”) is constructed for the Team’s use. The Stadium is expected to be completed in the second quarter of 2022, and will include approximately 30,000 seats and a MLS regulation-size natural grass playing surface, and is expected to be LEED Silver certified. The Authority has agreed to build the Stadium south of downtown Nashville on a portion of the Metropolitan Government’s fairgrounds 128-acre site located generally at 300 Rains Avenue, Nashville, Tennessee (the “Fairgrounds”). Planned improvements surrounding the Stadium include new public exposition facilities, which are now completed, and infrastructure to support existing Fairground uses (e.g., auto racing, flea market, annual Tennessee State Fair and exposition events) and ten (10) acres of Fairground land that will allow for a mixed-use development by the Team’s ownership group and third-party developer.

Development Agreement

The Authority and the Team have entered into a Stadium Development Agreement dated July 16, 2020 (the “Development Agreement”) providing for the construction and development of the Stadium. The following

summarizes certain limited terms and provisions of the Development Agreement related to shared costs of the development and construction of the Stadium. Reference is made to the Development Agreement for the detailed provisions thereof.

1. The Authority will be liable for and pay for design, development and construction costs of the Stadium; provided that the obligation of the Authority to pay for such costs shall be a limited obligation payable solely from the Net Construction Proceeds of the following municipal obligations: (i) the issuance by the Authority of up to \$225,000,000 principal amount of Series 2020 Bonds; and (ii) the issuance by the Metropolitan Government of Nashville and Davidson of \$25,000,000 general obligation bonds, the Net Construction Proceeds of which shall be transferred to the Authority in accordance with the Intergovernmental Agreement to be used for public infrastructure improvements associated with the construction of the Stadium (collectively, the “Authority Contribution Amount”).
2. The Team will be liable for and pay (i) an amount equal to a \$25,000,000 portion of the design, development and construction costs of the Stadium (the “Team Contribution Amount”) and (ii) all Cost Overruns.
3. If subsequent to payments of Cost Overruns by the Team, Project Savings are realized, the same shall first be paid to the Team until the Team has recovered the amount paid by it for all Cost Overruns.

NEITHER THE AUTHORITY NOR THE METROPOLITAN GOVERNMENT ARE RESPONSIBLE FOR COST OVERRUNS.

Stadium Lease

The Authority and the Team have also entered into a Team Lease Agreement dated July 16, 2020 (the “Stadium Lease”) providing for the lease of the Stadium, once completed, to the Team. The following summarizes certain limited terms and provisions of the Stadium Lease. Reference is made to the Stadium Lease for the detailed provisions thereof.

1. The Team will pay the Stadium Lease Payments through the earlier of (i) 90 days after the end of the 30th MLS Season occurring after the day the Stadium is delivered to the Team, or (ii) December 31, 2051, but (iii) in no event earlier than the final maturity date of the Series 2020 Bonds.
2. The Team will pay the Stadium Lease Payments in an amount equal to the debt service requirements on the Series 2020 Bonds less the sum of (A) the Sales Tax Revenues and (B) the Ticket Tax Revenues.
3. The Team will be responsible for all operating costs at the Stadium including, but not limited to, utilities, security, routine repairs and maintenance, and insurance expenses.
4. The Authority will be responsible for necessary long-term capital expenses for the Stadium.
5. The Team will be entitled to all revenues generated at the Stadium including ticket sales, seat licenses, concessions, naming rights, fees/rent for use of the Stadium, and parking throughout the duration of the Stadium Lease.
6. The Team will obtain and maintain both liability and property insurance coverage throughout the term of the Stadium Lease.
7. The Team will be in default of the Stadium Lease if it fails to perform, among other obligations, its obligation to pay Stadium Lease Payments.

- a. The Authority may terminate the Stadium Lease and re-lease the Stadium, granting rights to such successor tenant in the event of a default.
- b. The obligation of the Team to pay Stadium Lease Payments for the Initial Term will survive any early termination of the Stadium Lease.
- c. MLS has the right, but not the obligation, to cure any Team default.

Team Guaranty

Nashville Team Holdings LLC will execute a guaranty agreement in favor of the Authority (the “Team Guaranty”) unconditionally guaranteeing the Team’s obligation to fund Stadium construction costs pursuant to the Development Agreement as well as its payment of the Stadium Lease Payments under the Stadium Lease. THE TEAM GUARANTY DOES NOT SECURE THE SERIES 2020 BONDS.

Use of Bond Proceeds

Approximately \$214,944,452 of the proceeds of the Series 2020 Bonds will be used to fund the construction of the Stadium and related facilities. The balance of the proceeds of the Series 2020 Bonds will be used to pay capitalized interest and costs of issuing the Series 2020 Bonds.

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SOURCES AND USES OF FUNDS

The table below sets forth the sources and uses of funds in connection with the issuance of the Series 2020 Bonds.

SOURCES

Par Amount	\$225,000,000.00
Total Sources	<u>\$225,000,000.00</u>

USES

Deposit to Construction Fund	\$214,944,451.50
Deposit to Capitalized Interest Fund	8,461,027.96
Cost of Issuance*	1,594,520.54
Total Uses	<u>\$225,000,000.00</u>

* Includes underwriters' discount, legal counsel fees, financial advisor fees, rating agencies fees, printing and mailing expenses and other costs of issuance of the Series 2020 Bonds.

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DEBT SERVICE REQUIREMENTS ⁽¹⁾

<u>Bond Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
8/1/2021	\$ -	\$ 3,836,579	\$ 3,836,579
8/1/2022	-	6,165,931	6,165,931
8/1/2023	100,000	6,165,931	6,265,931
8/1/2024	5,805,000	6,164,984	11,969,984
8/1/2025	5,865,000	6,105,193	11,970,193
8/1/2026	5,935,000	6,033,053	11,968,053
8/1/2027	6,025,000	5,944,266	11,969,266
8/1/2028	6,120,000	5,848,107	11,968,107
8/1/2029	6,235,000	5,734,275	11,969,275
8/1/2030	6,355,000	5,612,069	11,967,069
8/1/2031	6,485,000	5,481,156	11,966,156
8/1/2032	6,630,000	5,337,837	11,967,837
8/1/2033	6,785,000	5,184,684	11,969,684
8/1/2034	6,950,000	5,017,773	11,967,773
8/1/2035	7,130,000	4,839,853	11,969,853
8/1/2036	7,320,000	4,650,195	11,970,195
8/1/2037	7,540,000	4,429,204	11,969,204
8/1/2038	7,765,000	4,201,572	11,966,572
8/1/2039	8,000,000	3,967,146	11,967,146
8/1/2040	8,245,000	3,725,626	11,970,626
8/1/2041	8,490,000	3,476,710	11,966,710
8/1/2042	8,760,000	3,207,662	11,967,662
8/1/2043	9,040,000	2,930,057	11,970,057
8/1/2044	9,325,000	2,643,580	11,968,580
8/1/2045	9,620,000	2,348,071	11,968,071
8/1/2046	9,925,000	2,043,213	11,968,213
8/1/2047	10,240,000	1,728,690	11,968,690
8/1/2048	10,565,000	1,404,184	11,969,184
8/1/2049	10,900,000	1,069,379	11,969,379
8/1/2050	11,245,000	723,958	11,968,958
8/1/2051	<u>11,600,000</u>	<u>367,604</u>	<u>11,967,604</u>
	\$225,000,000	\$126,388,543	\$351,388,543

⁽¹⁾ Totals may not add due to rounding.

INVESTMENT CONSIDERATIONS

General

Attention should be given to the investment considerations described below, which, among others, could affect the ability of the Authority to pay principal of, premium if any, and interest on the Series 2020 Bonds, and which could also affect the marketability of or the market price for, the Series 2020 Bonds.

The purchase of the Series 2020 Bonds involves certain investment considerations that are discussed throughout this Official Statement. Certain of these investment considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement. Each prospective purchaser of any Series 2020 Bonds should read this Official Statement in its entirety and consult such prospective purchaser's own investment and/or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Series 2020 Bonds.

Construction of the Stadium

Construction of any project is subject to the risks of costs over-runs, non-completion, and delays due to a variety of factors, including, without limitation, site difficulties, necessary design changes or final detailing, and satisfaction of all occupancy and similar requirements, labor strife, delays in and shortage of materials, weather conditions, fire and casualty, timely receipt of permitting and regulatory approvals, changes in laws, terrorist attacks and other force majeure events. Increased costs of the Stadium, whether due to actual costs in excess of estimates or material cost overruns or delays in the completion of the Stadium, could materially and adversely affect the receipt and timing of Sales Tax Revenues, and Ticket Tax Revenues. **NONE OF THE AUTHORITY, THE TEAM OR ANY OTHER PARTY GUARANTEES TO THE BONDHOLDERS THE COMMENCEMENT OR COMPLETION OF CONSTRUCTION OF THE STADIUM.**

Dependency on Pledged Revenues

In addition to successful completion of the Stadium, the Sales Tax Revenues and Ticket Tax Revenues to be generated by the Stadium are subject to various future events or conditions which cannot be predicted, and which may be beyond the control of the Authority or the Team, including, without limitation, the risks of entry into a new market, increased operating, maintenance and repair costs and an inability to raise charges due to insufficient demand, new or existing competition from other facilities, changes in state and local laws, inferior management or maintenance, general economic conditions in the area, or other factors. The risk of non-payment of Stadium Lease Payments may also be impacted by a new Team, a new market, and a new Stadium, and the success or failure of MLS as a league. A downturn in the local, regional or national economy may affect the financial health of the Stadium and the Team and in turn the collection of Sales Tax Revenues, Ticket Tax Revenues and Stadium Lease Payments. **NEITHER THE TEAM NOR ANY OF ITS OWNERS GUARANTEE THE BONDHOLDERS STADIUM LEASE PAYMENTS EQUAL TO DEBT SERVICE ON THE SERIES 2020 BONDS. IN THE EVENT OF INSUFFICIENT SALES TAX REVENUES, TICKET TAX REVENUES, AND STADIUM LEASE PAYMENTS, PAYMENT OF DEBT SERVICE ON THE SERIES 2020 BONDS SHALL BE SECURED SOLELY BY THE PLEDGE OF NON-TAX REVENUES BY THE METROPOLITAN GOVERNMENT.**

COVID-19

The worldwide spread of COVID-19, a respiratory illness caused by a novel strain of coronavirus, has reached throughout the State of Tennessee, including the Metropolitan Government, and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The spread of COVID-19 has led to quarantine and other "social distancing" measures in affected regions. These measures have included recommendations and formal requirements limiting nonessential travel, promoting telecommuting, and limiting the operations and capacity of restaurants, bars and other places of public gathering.

The Authority is unable to predict: (i) the extent or continued duration of the COVID-19 outbreak or any other epidemic or pandemic; (ii) the extent or duration of existing and additional quarantines, travel restrictions or other measures relating to COVID-19 or any other epidemic or pandemic; or (iii) whether and to what extent the COVID-19 outbreak or any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations of the Metropolitan Government or the Authority. Given the evolving

nature of the spread of the virus and the behavior of governments, businesses and individuals in response thereto, the Authority cannot accurately predict the magnitude of the impact of COVID-19 on the Authority or the Metropolitan Government and its financial condition. The Authority and the Metropolitan Government are proactively taking steps to mitigate the spread of COVID-19 within the Metropolitan Government and to preserve effective staffing for all essential Authority and Metropolitan Government operations.

The Authority specifically notes the following:

Stadium Attendance. Attendance at large sports and entertainment facilities, such as the Stadium, is currently being dramatically affected by the spread of COVID-19 and the response thereto. The Stadium is not scheduled to be completed until 2022. However, the Authority cannot predict whether continuing COVID-19 conditions, or public attitudes resulting from the pandemic about attending large-scale sporting and entertainment events, will adversely affect attendance at the Stadium. Both Sales Tax Revenues and Ticket Tax Revenues are directly related to attendance at the Stadium, and those revenue streams will be adversely affected in direct proportion to any future impact on Stadium attendance resulting from COVID-19 or other pandemics.

Impact to Non-Tax Revenues. Certain revenue components of Non-Tax Revenues (e.g., licenses, permits and franchise fees) increase or decrease from year to year in proportion to the rise and fall of general commercial activity within the Metropolitan Government. COVID-19 and the response thereto have impacted overall commercial activity and these Non-Tax Revenues, and may adversely affect Non-Tax Revenues in future periods. Furthermore, as described above, Non-Tax Revenues have been pledged on a senior basis, relative to the Series 2020 Bonds, to secure the payment of the Prior Authority Bonds, the Convention Center Authority Bonds and the Omni Incentive, all of which are payable primarily from attendance-based revenue streams, such as seat rental fees and incremental sales taxes. Attendance at these bond-financed facilities is being affected by the spread of COVID-19 and the response thereto, and attendance-based revenue streams will also be affected. COVID-19 and the response thereto may further impact the Payment in Lieu of Tax from the Convention Center Authority, which is subject to the funds the Authority has available after payment of operating expenses and debt service obligations. As such, the likelihood that the Metropolitan Government will be required to use of Non-Tax Revenues to fund debt service shortfalls on these bonds and payment obligations has increased.

Overall Financial Condition of the Metropolitan Government. While the Series 2020 Bonds are not general obligation bonds of the Metropolitan Government, the credit rating on the Series 2020 Bonds is, in part, related to the credit rating of the Metropolitan Government as a whole. The COVID-19 outbreak, and the community response thereto, has adversely impacted the Metropolitan Government's financial condition and may continue to do so. In the fiscal year ended June 30, 2020, COVID-19 did not impact the Metropolitan Government's primary source of revenues – ad valorem property tax collections, because property taxes were due in February, prior to the spread of COVID-19 in Tennessee. However, COVID-19-related quarantining, travel-limitation and social distancing restrictions significantly impacted the Metropolitan Government's collection of local option sales taxes and tourism-related taxes (such as hotel occupancy taxes) from March through June 2020. The Metropolitan Government estimates that it suffered \$192.4 million of lost revenues during this period. COVID-19 has dramatically reduced the number of tourists and regional commuters that visit and work in Nashville, which has resulted in a significant decline in local option sales and tourist tax collections.

Various types of information regarding employment and income trends, and business and tourism activity within the Metropolitan Government are detailed in APPENDIX B. Certain of this information reflects data prior to the COVID-19 outbreak and may not be reflective of current financial conditions. For example, (i) unemployment rates throughout the United States, including the Metropolitan Government, have increased significantly since the COVID-19 pandemic; (ii) convention, tourism and other entertainment business activities, have been significantly affected; and (iii) the Metropolitan Government's largest employers may have been forced to reduce their employment from the levels described in APPENDIX B.

Ratings

There is no assurance that the ratings assigned to the Series 2020 Bonds at the time of issuance (see "RATINGS") will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2020 Bonds.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Series 2020 Bonds will be available, and no assurance can be given that the initial offering prices for the Series 2020 Bonds will continue for any period of time.

The Series 2020 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2020 Bonds in the event an owner thereof determines to solicit purchasers of the Series 2020 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2020 Bonds may be sold. Such price may be lower than that paid by the current owner of the Series 2020 Bonds, depending on existing market conditions and other factors.

LITIGATION AND OTHER PROCEEDINGS

Except as described below, there are no pending, nor to the knowledge of the Authority, threatened legal proceedings restraining, enjoining, or adversely affecting the issuance or delivery of the Series 2020 Bonds, the proceedings and authority under which the Series 2020 Bonds are to be issued or which affect in any way the validity of the Series 2020 Bonds, or the collection and application Sales Tax Revenues, Ticket Tax Revenues, Team Lease Payments or Non-Tax Revenues as contemplated by the Indenture.

The plaintiffs in *Save Our Fairgrounds, et al., v. Metropolitan Government of Nashville and Davidson County, Tennessee*, No. 18-0952-III (2018), filed suit in Davidson County Chancery Court against the Metropolitan Government, seeking to halt construction of the Stadium. The plaintiffs claimed that the construction of the Stadium would violate Metropolitan Charter provisions prohibiting use of the Fairgrounds in a manner that would preclude certain activities, such as the Tennessee State Fair, Expo Center Events, Flea Market and Auto Racing, from being continued at the Fairgrounds.

On October 13, 2020, the Chancery Court ruled in favor of the Metropolitan Government and dismissed the plaintiffs' claims. Tennessee law allows the plaintiffs to appeal the Chancery Court's ruling to the Tennessee Court of Appeals and then to the Tennessee Supreme Court (which is entitled to choose whether or not to entertain an appeal), and the Metropolitan Government expects that the plaintiffs will exercise their right to appeal. The Metropolitan Government expects, but cannot offer any assurances, that it will prevail in any appeal.

On August 26, 2020, Metropolitan Government voters filed a petition (the "Petition"), requesting that the Election Commission schedule a referendum, at which voters would be offered the opportunity to vote for or against the addition of certain provisions to the Metropolitan Government's Charter. One of those provisions (the "Bond Approval Provision") purports to bar the Metropolitan Government from issuing, or guaranteeing the payment of bonds issued, on or after January 1, 2020, in a principal amount of more than \$15 million for a single project, without first seeking voter approval of the issuance of bonds. The Metropolitan Government's Department of Law has opined that the provisions the Petition seeks to add to the Metropolitan Government's Charter are unconstitutional or violate state law in several respects. In light of this opinion, the Election Commission filed a declaratory judgment action in Davidson County Chancery Court, seeking direction as to whether the referendum can be held as requested by the Petition.

By Order dated November 3, 2020, the Chancery Court found that the Petition was defective in form and facially unconstitutional and permanently enjoined the Election Commission from holding a referendum election on the provisions. The Metropolitan Government expects that the petitioners will exercise their right to appeal the Chancery Court's ruling. The Metropolitan Government expects, but cannot offer any assurances, that it will prevail in any appeal.

Should the petitioners successfully appeal the Chancery Court's ruling, and a referendum including the Bond Approval Provision be held as requested by the Petition and supported by voters, the Authority anticipates that one or more of the petitioners would challenge the validity of the Series 2020 Bonds and/or the Metropolitan Government's agreement to pledge Non-Tax Revenues pursuant to the Intergovernmental Agreement as being issued or made (as applicable) in violation of the Bond Approval Provision.

As described below in "CERTAIN LEGAL MATTERS" Bond Counsel will provide its opinion (the form of which is set forth in APPENDIX C hereto) as to the validity of the Series 2020 Bonds and the Metropolitan Government's obligations pursuant to the Intergovernmental Agreement, regardless of the subsequent results of the

Petition. Any purported application of the Bond Approval Provision to the Series 2020 Bonds or the Intergovernmental Agreement would be ineffective insofar as it would violate Article I, Section 20 of the Tennessee Constitution, which prohibits any law from retrospectively impairing contracts. Furthermore, the LGPOA expressly supersedes all inconsistent or contrary local laws, such as the Bond Approval Provision, and authorizes the Authority to issue the Series 2020 Bonds without regard thereto. Finally, the Metropolitan's contractual commitment to pledge Non-Tax Revenues to the payment of the Series 2020 Bonds does not constitute a "guarantee" of the Series 2020 Bonds, but rather an agreement to provide a limited subset of funds to the Authority, if available after the payment of the Prior Authority Bonds, the Convention Center Authority Bonds and the Omni Incentive, to be applied toward the payment of debt service on the Series 2020 Bonds.

The Authority

At the time of delivery of any payment for the Series 2020 Bonds, the Authority will deliver, or cause to be delivered, a certificate of the Authority stating that, except as described above, there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds, or in any way contesting or affecting the validity of the Series 2020 Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof or the pledge or application of any monies or security provided for the payment of the Series 2020 Bonds or the corporate existence, boundaries or powers of the Authority, or the title of its officials to their respective offices.

The Metropolitan Government

At the time of delivery of any payment for the Series 2020 Bonds, the Metropolitan Government will deliver, or cause to be delivered, a certificate of the Metropolitan Government stating that, except as described above, there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds, or in any way contesting or affecting the validity of the Series 2020 Bonds or any proceedings of the Metropolitan Government taken with respect to the issuance or sale thereof or the pledge or application of any monies or security provided for the payment of the Series 2020 Bonds or the corporate existence, boundaries or powers of the Metropolitan Government, or the title of its officials to their respective offices.

CONTINUING DISCLOSURE

The Authority and the Metropolitan Government have agreed to undertake, for the benefit of the holders and beneficial owners of the Series 2020 Bonds, to distribute certain financial information and operating data relating to the Authority and the Metropolitan Government by not later than nine months following the end of the Metropolitan Government's fiscal year, commencing with the fiscal year ending June 30, 2019 (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. A copy of the form of the Continuing Disclosure Certificate is attached hereto as Appendix D.

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

In evaluating the compliance by the Authority and the Metropolitan Government with their respective continuing disclosure obligations during the previous five years, the Authority made the following findings: the Annual Reports of The Sports Authority of The Metropolitan Government of Nashville and Davidson County (Tennessee) for fiscal years ended June 30, 2014 through 2017, filed on behalf of the Authority by the Metropolitan Government in connection with the Authority's Public Improvement Revenue Bonds (Ballpark Project), Series 2013A and Public Improvement Revenue Bonds (Ballpark Project), Series 2013B (Federally Taxable) (collectively, the "Ballpark Bonds"), did not contain an individual listing of the revenues that provide the first line of repayment for the Ballpark Bonds but did contain both a statement of all revenues received by the Authority and a specific listing of the non-tax revenues that ultimately secure such Ballpark Bonds. The Authority also notes that the Metropolitan Government's audited financial statements were not timely filed with respect to its Industrial Development Board's Tax Increment Revenue Bonds (Bellevue Mall Project), Series 2015 for the fiscal years ended June 30, 2016-2018. Unlike the continuing disclosure agreement for all other outstanding bonds of the Metropolitan Government and its instrumentalities, the continuing disclosure agreement for these Tax Increment Revenue Bonds requires the filing of the audited financial statements within six months following the end of the fiscal year. For each of these fiscal years,

the audited financial statements were filed within the time frame applicable to all other bonds, but not the Tax Increment Revenue Bonds. In addition, though filed, the Metropolitan Government failed to properly link its audited financial statement to the CUSIP for the Tax Increment Revenue Bonds for the 2017 and 2018 fiscal years. The Authority believes that both it and the Metropolitan Government have otherwise complied in all material respects with their previous continuing disclosure undertakings.

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2020 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 Series 2020 Bonds. Other than the descriptions of legal documents and Bond Counsel's legal opinion set forth herein under the captions "DESCRIPTION OF THE SERIES 2020 BONDS" (other than the information relating to DTC and its book-entry system), "SECURITY AND SOURCES OF PAYMENT" (excluding financial and statistical data as to which no opinion is expressed), "TAX MATTERS," and APPENDIX C – FORM OF OPINION OF BOND COUNSEL, which have been reviewed by Bond Counsel, Bond Counsel has not undertaken any responsibility for any of the information contained in this Official Statement. Certain legal matters with respect to the Authority and the Metropolitan Government will be passed upon by the Metropolitan Government's Director of Law. Certain legal matters will be passed upon for the Underwriters by their counsel Adams and Reese LLP, Nashville, Tennessee.

The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

TAX MATTERS

Federal Taxes

General. The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2020 Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses Series 2020 Bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2020 Bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Series 2020 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2020 Bonds.

Although the Series 2020 Bonds are issued by the Authority, interest on the Series 2020 Bonds (including any original issue discount treated as interest) will NOT be excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Series 2020 Bonds (including any original issue discount treated as interest) will be fully subject to federal income taxation.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2020 Bonds or affect the market price of the Series 2020 Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2020 Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Series 2020 Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2020 Bond. The tax accounting treatment of bond

premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Series 2020 Bond will be reduced. The holder of a Series 2020 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 Series 2020 Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Series 2020 Bond with bond premium, even though the Series 2020 Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Series 2020 Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Series 2020 Bond will have "original issue discount" if the price paid by the original purchaser of such Series 2020 Bond is less than the principal amount of such Series 2020 Bond. 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 Series 2020 Bonds will be increased. If a bondholder owns one of these Series 2020 Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Series 2020 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 Series 2020 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 Series 2020 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.

State Taxes

Under existing law, the Series 2020 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2020 Bonds during the period the Series 2020 Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2020 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

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2020 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 Series 2020 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 "Aa3" and "AA", respectively, to the Series 2020 Bonds. The ratings reflect only the respective views of such organizations, and neither the Authority nor the Metropolitan Government makes any representation as to the appropriateness of the ratings. Any explanation of the significance of the ratings may be obtained only from the respective rating agency furnishing the same at the following addresses: Moody's Investors Services, Inc., 99 Church Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041. The Authority and the Metropolitan Government furnished to each rating agency certain information and materials, some of which may not have been included in this

Official Statement, relating to the Authority and the Metropolitan Government as well as outstanding debt of the Authority and the Metropolitan Government. Generally, rating agencies base their ratings upon such information and materials and upon investigations, studies and assumptions by the ratings agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Series 2020 Bonds.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2020 Bonds, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the Series 2020 Bonds.

UNDERWRITING

Citigroup Global Markets Inc. (the “Representative”), on behalf of itself and the other underwriters listed on the front cover page of this Official Statement (collectively, the “Underwriters”) of the Series 2020 Bonds have agreed, subject to certain conditions, to purchase all of the Series 2020 Bonds from the Authority at an aggregate purchase price to be paid by the Underwriters of \$223,903,479.46 (representing the principal amount of the Series 2020 Bonds, less an Underwriters’ discount of \$1,096,520.54).

The Bond Purchase Agreement between the Authority and the Underwriters provides, with respect to the Series 2020 Bonds, that all of the Series 2020 Bonds will be purchased by the Underwriters, if any of the Series 2020 Bonds of such issue are purchased.

The Series 2020 Bonds will be offered at the respective initial public offering prices or yields shown on the inside cover page of this Official Statement. The Underwriters may offer and sell the Series 2020 Bonds to certain dealers (including dealers depositing the Series 2020 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. Following the initial public offering, the initial public offering prices may be changed from time to time by the Underwriters in their discretion.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Citigroup Global Markets Inc., an underwriter of the Series 2020 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

BofA Securities, Inc., an underwriter of the Series 2020 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2020 Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Morgan Stanley & Co. LLC, an underwriter of the Series 2020 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2020 Bonds.

UBS Financial Services Inc. (“UBS FSI”), one of the underwriters of the Series 2020 Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings, including Series 2020 Bonds. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with respect to the Series 2020 Bonds with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

MUNICIPAL ADVISOR

Hilltop Securities Inc. is employed as Municipal Advisor to the Authority and the Metropolitan Government in connection with the issuance of the Series 2020 Bonds. The Municipal Advisor's fees for services rendered with respect to the sale of the Series 2020 Bonds are contingent upon the issuance and delivery of the Series 2020 Bonds. Hilltop Securities Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2020 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 Authority or the Metropolitan Government for the investment of bond proceeds or other funds of the Authority or the Metropolitan Government upon the request of the Authority or the Metropolitan Government.

The Municipal Advisor has provided the following sentence for inclusion in this Official Statement: The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and the Metropolitan Government and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal 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, 2019 is included in Appendix A, and such financial statements have been audited by Crosslin, PLLC, independent auditors, as stated in its report.

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

FORWARD-LOOKING STATEMENTS

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

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

In considering the matters set forth in this Official Statement, prospective investors should carefully review all information included herein (particularly the information under the captions "INVESTMENT CONSIDERATIONS" and "FORWARD-LOOKING STATEMENTS") to identify any investment considerations. Potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto, and should have accessed whatever additional financial and other information any such investor may deem necessary, prior to making an investment decision with respect to the Series 2020 Bonds.

MISCELLANEOUS INFORMATION

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

The references, excerpts and summaries of all documents referred to in this Official Statement and in the Appendices to this Official Statement do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2020 Bonds, the security for the payment of the Series 2020 Bonds and the rights and obligations of the holders thereof.

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

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2020 Bonds. The Trustee has not participated in the preparation of this Official Statement and hereby disclaims any responsibility for the accuracy or completeness of the information set forth in this Official Statement.

[Signature Page Follows]

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

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

By: /s/ Kim Adkins
Chair

APPENDIX A

**ELECTRONIC LINK TO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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General Purpose Financial Statements

Audited Financial Statements of the Metropolitan Government and supplementary information as of and for the fiscal year ending June 30, 2019, together with the independent auditors' report from Crosslin, PLLC, are available through the website of the Metropolitan Government's Department of Finance at <https://www.nashville.gov/Finance/Accounting/Comprehensive-Financial-Reports.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, PLLC, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report and have not performed any procedures relating to this Official Statement.

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APPENDIX B

FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT

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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.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
GENERAL FUND

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

	Years Ended June 30				
	2020 UNAUDITED	2019	2018	2017	2016
REVENUES:					
Property taxes	\$ 597,829,022	\$ 565,209,717	\$ 539,343,469	\$ 524,330,765	\$ 508,417,976
Local option sales tax	113,464,491	141,902,355	133,884,975	117,578,530	112,386,239
Other taxes, licenses and permits	160,136,013	160,881,656	155,826,065	149,949,331	143,264,669
Fines, forfeits and penalties	5,014,278	6,855,593	9,311,162	9,594,026	10,536,938
Revenue from use of money of property	376,653	1,698,384	975,494	649,586	695,634
Revenue from other governmental agencies	139,187,410	124,460,648	112,150,191	106,702,440	103,945,191
Commissions and fees	13,437,944	17,058,875	17,257,045	17,388,364	14,528,053
Charges for current services	36,521,019	42,233,974	41,117,340	39,153,918	35,359,332
Compensation for loss, sale or damage to property	513,104	13,096,343	903,657	2,655,387	6,879,924
Contributions and gifts	406,680	318,780	562,551	22,250	266,525
Miscellaneous	1,079,381	897,243	3,023,042	3,296,472	1,893,902
Total revenues	1,067,965,995	1,074,613,568	1,014,354,991	971,321,069	938,174,383
EXPENDITURES					
General government	53,290,391	51,342,987	50,846,174	49,420,430	50,211,810
Fiscal administration	24,749,290	24,085,812	23,703,880	22,980,238	21,463,006
Administration of justice	69,061,528	65,677,679	64,444,333	61,514,210	57,481,614
Law enforcement and care of prisoners	299,844,382	288,482,195	284,014,877	272,631,001	262,052,423
Fire prevention and control	137,545,322	130,611,622	131,839,625	124,384,360	116,948,664
Regulation and inspection	11,089,992	10,238,714	10,156,818	9,138,734	8,101,479
Conservation of natural resources	337,199	322,263	407,900	4,11,714	373,209
Public welfare	6,707,417	6,667,525	6,709,667	6,226,903	6,293,042
Public health and hospitals	66,726,619	66,464,916	69,697,474	70,885,052	62,958,373
Public library system	31,533,422	31,282,141	30,793,711	29,789,104	27,432,634
Public works, highway, and street	36,511,957	35,064,951	34,359,154	34,324,984	32,302,132
Recreational and cultural	43,316,429	43,787,806	42,296,855	41,293,352	37,931,086
Retiree benefits	88,874,547	87,855,789	87,579,887	84,585,219	81,576,678
Miscellaneous	106,986,252	108,887,193	116,376,212	109,046,528	89,278,073
Debt Service:					
Principal retirement	21,230,100	-	-	-	-
Interest	16,669,900	-	-	-	-
Total expenditures	1,014,474,746	950,771,593	953,226,567	916,631,829	854,404,223
Excess (deficiency) of revenues over expenditures	53,491,249	123,841,975	61,128,424	54,689,240	83,770,160
OTHER FINANCING SOURCES (USES)					
Transfers in	27,054,995	28,324,712	26,219,860	27,006,469	22,890,396
Transfers out	(100,432,197)	(137,383,097)	(117,383,483)	(119,501,949)	(100,211,388)
Total other financing sources (uses)	(73,377,202)	(109,058,385)	(91,163,623)	(92,495,480)	(77,320,992)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(19,885,953)	14,783,590	(30,035,199)	(37,806,240)	6,449,168
FUND BALANCE, beginning of year	91,444,917	76,661,327	106,696,526	144,502,766	138,053,598
FUND BALANCE, end of year	\$ 71,558,964	\$ 91,444,917	\$ 76,661,327	\$ 106,696,526	\$ 144,502,766

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SPECIAL REVENUE FUNDS

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

	Years Ended June 30				
	2020 UNAUDITED	2019	2018	2017	2016
REVENUES:					
Property taxes	\$ 331,591,099	\$ 325,095,825	\$ 313,053,234	\$ 305,487,946	\$ 295,533,190
Local option sales tax	242,743,133	242,006,117	224,215,780	216,851,995	214,139,486
Other taxes, licenses and permits	103,649,115	135,340,744	115,629,215	102,665,159	90,624,525
Fines, forfeits and penalties	1,858,881	3,226,296	4,021,696	4,744,371	6,194,363
Revenue from the use of money or property	3,206,692	3,996,660	1,936,251	979,439	893,265
Revenue from other governmental agencies	507,480,121	514,846,966	523,344,665	506,130,905	475,832,993
Commissions and fees	12,080,393	8,893,569	9,519,060	8,860,141	9,497,930
Charges for current services	29,611,842	32,968,507	29,143,772	30,254,093	29,979,888
Compensation for loss, sale or damage to property	1,982,405	9,293,212	3,334,839	7,084,983	3,188,064
Contributions and gifts	6,850,407	13,726,681	6,191,334	4,875,806	5,563,171
Miscellaneous	332,005	62,659	208,655	191,095	847,745
Total revenues	1,241,386,093	1,289,457,236	1,230,598,501	1,188,125,933	1,132,294,620
EXPENDITURES					
General government	115,335,090	104,559,104	93,568,485	83,418,867	78,008,259
Fiscal administration	343,633	285,175	1,442,826	788,278	271,676
Administration of justice	4,015,186	10,538,338	10,578,509	9,909,052	13,872,252
Law enforcement and care of prisoners	25,072,320	23,107,385	23,651,407	24,491,295	21,818,071
Fire prevention and control	23,954	33,184	11,809	52,851	6,500
Regulation and inspection	48,049	96,487	63,729	79,210	87,755
Public welfare	41,664,641	46,917,069	36,313,702	33,527,326	32,656,928
Public health and hospitals	37,803,293	22,963,130	23,909,026	22,544,410	22,604,542
Public library system	781,938	1,053,862	854,279	855,202	951,871
Public works, highways and streets	37,924,510	42,878,934	37,631,657	33,895,323	31,551,513
Recreational and cultural	1,689,941	2,058,992	2,148,090	2,255,096	2,113,171
Education	1,033,616,487	1,041,774,050	1,033,114,009	965,420,840	918,529,638
Capital outlay	24,818,644	32,483,038	28,146,906	22,320,891	25,378,504
Total expenditures	1,323,137,686	1,328,748,748	1,291,434,434	1,199,558,641	1,147,850,680
Excess (deficiency) of revenues over expenditures	(81,751,593)	(39,291,512)	(60,835,933)	(11,432,708)	(15,556,060)
OTHER FINANCING SOURCES (USES)					
Insurance recovery	4,000,000	-	-	-	-
Transfers in	222,523,300	215,571,815	195,661,918	174,827,192	140,720,312
Transfers out	(181,022,575)	(180,185,805)	(151,347,941)	(132,361,241)	(105,413,507)
Total other financing sources (uses)	45,500,725	35,386,010	44,313,977	42,465,951	35,306,805
Excess (deficiency) of revenues and other sources over expenditures and other uses	(36,250,868)	(3,905,502)	(16,521,956)	31,033,243	19,750,745
FUND BALANCE, beginning of year	180,497,282	184,402,784	200,924,740	169,891,497	150,140,752
FUND BALANCE, end of year	\$ 144,246,414	\$ 180,497,282	\$ 184,402,784	\$ 200,924,740	\$ 169,891,497

(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				
	2020 UNAUDITED	2019	2018	2017	2016
REVENUES:					
Property taxes	\$ 154,648,416	\$ 151,549,899	\$ 146,187,493	\$ 142,484,847	\$ 140,059,158
Local option sales tax	87,659,932	66,325,954	56,055,237	48,503,623	39,178,209
Other taxes, licenses and permits	239,243	-	-	-	-
Fines, forfeits and penalties	316,378	207,489	323,999	323,165	324,053
Revenue from the use of money of property	651,221	992,583	440,718	188,611	743,257
Revenue from other governmental agencies	9,733,881	5,572,748	6,030,459	5,419,643	4,024,838
Bond interest tax credit	4,911,180	4,895,429	4,874,645	4,859,357	4,864,020
Miscellaneous	-	-	12	-	-
Total revenues	258,160,251	229,544,102	213,912,563	201,779,246	189,193,535
EXPENDITURES					
Principal retirement	162,282,384	155,391,020	140,797,840	132,859,891	115,957,762
Interest	129,539,635	126,187,299	125,106,557	103,366,006	104,982,211
Fiscal charges	3,687,504	3,954,518	6,848,877	6,792,950	7,898,402
Total expenditures	295,509,523	285,532,837	272,753,274	243,018,847	228,838,375
Excess (deficiency) of revenues over expenditures	(37,349,272)	(55,988,735)	(58,840,711)	(41,239,601)	(39,644,840)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	-	-	-	-	338,311,539
Payments to refunded bond escrow agent	-	-	-	-	(409,215,077)
Bond issue premium (discount)	-	-	-	-	73,093,369
Transfers in	53,712,523	63,089,894	49,017,272	39,630,948	31,647,985
Total other financing sources (uses)	53,712,523	63,089,894	49,017,272	39,630,948	33,837,816
Excess (deficiency) of revenues and other sources over expenditures and other uses	16,363,251	7,101,159	(9,823,439)	(1,608,653)	(5,807,024)
FUND BALANCE, beginning of year	17,952,500	10,851,341	20,674,780	22,283,433	28,090,457
FUND BALANCE, end of year	\$ 34,315,751	\$ 17,952,500	\$ 10,851,341	\$ 20,674,780	\$ 22,283,433

FISCAL YEAR 2020 UNAUDITED RESULTS; BUDGET FOR FISCAL YEAR 2020-2021

The Metropolitan Government experienced significant economic, business and tourism growth in the last decade. That growth has come with additional financial demands that have presented fiscal challenges for the Metropolitan Government. The Metropolitan Government's primary source of General Fund revenues is ad valorem property taxes. The Metropolitan Government did not increase its ad valorem property tax rate between 2011 and 2020. As described in more detail in Appendix B, the Metropolitan Government is required to reappraise real property values every four years and adjust the ad valorem 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 Fiscal Year 2018.

As a result of the lack of additional property tax revenue and the increased costs facing the Metropolitan Government, the Metropolitan Government appropriated fund balances to help fund its budgets from 2016 through 2019. Overall fund balance of the General Fund during the period fell from \$144.5 million to \$91.4 million, and unreserved fund balances fell from \$84.4 million to \$77.3 million.

The budget originally adopted by the Metropolitan Government for the Fiscal Year ended June 30, 2020 also included no property tax increase. The original 2020 budget included appropriations of \$7.3 million of General Fund balances, and relied on one-time revenues totaling \$41.1 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. A regularly scheduled election in the fall of 2019 resulted in the election of a new Mayor and a change in the membership of the Metropolitan Council. The new Mayor and Council determined not to proceed with the budgeted sale of real estate and parking concession agreement, and a Corrective Action Plan was prepared which identified sources to make up for the budgeted one-time revenues. Those budgeted revenues were replaced with other revenues including PILOT's from the Music City Center and Department of Water and Sewerage Services as well as various savings and impoundments.

As more fully described below under "INVESTMENT CONSIDERATIONS", the world-wide outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, further impacted the Metropolitan Government's Fiscal Year 2019-20 budget. The COVID-19 outbreak had no impact on the Metropolitan Government's collection of ad valorem property taxes, because property taxes were due in February, prior to the spread of COVID-19 in Tennessee. However, COVID-19-related quarantining, travel-limitation and social distancing restrictions significantly impacted the Metropolitan Government's collection of local option sales taxes and tourism-related taxes (such as hotel occupancy taxes) from March through June 2020. The Metropolitan Government estimates that it suffered \$192.4 million of lost revenues during this period. The Metropolitan Government also incurred an estimated \$14.0 million of expenses related to its COVID-19 response and mitigation efforts during this period. The Metropolitan Government received \$121.1 million of Federal CARES Act funding to fund these expenses and other expenses related to COVID and incurred prior to December 31, 2020; the CARES funding does not provide for revenue replacement. The lost revenues were funded within the Fiscal Year 2019-20 budget from aggressive savings measures including hiring and travel freezes, excess revenues in other areas, and the use of fund balance.

For the fiscal year ended June 30, 2020, the General Fund was budgeted to use \$44.5 million of fund balance; unaudited results indicate an actual use of \$19.9 million for a positive budgetary variance of \$24.6 million. Unassigned fund balance for the General Fund was \$58.9 million at June 30, 2020, a decrease in unassigned fund balance of \$18.5 million. Unassigned fund balance as a percentage of budgeted expenditures is approximately 5%. Total revenues and other financing uses were underbudget by \$16.2 million. As previously noted, revenues of the Metropolitan Government were significantly impacted by COVID-19. Local option sales tax was \$33.6 million below budget, and budget shortfalls were noted in various other revenues. However, the decreases were partially offset by new PILOT revenue of \$22.6 million. In response to the anticipated revenue shortfalls from COVID-19 as well the cancellation of the real estate sale and the parking concession agreement earlier in the fiscal year, the Metropolitan Government implemented various cost saving measures including hiring and travel freezes and impoundments. Expenditures and other financing uses were underbudget by \$40.8 million with savings achieved across substantially all departments.

This strategy successfully positioned the Metropolitan Government to end the fiscal year with unassigned fund balance of the General Fund at approximately 5% of budgeted expenditures.

The Fiscal Year 2020-21 budget adopted by the Metropolitan Council contemplates expenditures of \$2.466 million, a \$134.6 million or 5.77% increase from the Fiscal Year 2019-20 expenditures. Increases in the budgeted expenditures are primarily attributable to cash and fund balance restoration of \$92.6 million, increases in debt service of \$6.2 million, and increases in various other general government expenditures. The Fiscal Year 2020-21 budget includes an increase in the GSD ad valorem property tax rate from \$2.755 to \$3.788 per \$100 of assessed value and the USD ad valorem property tax rate from \$3.155 to \$4.221 per \$100 of assessed value, which collectively, along with the growth in the property tax base, is anticipated to generate an additional \$373 million of revenues annually. The Fiscal Year 2020-21 budget does not include any one-time revenues. The approved budget includes supplementing the General Fund fund balance by \$53.1 million. The Metropolitan Government cannot predict what impact COVID-19 will have on its Fiscal Year 2020-21 budget. The Fiscal Year 2020-21 budget contemplates that additional COVID-19-related expenses will be funded by the \$121.1 million of Federal CARES Act funding and other federal and/or State assistance. The Fiscal Year 2020-21 budget contemplates a \$250 million reduction in local option sales tax and other revenues primarily due to the impact of COVID-19.

The Metropolitan Government believes that it has sufficient liquidity to meet its financial obligations in the current fiscal year. The Metropolitan Government will not begin to collect the additional revenues resulting from its recent property tax increase until property taxes begin to be paid, which typically occurs between November and February. Tennessee local governments are permitted to maintain liquidity by issuing tax anticipation notes to fund appropriations pending the receipt of budgeted revenues. Under Tennessee law, a local government may not use tax anticipation notes to fund more than 60% of budgeted appropriations. The Metropolitan Council has authorized the issuance of up to \$613 million of tax anticipation notes to fund appropriations from its General Fund, USD, GSD and GSD Schools Debt Service Funds and GSD Schools Fund (collectively, the “Tax-Supported Funds”) in the current fiscal year. \$285 million of these notes have already been issued as part of a third-party financing. The balance of \$328 million is available to be financed on an interfund basis, in which the Tax-Supported Funds borrow from other Metropolitan Government funds, such as the Metropolitan Government’s water and sewer surplus fund.

See also “LITIGATION AND OTHER PROCEEDINGS” and the description of the Petition, which seeks, among other things, to repeal the Fiscal Year 2020-2021 increase in ad valorem property tax rates.

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:

<u>Use Classification</u>	<u>Assessed Value as a Percentage of Appraised Value</u>
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:

<u>Use Classification</u>	<u>Assessed Value as a Percentage of Appraised Value</u>
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 \$3.788 per \$100 of assessed value and the additional tax rate for the

Urban Services District is \$0.4333 per \$100 of assessed value, for a combined tax rate of \$4.221 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-112 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.

<u>Year</u>	<u>GSD Adjustment</u>	<u>USD Adjustment</u>	<u>Combined GSD/USD Adjustment</u>
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
2020	37.50	33.79	

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.

<u>Reappraisal Year</u>	<u>Combined GSD/USD Equalization Rate Adjustment</u>
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.

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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, 2011 through June 30, 2020 (with numbers expressed in thousands):

FY Ended June 30	Total Assessed Value (USD/GSD)	Growth (Decline) from Prior Year
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	2.7
2018	31,144,615	46.1
2019	32,220,800	3.5
2020	32,805,729	1.8

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, 2019.

Taxpayer	2018 Assessed Valuation	Amount of Tax	% of Total Tax Levy
Electric Power Board (1)	\$ N/A	\$ 28,667,169	2.91 %
RHP Hotels Inc./Gaylord	94,357,217	12,675,247	1.29
Columbia/HCA	391,380,453	12,176,233	1.23
AT&T Telephone/BellSouth	208,505,205	6,583,092	0.67
Highwoods Realty	173,692,164	5,561,740	0.56
The Mall at Green Hills	164,513,722	5,190,408	0.53
Piedmont Natural Gas	146,863,749	4,463,628	0.45
Mid-America Apartments	142,652,054	4,288,806	0.43
Vanderbilt	134,829,184	4,249,341	0.43
Opry Mills Mall	120,480,595	3,801,163	0.39
	<u>\$ 1,577,274,343</u>	<u>\$ 87,656,827</u>	<u>8.89 %</u>

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-32 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 \$8.6 million from the Hall income tax for the fiscal year ended June 30, 2020.

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-4 through B-6 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, 2020, the Metropolitan Government and the Metropolitan Board of Education (the "MBE") employed approximately 19,352 persons full time of whom approximately 9,891 worked full-time for the MBE and 8,984 worked full-time for the Metropolitan Government. Approximately 1,065 (86%) of the uniformed personnel of the Fire Department are members of Local No. 140 of the International Association of Firefighters. The Police Department has 1995 active employees, of which 1494 are sworn personnel. Approximately 1240 sworn officers (or 83%) 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 1784 (or 24%) of the teaching employees are members of the Metropolitan Nashville Education Association (the "MNEA"); 758 (or 17%) of the remaining non-teaching employees are members of the Service Employees International Union; and 106 (or 3%) 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 11,300 current employees and 11,900 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 <http://treasury.tn.gov>.

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, 2019 and June 30, 2018, was 10.46% and 9.08%, respectively of annual covered payroll. The employer's contributions to TCRS for the years ending June 30, 2019 and 2018 were \$26,954,693 and \$25,370,355, 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 1,400 retired employees. Contributions to the Closed Plans are funded from Metro's operating fund through the Guaranteed Payment Plan and contributions from the State of Tennessee.

Metro Active Plan

Benefits

Normal retirement for employees other than police officers and fire fighters occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus the completed years of credited employee service equals 85, but not before age 60; and (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime annual benefit is calculated as $1.75\% \times \text{final average earnings} \times \text{years of credited service}$. 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 2017-2018 is 12.340%. The contribution rate for 2018-2019 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**

<u>Fiscal Year Ending June 30</u>	<u>Contribution Rate</u>	<u>Contribution Amount</u>
2019	12.340%	\$77,242,171
2018	12.340	76,539,373
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

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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, 2019
(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, 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%
June 30, 2018	3,198,180	3,116,572	81,608	97.45%	577,129	14.14%
June 30, 2019	3,377,509	3,254,984	122,525	96.37%	623,435	19.65%

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 statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly.

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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 Plan¹
June 30, 2019
(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, 2015	8.49%	3,477	317,727	1.09%	99.81%
June 30, 2016	8.30%	51,891	299,733	17.31%	97.14%
June 30, 2017	-8.14%	(2,664)	288,102	-0.92%	100.14%
June 30, 2018	-7.98%	(28,078)	279,409	-10.05%	101.49%

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 statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly.

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¹ The plan measurement date is the end of the prior fiscal year.

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, 2019
(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%
June 30, 2017	-12.27%	(3,238)	80,335	-4.03%	126.81%
June 30, 2018	-11.58%	(5,253)	101,221	-5.19%	126.97%

Annual Contributions

Required TCRS contributions in 2018 and 2019 were 9.08% and 10.46% of salary, or \$25,370,355 and \$26,954,693.

Additional Information

Additional information about TCRS can be accessed at <http://www.treasury.state.tn.us/tcrs/index.html>.

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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, 2019
(amounts expressed in thousands)**

<u>Plan</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u>
Metro Teachers	\$224,478	\$109,009	\$115,469	48.56%
County Teachers	25,491	1,177	24,314	4.62%
City Teachers	12,162	963	11,199	7.91%
City Employees	27,002	-	27,002	0.00%
County Employees	5,338	-	5,338	0.00%

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Historical Contributions

**Contributions
Metro Closed Plans**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Metro</u> <u>Contributions</u>	<u>State</u> <u>Contributions</u>
2019	\$33,577,399	\$14,096,974
2018	33,486,419	14,782,460
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

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, 2019, contributions totaled \$58,469,575.

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, 2019, contributions totaled \$23,963,636.

The Metropolitan Government adopted GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, in Fiscal Year 2018. 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. No assets are set aside in a trust to fund the OPEB liability.

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For June 30, 2019, amounts related to OPEB were (all amounts in thousands):

	<u>Metro Plan</u>	<u>School Plan</u>
Total OPEB Liability	\$ 3,478,754	\$ 1,084,070
Covered Payroll	563,034	317,262
Total OPEB Liability as a % of Covered Payroll	617.86%	341.70%

The key assumptions used in developing these amounts include:

- Current level of benefits provided
- June 30, 2019 valuation and measurement date
- Discount rate: 2.79%
- Administrative fees: 5.00% per annum
- Health care cost trend rate: 8% graded to 5% for medical expenses and 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.

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.

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 2020-2021 Capital Improvements Budget, which are given priority for funding by the Mayor and the Metropolitan County Council for fiscal year 2020-2021 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.

FY2020-2021 to FY2025-2026 Capital Improvements Budget – Final – By Agency

Departments	% of '20-'21		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	% of '21-'26	
	FY2020-21	Total						Total	Total
Agricultural Extension	\$222,000	0.005%						\$222,000	0.002%
Arts Commission	3,835,000	0.084%	\$3,560,000	\$1,550,000				8,945,000	0.067%
Council Office	1,019,104,200	22.262%	54,148,000			\$465,000		1,073,717,200	8.094%
District Attorney	6,542,300	0.143%						6,542,300	0.049%
Farmers Market	4,250,000	0.093%						4,250,000	0.032%
Finance	78,476,000	1.714%	10,192,500					88,668,500	0.668%
Fire Department	90,750,000	1.982%	30,500,000	30,500,000	\$31,000,000			182,750,000	1.378%
General Services	680,450,000	14.864%	46,000,000	36,000,000	13,000,000	13,000,000		788,450,000	5.943%
Health Department	1,000,000	0.022%						1,000,000	0.008%
Historical Commission	160,000	0.003%						160,000	0.001%
Information Technology Services	45,042,000	0.984%	2,819,000	3,751,000	4,791,000	3,177,000		59,580,000	0.449%
MDHA	60,900,000	1.330%	36,000,000	38,800,000	35,000,000	35,000,000	\$35,000,000	240,700,000	1.814%
Metro Action Commission	22,350,000	0.488%	27,742,500					50,092,500	0.378%
MNPS (Schools)	749,872,500	16.380%	613,695,400	605,956,100	694,815,300	1,002,347,300	858,646,100	4,525,332,700	34.112%
MTA	25,414,000	0.555%	26,633,000	19,431,000	79,657,000	19,100,000	2,000,000	172,235,000	1.298%
Municipal Auditorium	12,600,000	0.275%						12,600,000	0.095%
Parks & Recreation	692,170,000	15.120%	278,485,000	277,980,000	277,880,000	277,980,000	277,980,000	2,082,475,000	15.697%
Planning	3,500,000	0.076%	300,000	300,000	300,000	300,000	300,000	5,000,000	0.038%
Police	110,655,000	2.417%						110,655,000	0.834%
Public Library	108,245,400	2.365%	48,733,300	74,092,100	81,240,700	70,286,500	86,652,000	469,250,000	3.537%
Public Defender	4,907,000	0.107%						4,907,000	0.037%
Public Works - GSD / USD	237,053,300	5.178%	198,769,800	164,107,400	156,598,100	158,659,800	3,000,000	918,188,400	6.921%
Sports Authority	50,000,000	1.092%						50,000,000	0.377%
Fairgrounds Nashville (State Fair)	75,000,000	1.638%						75,000,000	0.565%
Water & Sewer - GSD	370,395,000	8.091%	171,480,000	475,705,000	327,525,000	115,735,000	74,485,000	1,535,325,000	11.573%
Water & Sewer - USD	124,950,000	2.729%	155,700,000	136,195,000	136,910,000	132,795,000	113,690,000	800,240,000	6.032%
Totals	\$4,577,843,700	100.000%	\$1,704,758,500	\$1,864,367,600	\$1,838,717,100	\$1,828,845,600	\$1,451,753,100	\$13,266,285,600	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 \$375 million of notes for which liquidity support is provided by JPMorgan Chase Bank, and (ii) 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, 2019, 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 Metropolitan Government's obligations to the Tennessee State School Bond Authority (the "TSSBA") with respect to approximately \$29 million of outstanding Qualified Zone Academy Bonds and Qualified School Construction Bonds issued by the TSSBA on behalf of the Metropolitan Government;
- (2) obligations of the Metropolitan Government which are payable solely from the revenues of one or more utility systems (i.e. water, sewer and electric);
- (3) obligations of the Metropolitan Government's Airport Authority, which are payable solely from revenues of airport operations;
- (4) 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
- (5) obligations of the Metropolitan Government's Sports Authority and Convention Center Authority, which are described in further detail below.

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**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
COMPUTATION OF NET GENERAL OBLIGATION DEBT
JUNE 30, 2019**

Gross General Obligation Debt		
General Obligation Bonds Payable		
General Services District:		
For School Purposes	\$	950,392,853
For General Purposes		1,942,240,838
Urban Services District:		
For General Purposes		<u>219,541,309</u>
Total Gross General Obligation Debt	\$	3,112,175,000
Less:		
Amounts Available In Debt Service Funds		
General Services District:		
For School Purposes		11,390,257
For General Purposes		6,276,864
Urban Services District:		
For General Purposes		<u>285,379</u>
Total Amounts Available In Debt Service Funds		<u>17,952,500</u>
Net General Obligation Debt	\$	<u><u>3,094,222,500</u></u>

Source: The Metropolitan Government CAFR and Finance Department as of June 30, 2019

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DEBT RATIOS
AS OF JUNE 30, 2019

Total Debt

Debt to Estimated Market Value	3.02%
Debt to Assessed Value	9.66%
Debt per Capita	\$ 4,493.55

Net Debt

Debt to Estimated Market Value	3.01%
Debt to Assessed Value	9.60%
Debt per Capita	\$ 4,467.63

The above table is based upon:

Estimated Market Value	\$ 102,919,516,660
Assessed Value	\$ 32,220,800,678
Population	692,587

Source: The Metropolitan Government CAFR and Finance Department as of June 30, 2019

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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
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
2017-18	691,243	99,659,584	31,144,615	2,550,045	10,851	2,539,194	2.55		8.15		3,673.37
2018-19	692,587	102,919,516	32,220,800	3,112,175	17,953	3,094,222	3.01		9.60		4,933.86

Source: The Metropolitan Government CAFR as of June 30, 2019

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

TOTAL DEBT SERVICE

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Total Debt Service as of June 30, 2020

Secured by Ad Valorem Taxes

Year Ending June 30	GSD		USD	Total GSD and USD
	School Purposes	General Purposes	General Purposes	
2021	100,531,160	197,809,506	22,917,553	321,258,219
2022	99,622,714	194,720,569	22,492,822	316,836,105
2023	96,128,014	199,092,453	22,620,577	317,841,044
2024	102,227,805	194,912,417	23,678,757	320,818,979
2025	97,748,823	191,585,914	22,876,725	312,211,462
2026	87,054,746	177,031,308	20,770,753	284,856,807
2027	78,531,640	162,688,372	21,108,511	262,328,523
2028	72,179,724	159,847,962	20,003,136	252,030,822
2029	58,507,277	129,621,345	16,242,249	204,370,871
2030	58,351,627	129,314,965	16,148,317	203,814,909
2031	56,991,065	126,129,331	15,990,556	199,110,952
2032	56,826,568	125,806,761	15,885,602	198,518,931
2033	56,656,250	125,473,059	15,771,905	197,901,214
2034	47,276,719	97,704,742	11,688,489	156,669,950
2035	47,092,996	97,345,605	8,177,637	152,616,238
2036	29,288,377	58,387,549	1,429,974	89,105,900
2037	29,287,737	58,386,500	1,429,963	89,104,200
2038	15,981,515	36,646,251	1,191,534	53,819,300
2039	15,980,298	36,643,459	1,191,443	53,815,200
	<u>\$ 1,206,265,055</u>	<u>\$ 2,499,148,068</u>	<u>\$ 281,616,503</u>	<u>\$ 3,987,029,626</u>

Source: The Metropolitan Government CAFR as of June 30, 2019

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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 43.78% of the steam and 46.58% of the chilled water sold by the system for the Fiscal Year ended June 30, 2020. 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”). There was no budgeted Metro Funding Amount for Fiscal Year 2019-2020. In addition to covering any DES operating shortfalls, the Metro Funding Amount also provides for the payment of debt service on the DES.

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 the Sports Authority Act; 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 Horizon Ballpark. The Sports Authority owns the First Horizon Ballpark (formerly First Tennessee Park), the downtown baseball park that is the home of the Nashville Sounds, the AAA affiliate of Major League Baseball's Texas Rangers. 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 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, for the purposes set forth therein, 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, 2019 fiscal year, MDHA had outstanding approximately \$135.2 million of TIF bonds and notes to finance redevelopment projects in and around the downtown Nashville area. The Metropolitan Government funded approximately \$17.4 million of debt service payments on these bonds and notes during MDHA's 2019 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 Change

Area	2000	2010	2000 - 2010	2019 Estimates
Nashville/Davidson	569,891	626,681	10.0%	670,820
MSA	1,311,789	1,670,900	27.4%	2,090,958
State of Tennessee	5,689,283	6,346,105	11.5%	6,829,174
United States	281,421,906	308,745,538	9.7%	328,329,523

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

<u>Area</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Nashville/Davidson	\$45,459	\$47,505	\$48,941	\$47,729	\$46,986	\$51,179	\$56,064	\$58,283	62,876	\$66,060
MSA	39,949	41,579	43,512	44,865	44,916	47,423	50,747	52,450	55,382	57,953
State of Tennessee	32,950	35,653	37,457	38,778	38,814	40,125	42,128	43,326	45,517	46,894
United States	38,144	40,277	42,461	44,282	44,493	46,494	48,451	49,246	51,640	54,440

Source – Bureau of Economic Analysis (bea.gov)

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Employment

The following table shows the labor force segments of the eight-county Nashville Metropolitan Statistical Area for calendar years 2015 through 2019.

NASHVILLE MSA EMPLOYMENT BY INDUSTRY					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Employed – All Industries ¹	1,048	1,015	980	950	915
<i>In Percentages:</i>					
Education & Health Services	14.78%	15.03%	15.29%	15.34%	15.39%
Financial Activities	6.81%	6.74%	6.51%	6.60%	6.52%
Government	11.42%	11.68%	12.08%	12.13%	12.40%
Information	2.36%	2.31%	2.39%	2.43%	2.36%
Leisure & Hospitality	11.62%	11.48%	11.35%	11.12%	10.98%
Manufacturing	8.09%	8.31%	8.23%	8.61%	8.64%
Professional & Business Services	16.83%	16.65%	16.59%	16.42%	16.04%
Trade, Transportation, Utilities	19.29%	19.12%	18.87%	19.02%	19.29%
Other	8.79%	8.69%	8.68%	8.32%	8.39%

⁽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 2010-2019.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Nashville/Davidson	8.2%	7.5%	6.2%	5.9%	5.0%	4.4%	3.6%	2.8%	2.6%	2.5%
MSA	8.6	7.8	6.4	6.2	5.2	4.5	3.7	3.0	2.8	2.6
State of Tennessee	9.7	9.0	7.8	7.8	6.5	5.6	4.7	3.8	3.5	3.4
United States	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	3.9	3.7

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS

JUNE 30, 2019

Employer	Employees	% of Total Employment
Vanderbilt University	34,370	3.45 %
State of Tennessee	26,795	2.69
Metro Nashville-Davidson Co. Government and Public Schools	19,700	1.98
U.S. Government	13,253	1.33
Nissan North America Inc.	12,000	1.20
Healthcare Corporation of America	10,600	1.06
Saint Thomas Health	8,335	0.84
Community Health Systems Inc.	4,550	0.46
Randstad	4,170	0.42
Asurion	<u>3,878</u>	<u>0.39</u>
	<u>137,651</u>	<u>13.82 %</u>

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, 2019, the Nashville Area Chamber of Commerce announced 21 business relocations or expansions into Davidson County, collectively bringing 393 new jobs into Metro Davidson County. Continued expansion has occurred in recent years in corporate and regional headquarters, the technology industry, manufacturing, 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 2019-2020 Fiscal Year, iHeartmedia announced it will be establishing its second digital headquarters in Nashville. Allegiant announced in October 2019 that it will establish a base of operations at Nashville International Airport (BNA). The Las Vegas-based company will house two Airbus aircraft at BNA, which will become the airline's 19th aircraft base. Global Shares, a fast-growing Irish financial services technology software company, announced an opening of a Nashville office, set to yield more than 50 new jobs in 2020 and 200 jobs by 2022. Health care services company, Briye, is relocating its headquarters from Jackson, Mississippi to Nashville. The company plans to slowly transition the majority of its 20 employees to Nashville.

Other successes in Davidson County include Asurion moving nearly 100 product development jobs to Nashville from its San Mateo, California office. Citizens Bank is also expanding in Nashville, looking to divide 200 software engineers between Boston, Charlotte, Nashville, and Providence. Moreover, Chicago-based Shore Capital Partners' decided to open an investment office focused on health care in Nashville. The company hopes to invest in as many as six Nashville-area companies over the next 3-4 years.

Manufacturing

As of December 2019, an average of 84,800 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. Nashville is one of the top 50 retail markets in the country. In the Nashville region, there are 48 shopping centers with over 21 million square feet of gross leasable area.

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, 2020, approximately \$48.636 million and \$4.977 million, respectively, to pay approximately 63.5% 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, 2019, the Airport served more than 17.1 million total passengers, operating an average of 540 daily flights to 71 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.

Mayor Cooper delivered on his commitment to produce a new people-first transportation strategy within his first year of office: *Metro Nashville’s Transportation Plan* proposes \$1.6 billion in critical projects for community resilience, neighborhood livability, shared prosperity, and system preservation and performance. The plan is informed by 11 community listening sessions held throughout Davidson County this year, along with dozens of targeted discussions with stakeholder groups and organizations as well as all 40 Metro Councilmembers individually.

Metro Nashville’s Transportation Plan proposes core categories for investment that reflect our communities’ and the region’s stated priorities: Mass transit, neighborhood infrastructure (sidewalks, bikeways, greenways), a “state of good repair” for roads and bridges, traffic operations and signals, and safety/Vision Zero. Projects within the plan will be advanced via individual, opportunistic funding strategies such as grants leveraging existing Metro funding, while more comprehensive, dedicated revenue streams—via the IMPROVE Act’s authorizing mechanism for referendums, or other available legal framework—can be pursued in a future year once America’s economy recovers from the pandemic-induced downturn. In addition to a depth of contemporary feedback gathered from Nashvillians in 2020, the plan also rests on many years of careful study and community engagements through Metro’s adopted modal plans (nMotion, Access Nashville 2040, and WalkNBike).

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.

Several high-profile corporate relocations, the completion of new office buildings, and robust leasing activity all contributed to an active market in 2019. Nashville closed 2019 with a positive net absorption totaling 900,000 square feet, with the Central Business District (CBD) submarket accounting for most of the market activity. In the largest lease of the year, Amazon signed 500,000 square feet in the Nashville Yards development. Over 3.8 million square feet of office space is under construction and set to deliver over the next 3 years (70% in CBD). Year to date office sales volume reached a new record for the city, totaling \$1.1 billion (up 20% from last year). Furthermore, Nashville is ranked No.3 in the nation for overall real estate prospects in 2020 (source: Urban Land Institutes and PwC’s Emerging Trends in Real Estate Report). This marks the 5th year Nashville has been in the top 10. In 2019, 5.4 million square feet of industrial space was delivered to the Nashville market, and 30 plus tower cranes continue to line Nashville’s skyline.

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

Calendar Year	Residential Construction		Non-Residential Construction		Repairs, Alterations and Installations		Other ⁽¹⁾		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
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	2,737	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
2018	5,536	989,334,771	866	1,931,789,059	2,458	639,160,352	2,771	15,622,773	11,431	3,575,906,955
2019	5,195	968,600,069	1,056	2,598,254,537	2,374	607,178,804	2,388	26,243,063	11,013	4,200,276,473

(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 hosted the NFL draft in 2019. The Nashville Sounds – the AAA affiliate of the Texas Rangers – play their baseball games in First Horizon Ballpark. Nashville Soccer Club – a member of Major League Soccer– commenced play of its soccer games at Nissan Stadium, where it will play its home games until a soccer-specific stadium is constructed for the team's use.

Cultural Facilities

Library System

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

The Tennessee State Museum opened October 2018. It is designed to bring history to life. It includes a "Tennessee Time Tunnel" chronicling the state's rich history, a hands-on children's gallery, six rotating galleries, a state-of-the art digital learning center and a two-story Grand Hall.

The National Museum of African American Music opened in the Fall of 2020 in downtown Nashville. The Museum has over 56,000 square feet dedicated to preserving, educating, and celebrating the genres created and inspired by African Americans.

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 consistently ranking in the top 3 producers. The Nashville Convention and Visitors Corporation (NCVC) and U.S. Travel Data Center estimate more than 16.1 million visitors came to Nashville in 2019 and spent an estimated \$6.9 billion. Annual visitation to Nashville has increased over 45% in the last ten years.

The Nashville MSA has more than 412 hotels offering more than 47,962 rooms. Nashville has experienced hotel room sales growth 106 of the last 109 months.

MSA HOTEL AND MOTEL ROOMS / OCCUPANCY RATE

Calendar	Rooms	Occupancy
<u>Year</u>	<u>Available</u>	<u>Rate</u>
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%
2018	44,335	73.30%
2019	47,676	73.50%

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. SoundWaves, a half indoor, half outdoor water park at Gaylord Opryland opened in May of 2019. Soundwaves spans four acres and 111,000 square feet of indoor attractions, dining and amenities, as well as 106,000 square feet of outdoor water activities. 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
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
2018-2019	86,292	77,218
2019-2020	84,358	77,474

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APPENDIX C
FORM OF OPINION OF BOND COUNSEL

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150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6200

December 17, 2020

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

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

Regions Bank
Nashville, Tennessee

Citigroup Global Markets Inc.
Nashville, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Issuer") of \$225,000,000 in aggregate principal amount of its Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020, dated the date hereof (the "Bonds"). The Bonds are issued pursuant to a Trust Indenture, dated as of December 1, 2020 (the "Indenture"), by and between the Issuer and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee").

The Issuer has further entered into that certain Intergovernmental Project Agreement (MLS Stadium Project), dated as of December 1, 2020 (the "Intergovernmental Agreement"), by and between the Issuer and The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), pursuant to which the Metropolitan Government has, among other things, agreed to remit to the Issuer and/or transfer to the Trustee certain revenues to be used to pay principal of and interest on the Bonds and which, in part, comprise the Trust Estate (as defined in the Indenture).

The Issuer has authorized the issuance and sale of the Bonds and the execution and delivery of the Indenture and Intergovernmental Agreement pursuant to a resolution of the Board of Directors of the Issuer adopted on October 29, 2020 (the "Issuer Resolution").

The Metropolitan Government has approved the issuance and sale of the Bonds by the Issuer and the execution and delivery of the Intergovernmental Agreement pursuant to Resolution No. RS2017-910 of the Metropolitan Council, as amended by Resolution No. RS2020-442 of the Metropolitan (the "Metro Resolution").

We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation. Reference is hereby made to the opinion of even date of the counsel to the Issuer and the Metropolitan Government, with respect, among other matters, to the corporate existence of the Issuer and the Metropolitan Government; to the lawful adoption of the proceedings of the Issuer relating to the authorization, execution and delivery of the Bonds, the Indenture and the Intergovernmental Agreement; and to the lawful adoption of the proceedings of the Metropolitan Government relating to the approval of the issuance of the Bonds and the authorization, execution and delivery of the Intergovernmental Agreement.

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

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

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

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

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

4. The Indenture has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms. The Indenture is effective to assign in trust to the Trustee all right, title and interest of the Issuer in and to the Trust Estate. The Indenture creates a valid first lien on the Trust Estate.

5. The Intergovernmental Agreement has been duly authorized, executed and delivered by the Issuer and Metropolitan Government and constitutes a valid and binding obligation of the Issuer and Metropolitan Government enforceable against the Issuer and Metropolitan Government in accordance with its terms.

6. The Bonds have been duly and validly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer payable solely from the Trust Estate.

7. 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 value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions 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. Further, we express no opinion regarding the tax consequences arising with respect to the Bonds other than as expressly set forth herein.

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

Yours truly,

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APPENDIX D
CONTINUING DISCLOSURE CERTIFICATE

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by The Sports Authority of the Metropolitan Government of Nashville and Davidson County (the "Authority") and The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") in connection with the issuance of the Authority's Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2020, by and between the Authority and Regions Bank, as Trustee (the "Indenture").

The Authority and the Metropolitan Government covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority and the Metropolitan Government for the benefit of the Beneficial Owners of the Series 2020 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate in connection with the Series 2020 Bonds, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Bond (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2020 Bond for federal income tax purposes.

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

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

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

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

"Official Statement" shall mean the Official Statement dated December 9, 2020, relating to the Series 2020 Bonds.

"Participating Underwriter" shall collectively mean Citigroup Global Capital Markets Inc., and any other original underwriter of the Series 2020 Bonds required to comply with the Rule in connection with the offering of the Series 2020 Bonds.

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

"State" shall mean the State of Tennessee.

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

SECTION 3. Provision of Annual Reports. Not later than nine months after the end of the Fiscal Year, commencing with Fiscal Year ending June 30, 2020, the Authority and 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 Authority and 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 Authority and the Metropolitan Government shall include unaudited financial statements of the Authority and the Metropolitan Government in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the Authority and the Metropolitan Government will be submitted. The audited financial statements of the Authority and 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 Authority and the Metropolitan Government shall in a timely manner send a notice to the MSRB and to the State Depository, if any.

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

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

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

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

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

1. Information related to Sales Tax Revenues, Ticket Tax Revenues and Stadium Lease Payments.
2. Updates of information set forth in the Official Statement related to Non-Tax Revenues.

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 Authority or 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 Authority and the Metropolitan Government shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

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

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- o. Incurrence of a financial obligation of the Authority or the Metropolitan Government, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority or the Metropolitan Government, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the Authority or the Metropolitan Government, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Authority and 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 Authority and the Metropolitan Government shall determine the materiality of such event as soon as possible after learning of its occurrence.

SECTION 6. Termination of Reporting Obligation. The obligations of the Authority and the Metropolitan Government under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Series 2020 Bonds. If the obligations of the Authority or the Metropolitan Government 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 Authority or the Metropolitan Government (as applicable) and the Authority or the Metropolitan Government (as applicable) shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The Authority and 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 Authority and the Metropolitan Government may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent.

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

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

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Metropolitan Government and/or the Authority 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 and/or the Authority 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, neither the Metropolitan Government nor the Authority shall have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Metropolitan Government and the Authority 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 and the Authority to comply with their obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the Metropolitan Government and the Authority of performing their obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and to the extent permitted by applicable law, the Metropolitan Government and the Authority agree to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Metropolitan Government and the Authority), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Metropolitan Government and the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Metropolitan Government, the Participating Underwriter and Beneficial Owners from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

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

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

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

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

Executed this 17th day of December, 2020.

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

By: _____
Kim Adkins, Chair

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY

By: _____
Kevin Crumbo, Director of Finance

APPROVED AS TO FORM AND
LEGALITY:

Bob Cooper, Director of Law

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APPENDIX E

THE INDENTURE AND THE INTERGOVERNMENTAL AGREEMENT

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

TO

REGIONS BANK,
AS TRUSTEE

TRUST INDENTURE

DATED AS OF DECEMBER 1, 2020

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

FEDERALLY TAXABLE PUBLIC IMPROVEMENT REVENUE BONDS
(MLS PROJECT), SERIES 2020

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*This table of contents is provided for purposes of convenience only and does not constitute a part of the Indenture.

THIS TRUST INDENTURE, made and entered into as of December 1, 2020, by and among THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the “Authority”), a public nonprofit corporation organized and existing under and by virtue of the laws of the State of Tennessee and a public instrumentality of The Metropolitan Government of Nashville and Davidson County, and REGIONS BANK (the “Trustee”), an Alabama banking corporation duly qualified to accept and administer the trusts hereby created, and having a corporate trust office in Nashville, Tennessee, as Trustee;

WITNESSETH:

WHEREAS, the Authority has been formed pursuant to Chapter 67 of Title 7 of Tennessee Code Annotated (the “Act”) for the purposes set forth in the Act; and

WHEREAS, the Authority is authorized to issue and sell its revenue bonds in accordance with the Act and Title 9, Chapter 21 of Tennessee Code Annotated (the “LGPOA”) for the purpose of acquiring land for or in connection with, erecting, extending, improving, equipping, renovating or repairing any building, sports complex, stadium, arena, sports and recreational facility or any other structure or facility constructed, leased, equipped, renovated or acquired for any of the purposes set forth in the Act; and

WHEREAS, the Authority is authorized by the Act and the LGPOA, and deems it necessary and desirable, to issue its revenue bonds for the purpose of providing funds: (i) to pay the costs of constructing, acquiring, erecting, extending, improving and equipping a major league soccer stadium as more fully described herein (the “Project”); (ii) to pay architectural, engineering, legal and consulting costs incident thereto; (iii) to pay capitalized interest on the bonds; and (iv) to pay costs of the issuance and sale of the bonds; and to that end has duly authorized and directed the issue of its revenue bonds in one or more series (all bonds from time to time outstanding under the terms of this Indenture are hereinafter referred to as the “Bonds”) pursuant to the Act and as hereinafter more specifically provided; and

WHEREAS, for the purpose of securing the payment of the principal of and the interest and redemption premium, if any, on the Bonds, and the performance and observance of the covenants and conditions herein contained, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has determined to issue an initial series of Bonds hereunder, to be designated as “The Sports Authority of The Metropolitan Government of Nashville and Davidson County, Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020” in the aggregate principal amount of \$225,000,000 (the “Series 2020 Bonds”); and

WHEREAS, the Series 2020 Bonds shall be substantially in the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued, as in this Indenture provided, valid, binding and legal special and limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement securing the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued hereunder, have been or will be done and performed and the creation, execution and delivery of this Indenture and the creation, execution and issuance of said Bonds, subject to the terms hereof, have in all respects been authorized;

NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH:

That the Authority, in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and the sum of One Dollar (\$1) in lawful money of the United States of America to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds at any time outstanding under this Indenture according to their tenor and effect and the performance and observance by the Authority of all the covenants expressed or implied herein and in the Bonds, has granted, bargained, sold, warranted, aliened, demised, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and does by these presents hereby grant, sell, warrant, demise, release, convey, assign, transfer, alien, mortgage, pledge, set over and confirm, unto the Trustee and to its successors in the trusts hereby created, and to it and its assigns, forever, all of the Authority's estate, right, title and interest in, to and under the following described property, rights and interests (herein sometimes referred to as the "trust estate" or "Trust Estate"):

DIVISION I

All of the Authority's right, title and interest in all amounts that constitute Stadium Lease Payments, together with any investments and reinvestments made with such amounts and the proceeds thereof; and

DIVISION II

All of the Authority's right, title and interest in and to the Intergovernmental Agreement, including the rights thereunder to receive the Sales Tax Revenues, Ticket Tax Revenues and Non-Tax Revenues from the Metropolitan Government, any right to bring actions and proceedings under the Intergovernmental Agreement for the enforcement thereof, and to do all things that the Issuer is entitled to do under the Intergovernmental Agreement; and

DIVISION III

All moneys and securities in any one of the funds or accounts established under this Indenture; and

DIVISION IV

All property which is by the express provisions of this Indenture required to be subject to the lien hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the Authority or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the Trust Estate, including all additional property which by the terms hereof has or may become subject to the encumbrance of this Indenture, unto the Trustee and its successors and assigns, forever.

IN TRUST, NEVERTHELESS, except as otherwise set forth herein, for the equal and proportionate benefit and security of the holders from time to time of the Bonds authenticated and delivered hereunder and issued by the Authority and outstanding, without preference, priority or distinction as to lien or otherwise of any one of said Bonds over any other or others of said Bonds to the end that each holder of such Bonds has the same rights, privileges and lien under and by virtue of this Indenture; and conditioned, however, that if the Authority shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorney's

fees, and the Authority shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of their covenants, warranties and agreements contained herein, then and in such event this Indenture shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereinafter set forth.

AND THEREFORE, the Authority hereby covenants and agrees with the Trustee and with the respective holders, from time to time, of the Bonds, or any part thereof, for the equal and proportionate benefit of such holders, as follows:

ARTICLE I. DEFINITIONS

Section 1.01 Definitions. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture and in the Bonds shall have the following meanings, unless some other meaning is plainly intended:

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

“Additional Bonds” shall mean any Bonds issued pursuant to Section 3.03 hereof.

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

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

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

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

“Authorized Investments” shall mean:

(a) Bonds, notes or treasury bills of the United States or other obligations guaranteed as to principal and interest by the United States or any of its agencies;

(b) The pooled investment fund established by Tennessee Code Annotated, Title 9, Chapter 4, Part 7;

(c)(i)(A) Bonds of this state, including any revenue bond issued by any agency of the State, specifically including institutions under the control of the State board of education, the board of trustees for the University of Tennessee and bonds issued in the name of the State school bond authority;

(B) Bonds of any county or municipal corporation of this State, including bonds payable from revenues, but expressly excluding bonds of any road, levee or drainage district; and

(C) Bonds of any other state or political subdivision thereof;

(D) Any funds invested pursuant to this subdivision (c) shall be invested only in bonds rated A or higher by any nationally recognized rating service;

(d) Certificates of deposit and other evidence of deposit at State chartered banks and savings and loan associations and federally chartered banks and savings and loan associations; provided that, prior to making these investments, the Authority shall have obtained and documented at least two (2) proposals from banks or other financial institutions; and provided further that all investments made pursuant to this subdivision (d) shall be secured by collateral in the same manner and under the same conditions as state deposits under Tennessee Code Annotated Title 9, Chapter 4, Parts 1 and 4, or as provided in a collateral pool created under Tennessee Code Annotated Title 9, Chapter 4, Part 5;

(e) Nonconvertible debt securities of the following federal government sponsored enterprises that are chartered by the United States congress; provided, that the securities are rated in the highest category by at least two (2) nationally recognized rating services:

(i) The federal home loan bank;

(ii) The federal national mortgage association;

(iii) The federal farm credit bank;

(iv) The federal home loan mortgage corporation; and

(v) Any other obligations that are guaranteed as to principal and interest by the United States or any of its agencies; and

(f) Bonds or notes of the Metropolitan Government issued in accordance with Tennessee Code Annotated, Title 9, Chapter 21.

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

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

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

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

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

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

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

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

“Certified Interest Rate” shall mean, as of any date of determination:

(a) with respect to debt obligations that were or will be, at the date of the original issuance thereof, the subject of an opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the Variable Rate Tax-Exempt Index for the five (5) years preceding such date of determination; and

(b) with respect to debt obligations that were not and will not be, at the date of the original issuance thereof, the subject of an opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the Variable Rate Taxable Index for the five (5) years preceding such date of determination.

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

“Construction Fund” shall mean the fund established under Section 5.01 hereof.

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

(a) The cost of acquiring, designing, developing, erecting, constructing, extending, improving, equipping, repairing or renovating the Project or for any combination of such purposes, demolishing structures on the Project site, and acquiring sites necessary or convenient for such Project, whether in connection with the initial construction of the Project or any subsequent renovation, expansion, improvement, repair or alteration thereof;

(b) The cost of labor, materials, machinery and equipment as payable to contractors, builders and materialmen in connection with the Project;

(c) Governmental charges levied or assessed during equipping of the Project or upon any property acquired therefor, and premiums on insurance in connection with the Project during construction;

(d) Fees and expenses of architects and engineers for estimates, surveys and other preliminary investigations, environmental tests, soil borings, appraisals, preparation of plans, drawings and specifications and supervision of the Project properly chargeable to the Project, as well as for the performance of all other duties of architects and engineers in relation to the construction and installation of the Project;

(e) Expenses of administration, supervision and inspection properly chargeable to the Project, including the fees relating to the design, construction and equipping of the Project and all other items of expense, not elsewhere specified herein incident to the construction, installation and placing in operation of the Project;

(f) Fees and expenses incurred in connection with the issuance of the Bonds, including but not limited to, fees and expenses of the underwriter for the Bonds and its counsel, the Authority and its counsel, Bond Counsel, the Trustee and its counsel, printing costs and Rating Agency fees; and

(g) Any other cost of the Project, including without limitation all costs contemplated by the Development Agreement, to the maximum extent permitted to be financed pursuant to the Act.

“Credit Facility” shall mean any letter of credit, insurance policy, guaranty, surety bond, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement or instrument issued by a bank, insurance company, or any entity that is used to perform one or more of the following tasks: (i) enhancing a borrower’s credit by assuring owners of any of debt obligation that principal of and interest thereon will be paid promptly when due; (ii) providing liquidity for the owners of such debt obligations through undertaking to cause such debt obligations to be bought from the owners thereof when submitted; or (iii) remarketing any debt obligations so submitted.

“Debt Service” shall mean the scheduled payment of principal and interest on any Outstanding Bonds; provided that, solely for purposes of Section 3.03, the term “Debt Service” shall mean, in the case of a contractual payment obligation constituting Additional Secured Indebtedness, the total payments during any specified period of time, and in the case of debt obligations, the total principal (including Amortization Installments and payments of principal pursuant to a Put Right) and interest payable during any specified period of time, provided that:

(a) If any relevant debt obligations shall bear interest at a variable rate, the interest payable shall be determined as if the variable rate in effect at all times during the relevant period equaled, at the option of the Authority, either (1) the average of the actual variable rates which were in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (2) the Certified Interest Rate.

(b) If any relevant debt obligations are secured by a Credit Facility, the interest payable shall include (1) any commission or commitment fee obligations with respect to such Credit Facility, (2) the outstanding and unpaid amount of any reimbursement obligation under such Credit Facility and interest thereon, (3) any additional interest owed on such debt obligations which have been purchased by the credit facility issuer pursuant to a Credit Facility Agreement, and (4) any remarketing agent fees.

(c) With respect to Put Bonds, at the option of the Authority, debt service shall either (1) include the actual principal and interest on such Put Bonds, subject to the other assumptions contained herein, or (b) such Put Bonds shall be assumed to be amortized in a manner that results in substantially equal annual amounts to be paid for principal and interest over an assumed period of 20 years at an assumed interest rate, which shall be the interest rate certified by a Financial Advisor to be the interest rate at which the relevant borrower could reasonably expect to borrow the same amount by issuing bonds with the same credit profile as such Put Bonds and with a 20-year term.

(d) Scheduled interest payments on Tax Credit Bonds during any period shall be reduced to reflect Tax Credit Payments attributable to such scheduled interest payments.

“Debt Service Fund” shall mean the Debt Service Fund established under Section 5.06 hereof.

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

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

“Development Agreement” means that certain Development Agreement dated as of July 16, 2020, by and between the Authority and the Team, as amended from time to time.

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

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

“Event of Default” shall have the meaning given to that term in Section 7.01.

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

“Government Obligations” shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

“Indenture” shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto.

“Intergovernmental Agreement” means the Intergovernmental Project Agreement (MLS Project) dated as of December 1, 2020, by and between the Metropolitan Government and the Authority, a copy of which is attached hereto as Exhibit B.

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

“Lease Revenue Fund” shall mean the Sports Authority MLS Lease Revenue Fund established pursuant to Section 5.04 hereof.

“LGPOA” shall mean the provisions of Chapter 21 of Title 9 of the Tennessee Code Annotated, as may be amended from time to time.

“Maximum Debt Service Requirement” shall mean, as of any particular date of calculation, the maximum Debt Service payable on any relevant Bonds and/or Additional Secured Indebtedness (as applicable) during any future Bond Year.

“Metropolitan Government” means The Metropolitan Government of Nashville and Davidson County.

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

“Non-Tax Revenue Fund” shall mean the Sports Authority MLS Non-Tax Revenue Fund established pursuant to Section 5.05 hereof.

“Non-Tax Revenues” shall mean all income and revenues of the Metropolitan Government which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and normal and customary accounting practices of the Metropolitan Government are deposited to and become assets of the General Services District General Fund of the Metropolitan Government, derived from any source other than income and revenues derived from the exercise by the Metropolitan Government of its powers to levy and collect taxes of any kind. The term "Non-Tax Revenues" does not include: ad-valorem property taxes; sales taxes; state-shared taxes; revenues of any agency or instrumentality of the Metropolitan Government; revenues which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and the normal and customary accounting practices of the Metropolitan Government, are deposited to and become assets of any proprietary fund or enterprise fund of the Metropolitan Government; payments made by the Department of Water and Sewerage Services of the Metropolitan Government in lieu of ad valorem taxes pursuant to Resolution No. R96-177 adopted by the Metropolitan County Council on February 29, 1996; lease payments payable to the Metropolitan Government from the stadium currently known as Nissan Stadium; parking revenues from the parking lots surrounding Nissan Stadium; or ticket surcharge revenues collected by the Metropolitan Government or the Authority from patrons of the Authority’s downtown arena currently known as Bridgestone Arena.

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

“Outstanding”, when used with reference to Bonds, shall, subject to the provisions of Section 9.04, mean as of any particular time all the Bonds authenticated and delivered by the Trustee under this Indenture, except:

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

(b) Bonds for the payment or redemption of which moneys or Government Obligations in the necessary amount shall have been deposited in trust with the Trustee, provided that if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for giving such notice; and

(c) Bonds in substitution for which other Bonds shall have been authenticated and delivered pursuant to the terms of Section 2.06.

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

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

“Project” means the major league soccer stadium, the design and construction of which are contemplated by the Development Agreement.

“Put Bonds” mean any debt obligations the holder(s) of which have a Put Right.

“Put Right” means the right to require the debt obligor to pay the entire outstanding principal amount of a debt obligation on a date prior to the scheduled maturity date.

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

“Rebate Fund” shall mean the Rebate Fund established under Section 5.08 hereof.

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

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

“Sales Tax Revenues” shall mean any and all state and local tax revenue derived from the sale of admissions to Team games and also the sale of food and drink sold on the premises of the Stadium in conjunction with those games, parking charges, and related services, as well as the sale by the Team within the Metropolitan Government of authorized franchise goods and products associated with the Team’s operations as a professional sports franchise at the time the Stadium begins operations, which tax revenue is apportioned and distributed to the Metropolitan Government pursuant to Tennessee Code Annotated Section 67-6-103(d) and other applicable provisions of Title 67, Chapter 6 of the Tennessee Code Annotated, as amended.

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

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

“Series 2020 Bonds” shall mean the \$225,000,000 principal amount of Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020 of the Authority issued and from time to time outstanding under this Indenture.

“Stadium” shall mean the soccer stadium, including without limitation, all buildings appurtenant thereto, all other related facilities, fixtures and equipment to be constructed at the Metropolitan Government’s fairgrounds located generally at 300 Rains Avenue, Nashville, Tennessee, the demolition of structures on such site, and all architectural, engineering, legal and consulting costs incident thereto.

“Stadium Lease” shall mean that certain Lease Agreement, dated as of July 16, 2020, between the Authority and the Team, and any successor or subsequent lease, use or similar agreement hereafter executed by the Authority and any lessee or user of the Stadium.

“Stadium Lease Payments” shall mean all payments of rent received by the Authority pursuant to the Stadium Lease (except for any rent payments received by the Authority which are properly allocable to the reimbursement or indemnification of the Authority for costs and expenses incurred by the Authority under any Stadium Lease or otherwise restricted for purposes that do not include the payment of debt service on Bonds).

“Standard & Poor’s” shall mean S&P Global Ratings.

“State” shall mean the State of Tennessee.

“Supplemental Indenture” shall mean an indenture supplemental hereto authorized pursuant to Article X hereof.

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

“Tax Credit Bonds” shall mean any debt obligations with respect to which the issuer thereof has received an opinion of Bond Counsel to the effect that such issuer is entitled to receive payments by the United States Department of the Treasury or other agency of the United States government in offset of the debt service on such debt obligations.

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

“Tax Revenue Fund” shall mean the Sports Authority MLS Tax Revenue Fund established pursuant to Section 5.03 hereof.

“Team” means Walsh Management LLC, a Tennessee limited liability company.

“Term Bonds” shall mean any Bonds which are subject to mandatory redemption prior to their stated maturity.

“Ticket Tax Revenues” means the revenues received by the Authority from the Metropolitan Government under the Intergovernmental Agreement and derived from that portion of the levy by the Metropolitan Council, pursuant to Section 7-3-204, Tennessee Code Annotated, and Substitute Bill No. BL2018-1289, of a ticket tax on admission to all events at the Stadium, dedicated to the payment of debt service on the Bonds.

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

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

“Trustee Expenses” means the expenses, directly or indirectly incurred by the Trustee in connection with its discharge of its responsibilities hereunder.

“Underwriter” shall mean Citigroup Global Markets Inc. and such other underwriters as may be designated by the Authority, with respect to the Series 2020 Bonds, and with respect to Additional Bonds, such Underwriter designated in the Supplemental Indenture.

“Variable Rate Taxable Index” shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as certified by a Financial Advisor.

“Variable Rate Tax-Exempt Index” shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as certified by a Financial Advisor.

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

Section 1.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter gender. The words “Bond”, “holder”, and “person” shall include the plural as well as the singular number unless the context shall otherwise indicate.

Any certificate or opinion made or given by an officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters or information with respect to which is in the possession of the Authority) upon the certificate or opinion of or representations by an officer or officers of the Authority unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

ARTICLE II.
THE BONDS

Section 2.01 Authorization of the Issuance of the Bonds. Pursuant to the authority of the Act and the LGPOA and authorization by the Board, there are hereby authorized to be issued revenue bonds of the Authority to be designated as “Public Improvement Revenue Bonds (MLS Project)”, which Bonds may be issued from time to time in Series in such amounts and in such times as the Authority may from time to time deem to be necessary or advisable as provided in Article III hereof, pursuant to the terms, conditions and limitations of this Indenture, for the purpose of paying the Costs of Construction. The Bonds issued under this Indenture shall contain such variant provisions, if any, as to date, maturity or serial maturities, interest rate or interest rates, redemption terms, shall be entitled to such sinking fund provisions, if any, and shall be limited to such aggregate principal amount, if any, as shall be determined by the Board and set forth in a Supplemental Indenture approved by resolution of the Board at the time any such other Series is authorized. Such Bonds shall be of such denomination or denominations and shall be in such form or forms, not substantially different from the form of Series 2020 Bonds attached hereto as Exhibit A, except as may be occasioned by variant provisions applicable to such Series.

Section 2.02 Security and Source of Payment. All Bonds issued under this Indenture shall be payable solely from the revenues and income which are a part of the Trust Estate and secured by the pledge of and lien on the Trust Estate hereinabove described.

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

Section 2.03 Payment of Bonds. The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and premium, if any, on the Bonds shall be payable at the office of the Trustee, and payment of the interest on each Bond shall be made by the Trustee on each interest payment date to the person appearing on the registration books maintained by the Trustee as the registered owner thereof on the Record Date by check or draft mailed to such registered owner at his address as it appears on such registration books; provided, however, that a registered owner of at least \$1,000,000 in principal amount of Bonds may, by written request filed with the Trustee on or before fifteen (15) days prior to the Record Date, receive payment of interest by wire transfer to a United States financial institution located in the continental United States for credit to an account maintained in the name of the registered owner at such financial institution. Any interest on any Bond which is payable but which is not punctually paid or duly provided for (“Defaulted Interest”) shall cease being payable to the Person in whose name such Bond is registered at the close of business on the Record Date and instead shall be payable to the Person in whose name such Bond is registered in the Bond Register at the close of business on a Special Record Date selected by the Trustee and which shall be at least 10 days but not more than 30 days before the date selected by the Trustee for payment of such Defaulted Interest. The Trustee shall give notice by mail of the Special Record Date and date for payment of Defaulted Interest at least 10 days before the Special Record Date. Payment of the principal of and premium, if any, on all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

Section 2.04 Authentication. Only Bonds authenticated by the endorsement thereon of a certificate substantially in the form hereinbefore recited, executed by the Trustee, by one of its authorized signatories, shall be valid or become obligatory for any purpose or be secured by this Indenture or shall be entitled to any benefit hereunder; and every certificate of the Trustee upon any Bond purporting to be secured hereby shall be conclusive evidence that such Bond so authenticated has been duly authenticated and delivered hereunder, and that the holder is entitled to the benefit of the trusts hereby created.

Section 2.05 Execution of Bonds. All Bonds issued and to be issued under this Indenture shall be executed in the name of the Authority by the manual or facsimile signature of its Chair or Vice-Chair and the seal of the Authority impressed thereon (or a facsimile thereof imprinted thereon) and attested by the manual or facsimile signature of its Secretary/Treasurer or Assistant Secretary/Treasurer. In case any of the officers of the Authority who shall have signed any Bond shall cease to be such officer before the Bond so signed shall have been actually authenticated by the Trustee or delivered or issued, such Bond may be authenticated and delivered and issued with the same effect as though the person who had signed such Bond had not ceased to be an officer of the Authority.

Section 2.06 Temporary Bonds; Lost, Stolen or Destroyed Bonds. Bonds of any Series may be initially issued in temporary form exchangeable for definitive Bonds of the same Series when ready for delivery. The temporary Bonds shall be of such denomination or denominations, without coupons, as may be determined by the Authority, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same Series and maturity of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

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

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

Section 2.07 Registration, Transfer and Exchange. The Trustee shall maintain at its principal corporate trust office in Nashville, Tennessee a register in which, at the Authority's expense (other than transfer taxes, if any) the Trustee shall provide for the registration and transfer of the Bonds. Whenever any Bond shall be surrendered at such office for transfer, the Authority at its expense will execute and deliver in exchange therefor a new Bond or Bonds of the same series and maturity, of authorized denomination or denominations, for the same aggregate principal amount as the Bond so surrendered, provided that any transfer tax relating to such transaction shall be paid by the holder requesting such transfer. The Trustee shall not be required to transfer any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding Interest Payment Date of such Bond or, in the case

of any proposed redemption of Bonds, during any period following the receipt of instructions by the Authority to call such Bond for redemption; provided, however, the Trustee, at its option may make transfers after any of said dates or after such Bonds or any portion thereof have been selected for redemption. The Authority and the Trustee may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, premium, if any, and interest on such Bond and for all other purposes, whether or not such Bond be overdue, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

(a) The Authority may elect to use a Book-entry System for issuance and registration of the Bonds of any Series, and the details of any such Book-entry System shall be fixed by Supplemental Indenture; provided, however, the Series 2020 Bonds shall be issued and registered pursuant to a Book-entry System as set forth in subsection (c) below.

(b) Except as otherwise provided in this subsection, the Series 2020 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2020 Bonds. References in this Section to a Series 2020 Bond or the Series 2020 Bonds shall be construed to mean the Series 2020 Bond or the Series 2020 Bonds that are held under the Book-entry System. One Series 2020 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-entry System shall be employed, evidencing ownership of the Series 2020 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 Series 2020 Bonds. Beneficial ownership interests in the Series 2020 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "*Beneficial Owners*." The Beneficial Owners shall not receive the Series 2020 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 Series 2020 Bonds. Transfers of ownership interests in the Series 2020 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 SERIES 2020 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2020 BONDS FOR ALL PURPOSES UNDER THIS INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OR PURCHASE PRICE OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2020 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS INDENTURE.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2020 Bonds, so long as DTC is the only owner of the Series 2020 Bonds, shall be paid by the Trustee directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series 2020 Bonds from the Authority and the Trustee to DTC (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. The Authority and the Trustee shall not 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 Series 2020 Bonds or (2) the Authority determines that the continuation of the Book-entry System of evidence and transfer of ownership of the Series 2020 Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Series 2020 Bonds, the Authority shall discontinue the Book-entry System

with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Trustee to authenticate and deliver replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds to each Beneficial Owner.

THE AUTHORITY AND THE TRUSTEE SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2020 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 SERIES 2020 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 INDENTURE TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a Book-entry System of evidence and transfer of ownership of the Series 2020 Bonds is discontinued pursuant to the provisions of this Section, the Series 2020 Bonds shall be delivered solely as fully registered Series 2020 Bonds without coupons in the authorized denominations, shall be lettered with the prefix letter identifying the Series of which such Series 2020 Bond is a part, and numbered separately from 1 upward, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions hereof.

The Authority shall not be limited to utilizing a Book-entry System maintained by DTC but may enter into a custody agreement with any bank or trust company serving as custodian (which may be the Trustee serving in the capacity of custodian) to provide for a book-entry or similar method for the registration and registration of transfer of all or a portion of the Series 2020 Bonds.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE SERIES 2020 BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS INDENTURE RELATING TO THE DELIVERY OF PHYSICAL SERIES 2020 BOND CERTIFICATES SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL SUPERSEDE THIS INDENTURE IN THE EVENT OF A CONFLICT.

ARTICLE III.
THE SERIES 2020 BONDS AND ADDITIONAL BONDS

Section 3.01 Series 2020 Bonds. One initial Series of Bonds is authorized to be issued hereunder.

(a) The first Series shall be entitled “Federally Taxable Public Improvement Revenue Bonds (MLS Project), Series 2020” and shall be issued in the aggregate principal amount of \$225,000,000. The Series 2020 Bonds shall be issuable as fully registered, federally taxable bonds in the denomination of \$5,000 and any integral multiple thereof. The Series 2020 Bonds shall be numbered from R-1 upward. The Series 2020 Bonds shall be dated the date of their delivery. Interest on the Series 2020 Bonds shall be payable on February 1 and August 1 of each year commencing August 1, 2021. The Series 2020 Bonds and the Trustee's Certificate of Authentication shall be substantially in the form and be of the tenor and purport, respectively, set forth on Exhibit A hereto.

The Series 2020 Bonds shall bear fixed annual interest rates (computed on the basis of a 360-day year consisting of twelve 30-day months) and mature on August 1 of each year as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
August 1, 2023	\$ 100,000	0.947%
August 1, 2024	5,805,000	1.030
August 1, 2025	5,865,000	1.230
August 1, 2026	5,935,000	1.496
August 1, 2027	6,025,000	1.596
August 1, 2028	6,120,000	1.860
August 1, 2029	6,235,000	1.960
August 1, 2030	6,355,000	2.060
August 1, 2031	6,485,000	2.210
August 1, 2032	6,630,000	2.310
August 1, 2033	6,785,000	2.460
August 1, 2034	6,950,000	2.560
August 1, 2035	7,130,000	2.660
August 1, 2040	38,870,000	3.019
August 1, 2051	109,710,000	3.169

Section 3.02 Delivery of the Series 2020 Bonds; Application of Proceeds.

(a) Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2020 Bonds to be issued in the aggregate principal amount of \$225,000,000 and deliver them to the Underwriter as may be directed by the Authority as hereinafter in this Section provided. Prior to the delivery on original issuance by the Trustee of any of the Series 2020 Bonds, there shall be or have been delivered to the Trustee:

(i) original duly executed counterparts of this Indenture and the Intergovernmental Agreement;

(ii) a certified resolution of the Board authorizing the execution and delivery of this Indenture and the issuance, sale, execution and delivery of the Series 2020 Bonds and the purchase agreement pursuant to which the Series 2020 Bonds were sold to the Underwriter;

(iii) a certified resolution of the Metropolitan Council of the Metropolitan Government authorizing the execution and delivery of the Intergovernmental Agreement and approving the issuance and sale of the Series 2020 Bonds by the Authority;

(iv) a request and authorization to the Trustee on behalf of the Authority and signed by the Chair and Secretary of the Authority to authenticate and deliver the Series 2020 Bonds in the aggregate principal amount of \$225,000,000 to the Underwriter upon payment to the Trustee, but for the account of the Authority, of a sum specified in such request and authorization equal to the purchase price of the Series 2020 Bonds;

(v) a written opinion of counsel to the Metropolitan Government, addressed to the Trustee, as to the legal, valid and binding nature of the Intergovernmental Agreement as against the Metropolitan Government, and such other matters as may be reasonably required by Bond Counsel;

(vi) a written opinion of counsel to the Authority, addressed to the Trustee, as to the due organization and existence of the Authority, the legal, valid and binding nature of the Indenture, as against the Authority, and such other matters as may be reasonably required by Bond Counsel;

(vii) an opinion of Bond Counsel acceptable to the Trustee to the effect that (i) the Series 2020 Bonds are valid and binding obligations of the Authority and enforceable in accordance with their terms and the terms of this Indenture, subject to bankruptcy and insolvency laws; (ii) the Series 2020 Bonds have been duly and validly authorized and issued in accordance with law and this Indenture; and (iii) the Indenture constitutes a valid first lien on the Trust Estate; and

(viii) such other agreements, certificates, documents and opinions as are required to be delivered to the Underwriter, each in form and substance satisfactory to the Trustee and, as to opinions, addressed to the Trustee if the Trustee so directs.

(b) The proceeds of sale of the Series 2020 Bonds shall be paid over to the Trustee and \$215,442,451.50 of such proceeds shall be deposited to the credit of the Construction Fund, and \$8,461,027.96 shall be deposited to the credit of the Capitalized Interest Fund.

Section 3.03 Additional Bonds. The Authority covenants and agrees that no additional Series of Bonds shall be issued hereunder except in accordance with the terms and conditions of this Section 3.03 and Article X hereof.

(a) Additional Bonds may be issued on a parity and equality of lien on the Trust Estate with the Series 2020 Bonds if all the following conditions are met:

(i) all of the payments into the respective funds and accounts provided for in this Indenture shall have been made in full to the date of issuance of said Additional Bonds;

(ii) the Authority shall be in substantial compliance with all of the covenants, agreements and terms of this Indenture;

(iii) the Metropolitan Government shall be in substantial compliance with all of the covenants, agreements and terms of the Intergovernmental Agreement;

(iv) the Additional Bonds shall be issued only for the purpose of providing funds to (i) pay additional Costs of Construction of the Project, or (ii) refund any or all of the Outstanding Bonds; and

(v) either:

A. the Additional Bonds are issued solely for the purpose of refunding and Outstanding Bonds and the refunding results in a reduction in Debt Service payable by the Authority hereunder; or

B. following the issuance of the Additional Bonds, (i) the total amount of Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded Fiscal Year of the Metropolitan Government equals or exceeds two (2) times the Maximum Debt Service Requirement with respect to the Outstanding Bonds hereunder and any Additional Secured Indebtedness.

(b) Additional Bonds authorized to be issued under this Indenture shall be in such denomination or denominations, shall contain such variant provisions, if any, as to date, maturity or serial maturities, interest rate or interest rates, redemption terms, sinking fund provisions, if any, and shall be limited to such aggregate principal amount, as shall be set forth in a Supplemental Indenture adopted pursuant to Section 10.01 hereof at the time such Additional Bonds are authorized.

(c) So long as no Event of Default shall be continuing hereunder, the Authority may issue Additional Bonds under this Indenture pursuant to the provisions and limitations herein set forth for any one or more purposes set forth herein; provided, however, that in no event shall the Authority issue any Additional Bonds hereunder if as a result of the issuance thereof the interest on any Outstanding Tax-Exempt Bonds will not be excludable from the gross income of the recipients thereof for federal income tax purposes. Additional Bonds of each Series shall be executed by the Authority and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to or upon the Written Request of the Authority, but only upon receipt by the Trustee of:

(i) A copy of a certified resolution of the Authority authorizing a Supplemental Indenture authorizing the new Series.

(ii) An executed counterpart of a Supplemental Indenture setting forth the provisions of the Additional Bonds.

(iii) An opinion of Bond Counsel acceptable to Trustee to the effect that (i) such Additional Bonds are valid and binding obligations of the Authority and enforceable in accordance

with their terms and the terms of this Indenture, subject to bankruptcy and insolvency laws; (ii) such Additional Bonds have been duly and validly authorized and issued in accordance with law and this Indenture; (iii) the Indenture constitutes a valid first lien on the Trust Estate.

(iv) An Officers' Certificate of the Authority stating that on the date of the authentication and delivery of such Additional Bonds the Authority is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions applicable to the Authority under this Indenture.

(v) A certified resolution of the Metropolitan Council of the Metropolitan Government stating that the Metropolitan Government approves the issuance of the Additional Bonds and an Officer's Certificate stating that the Metropolitan Government is not in default in the performance or observance of any of the covenants, conditions, agreements, or provisions applicable to the Metropolitan Government under the Intergovernmental Agreement.

(vi) The purchase price or consideration of the Additional Bonds being delivered as stated in the Supplemental Indenture.

(vii) A Written Request of the Authority for the authentication and delivery of Additional Bonds.

(viii) In the case of Additional Bonds issued for the purpose of redeeming Bonds of any Series prior to their stated maturity or maturities, such additional documents as shall be required by the Trustee to show that provision has been duly made in accordance with the terms of this Indenture for redemption of all of the Bonds to be refunded.

The proceeds from the sale of Additional Bonds received by the Trustee shall be applied by the Trustee as set forth in the Supplemental Indenture.

Section 3.04 Ratable Security. All Bonds of all Series from time to time Outstanding under this Indenture shall be equally and ratably secured as to principal, premium, if any, and interest by this Indenture.

ARTICLE IV. REDEMPTION OF BONDS

Section 4.01 General Provisions Regarding Redemption. The Series 2020 Bonds shall be redeemable pursuant to the provisions of Sections 4.02 hereof and Bonds of other Series shall be so redeemable pursuant to the provisions of Section 4.07 hereof. The Authority covenants that any and all such moneys received by it which are to be used to redeem Bonds shall be paid to the Trustee under this Indenture and, in such event, the Trustee shall use any and all such moneys to redeem Bonds when and as the Bonds shall in accordance with their terms be redeemable.

Section 4.02 Optional Redemption. The Series 2020 Bonds maturing on or after August 1, 2031 are subject to redemption by the Authority on or after August 1, 2030, in whole or in part (and if in part, on a pro rata basis as described below) at any time, from any moneys that may be available for such purpose, upon payment of the price of par plus interest accrued to the redemption date.

Section 4.03 Mandatory Sinking Fund Redemption of Series 2020 Bonds. The Series 2020 Bonds maturing August 1, 2040 and August 1, 2051 are subject to mandatory sinking fund redemption (on a pro rata basis as described below) on February 1 of each of the dates set forth below at a redemption

price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed plus accrued interest to the date of redemption in the years and in the principal amounts indicated below:

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
August 1, 2040	August 1, 2036	\$7,320,000
	August 1, 2037	7,540,000
	August 1, 2038	7,765,000
	August 1, 2039	8,000,000
	August 1, 2040*	8,245,000
August 1, 2051	August 1, 2041	\$8,490,000
	August 1, 2042	8,760,000
	August 1, 2043	9,040,000
	August 1, 2044	9,325,000
	August 1, 2045	9,620,000
	August 1, 2046	9,925,000
	August 1, 2047	10,240,000
	August 1, 2048	10,565,000
	August 1, 2049	10,900,000
	August 1, 2050	11,245,000
	August 1, 2051*	11,600,000

*Final Maturity

The principal amount of the Series 2020 Bonds to be called for redemption pursuant to this Section 4.03 shall, at the option of the Authority, be reduced by the principal amount of such Series of Bonds which, at least 60 days prior to the redemption date specified above, have been (1) purchased by the Authority and delivered to the Trustee for cancellation or (2) redeemed pursuant to any other section of this Indenture and, in either case, not previously applied as a credit against the obligation to redeem the Series 2020 Bonds pursuant to this Section 4.03.

Section 4.04 Partial Redemption.

(a) Except as may otherwise be set forth in a Supplemental Indenture, if less than all of the Bonds of a Series are called for optional redemption, the Board shall select the Series of Bonds to be redeemed, the maturity or maturities of Bonds to be redeemed and the amounts of such maturity or maturities to be redeemed by notifying the Trustee of such selection in writing. If less than all of the Bonds of a particular maturity of a Series shall be called for optional redemption, the particular portions (\$5,000 or any integral multiple thereof) of Bonds to be redeemed shall be selected by the Trustee on a pro rata basis determined by (i) dividing the principal amount of the Bonds of the maturity to be optionally redeemed by the total principal amount of such maturity of the Bonds then Outstanding, and (ii) multiplying such quotient by the principal amount of such maturity of Bonds held by each Beneficial Owner.

(b) Except as may otherwise be set forth in a Supplemental Indenture, Bonds shall be called for mandatory redemption on a pro rata basis determined by (i) dividing the principal amount of the Bonds of the maturity to be redeemed on a mandatory sinking fund redemption date by the total principal amount of such maturity of the Bonds then Outstanding, and (ii) multiplying such quotient by the principal amount of such maturity of Bonds held by each Beneficial Owner.

Section 4.05 Notice of Redemption.

(a) Notice of call for redemption, whether optional or mandatory, shall be given by the Trustee not less than thirty (30) 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 Trustee 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 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 Trustee 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 Trustee to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Authority 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 or Beneficial Owner will not affect the validity of such redemption. The Trustee shall mail said notices as and when directed by the Authority pursuant to written instructions from an Authorized Authority Representative (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given to the Trustee at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Trustee). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Trustee for the payment thereof and if notice has been duly provided as set forth herein.

(b) The redemption notice shall contain with respect to each Bond being redeemed, (1) the CUSIP number, (2) the date of issue, (3) the interest rate, (4) the maturity date, and (5) any other descriptive information determined by the Trustee to be needed to identify the Bonds. If a redemption is a Conditional Redemption, the notice shall so state. The Trustee shall also send each notice of redemption at least thirty (30) days before the redemption date to (A) any rating service then rating the Bonds to be redeemed; and (B) the Municipal Securities Rulemaking Board at www.emma.msrb.org (or any successor information repository).

(c) On or before the date fixed for redemption, moneys shall be deposited with the Trustee to pay the principal of, redemption premium, if any, and interest accrued to the redemption date on the Bonds called for redemption. In the case of a Conditional Redemption, the failure of the Authority or 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 Trustee 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.

Section 4.06 Effect of Redemption. Notice having been given in the manner and under the conditions provided in Section 4.05 hereof, and moneys for payment of the redemption price being held by the Trustee as provided in this Indenture: (i) the Bonds, or portions of Bonds, so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price provided for in the notice of redemption for such Bonds, or portions of Bonds, and on such date interest on the Bonds, or portions of Bonds, so called for redemption shall cease to accrue, (ii) such Bonds, or portions of Bonds, shall cease to be entitled to any lien, benefit or security under this Indenture, and (iii) the holders of said Bonds, or portions of Bonds, shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Section 4.07 Redemption of Additional Bonds. Bonds of each other Series are redeemable in the manner, at the time or times and at the premiums, if any, specified in the Supplemental Indenture relating to such series.

ARTICLE V.
ACCOUNTS AND INVESTMENT OF FUNDS

Section 5.01 Creation of Construction Fund.

(a) There is hereby created and established with the Authority a fund to be designated “The Sports Authority of The Metropolitan Government of Nashville and Davidson County, Construction Fund (MLS Project), Series 2020” to be kept separate and apart from all other funds of the Authority.

(b) There shall be deposited to the Construction Fund (i) the amount set forth in Section 3.02(b), (ii) amounts on deposit in the Capitalized Interest Fund, if and as described in Section 5.02(c), (iii) amounts as may be designated by a Supplemental Indenture relative to Additional Bonds, and (iii) such other amounts as the Authority may direct. Amounts on deposit in the Construction Fund shall be disbursed solely to pay the Costs of Construction of the Project including the costs of issuance of the Series 2020 Bonds. Amounts on deposit in the Construction Fund shall be disbursed by an Authorized Authority Representative in accordance with the obligations of the Authority under, and the procedures set forth in, the Development Agreement.

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

(d) Notwithstanding the foregoing, if the Authority shall determine, in accordance with the terms of the Development Agreement, that there are no further Costs of Construction of the Project to be funded from the Construction Fund, then the Authority shall cause all amounts then on deposit in the Construction Fund to be transferred to the Trustee for deposit in the Debt Service Fund and application to the payment of debt service on the Series 2020 Bonds in the manner contemplated by Section 5.06 hereof. The Trustee shall not be required to accept transfer of such funds unless it has received a certificate of an Authorized Authority Representative to the effect that, in accordance with the terms of the Development Agreement, there are no further Costs of Construction of the Project to be funded from the Construction Fund.

Section 5.02 Capitalized Interest Fund.

(a) There is hereby created by the Authority and ordered established with the Trustee an irrevocable trust fund to be designated "Sports Authority MLS Capitalized Interest Fund" which shall be used as herein provided.

(b) There shall be deposited to the Capitalized Interest Fund (i) proceeds of the Series 2020 Bonds as contemplated by Section 3.02(b), and (ii) such other proceeds as may be identified by a Supplemental Indenture relative to Additional Bonds.

(c) Amounts on deposit in the Capitalized Interest Fund shall be applied in the manner described in Section 5.07. Notwithstanding the foregoing, at any time following the February 1, 2022 Debt Service Payment Date and provided that amounts on deposit in the Construction Fund have not been transferred to the Debt Service Fund pursuant to Section 5.01(d), upon receipt by the Trustee of a Written Request, all amounts then on deposit in the Capitalized Interest Fund shall be paid by the Trustee to the Authority, for deposit to the Construction Fund.

Section 5.03 Tax Revenue Fund.

(a) There is hereby created by the Authority and ordered established with the Trustee an irrevocable trust fund to be designated "Sports Authority MLS Tax Revenue Fund" which shall be used as herein provided.

(b) There shall be deposited to the Tax Revenue Fund all Sales Tax Revenues and Ticket Tax Revenues, as and when received by the Authority.

(c) Amounts on deposit in the Tax Revenue Fund shall be applied in the manner described in Section 5.07.

Section 5.04 Lease Revenue Fund.

(a) There is hereby created by the Authority and ordered established with the Trustee an irrevocable trust fund to be designated "Sports Authority MLS Lease Revenue Fund" which shall be used as herein provided.

(b) There shall be deposited to the Lease Revenue Fund all Stadium Lease Payments, as and when received by the Authority.

(c) Amounts on deposit in the Lease Revenue Fund shall be applied in the manner described in Section 5.07.

Section 5.05 Non-Tax Revenue Fund.

(a) There is hereby created by the Authority and ordered established with the Trustee an irrevocable trust fund to be designated "Sports Authority MLS Non-Tax Revenue Fund" which shall be used as herein provided.

(b) There shall be deposited to the Non-Tax Revenue Fund all Non-Tax Revenues paid by the Metropolitan Government to or on behalf of the Authority pursuant to the Intergovernmental Agreement.

(c) Amounts on deposit in the Non-Tax Revenue Fund shall be applied in the manner described in Section 5.07.

Section 5.06 Debt Service Fund.

(a) There is hereby created by the Authority and ordered established with the Trustee an irrevocable trust fund to be designated "Sports Authority MLS Debt Service Fund" which shall be used to pay the principal of and interest on the Bonds as herein provided.

(b) There shall be deposited into the Debt Service Fund: (i) amounts transferred from the Capitalized Interest Fund, Tax Revenue Fund, Lease Revenue Fund and Non-Tax Revenue Fund in the

manner described in Section 5.07 below; (ii) amounts transferred from the Construction Fund in the manner described in Section 5.01(d); and (iii) any such other amounts as may be directed by the Authority.

(c) Amounts on deposit in the Debt Service Fund shall be used to pay debt service on the Bonds, as described in Section 5.07 below.

Section 5.07 Flow of Funds; Requisition of Non-Tax Revenues.

(a) Monies in the Capitalized Interest Fund, Tax Revenue Fund, Lease Revenue Fund and Non-Tax Revenue Fund shall be used, in that order, to pay Trustee Expenses as and when due.

(b) Monies in the Capitalized Interest Fund, Tax Revenue Fund, Lease Revenue Fund and Non-Tax Revenue Fund shall be transferred to the Debt Service Fund in the following manner:

(i) On the 30th day preceding each Debt Service Payment Date, the Trustee will provide the Authority notice of (A) the Debt Service due and payable on the ensuing Debt Service Payment Date, (B) the amount then on deposit in the Capitalized Interest Fund, Lease Revenue Fund and Tax Revenue Fund, and (C) the difference between (A) and (B).

(ii) In the event amounts on deposit in the Capitalized Interest Fund, Tax Revenue Fund, and Lease Revenue Fund on the 20th day preceding any Debt Service Payment Date are insufficient to provide for the payment of all Debt Service coming due on such Debt Service Payment Date, the Trustee shall immediately notify the Metropolitan Government and the Authority of such event and the amount of such insufficiency that exists in the Capitalized Interest Fund, Tax Revenue Fund and Lease Revenue Fund. If there still remains a deficiency in the Capitalized Interest Fund, Tax Revenue Fund and the Lease Revenue Fund as of the 5th day prior to a Debt Service Payment Date, the Trustee shall immediately, and in no event later than the close of business such 5th day prior to the Debt Service Payment Date, notify the Metropolitan Government and the Authority of such remaining deficiency and the amount of such deficiency in the Capitalized Interest Fund, Tax Revenue Fund and Lease Revenue Fund. Upon being so notified by the Trustee of the remaining deficiency, the Authority shall cause the Metropolitan Government, pursuant to the Intergovernmental Agreement, to deposit to the Non-Tax Revenue Fund an amount of Non-Tax Revenues equal to such insufficiency no later than three Business Days prior to such Debt Service Payment Date.

(iii) Immediately prior to such Debt Service Payment Date, the Trustee shall:

(A) FIRST, transfer the amount necessary to provide for such Debt Service Payment from the Capitalized Interest Fund to the Debt Service Fund; and

(B) SECOND, transfer any remaining amount necessary to provide for such Debt Service Payment from the Tax Revenue Fund to the Debt Service Fund; and

(C) THIRD, transfer any remaining amount necessary to provide for such Debt Service Payment from the Lease Revenue Fund to the Debt Service Fund; and

(D) FOURTH, transfer the remaining amount necessary to provide for such Debt Service Payment from the Non-Tax Revenue Fund to the Debt Service Fund.

(iv) The Trustee shall use amounts on deposit in the Debt Service Fund to pay, as and when due, the principal of and interest coming due on the Bonds on such Debt Service Payment Date.

(v) After all of the transfers contemplated by (iii) above have been made and the Debt Service Payment has been made in full, any remaining amounts: (A) in the Capitalized Interest Fund shall be retained therein; (B) in the Tax Revenue Fund shall be retained therein if not paid as set forth in the last sentence of this paragraph, (C) in the Lease Revenue Fund shall be retained therein, and (D) in the Non-Tax Revenue Fund shall be paid to the Authority. Notwithstanding the foregoing, any amounts remaining on deposit in the Tax Revenue Fund following a Principal Maturity Date shall be paid to the Authority, which shall apply any such funds to the reimbursement of the Metropolitan Government for any Non-Tax Revenues theretofore applied to the payment of debt service on the Bonds, and/or to the reimbursement of the Team for any Stadium Lease Payments theretofore applied to pay debt service on the Bonds, all in accordance with the terms of the Stadium Lease and the Intergovernmental Agreement.

(c) The Trustee shall make monthly reports to the Authority of all moneys received and expended by it.

Section 5.08 Rebate Fund.

(a) The Authority hereby authorizes the Trustee to establish, upon Written Request, a special trust fund is hereby established with the Trustee and designated as the "Sports Authority MLS Rebate Fund". The Trustee is authorized and directed to receive and hold in the Rebate Fund (i) all payments made thereto by or on behalf of the Authority, and (ii) all earnings on investment of such payments and earnings on reinvestment of such investment earnings. The Trustee shall cause any amounts on deposit in the Rebate Fund to be applied pursuant to Written Request.

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

Section 5.09 Application of Funds to Defeasance of Bonds. Notwithstanding anything herein to the contrary: (i) upon receipt by the Trustee of a Written Request from the Authority, and (ii) when the amounts on deposit in each of the funds and accounts described in this Article V are, together with any other funds provided by the Authority for the purposes described in Section 11.01(a) and/or (b), sufficient to provide for the payment and/or defeasance of all Outstanding Bonds as contemplated by Section 11.01(a) and/or (b), and (iii) the Authority has satisfied all other requirements of Article XI hereof necessary to defease all Outstanding Bonds; then all amounts on deposit in each of the funds and accounts described in this Article V, other than the Rebate Fund, shall be transferred and applied to the purposes described in Section 11.01(a) and/or (b).

Section 5.10 Trust Funds. All moneys received by the Trustee and the Authority under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachments of any creditor of the Authority except as herein set forth. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

Section 5.11 Investment of Funds. Any moneys held as part of the Capitalized Interest Fund, Tax Revenue Fund, Lease Revenue Fund, Non-Tax Revenue Fund, Debt Service Fund and the Rebate Fund shall, to the extent permitted by law, at the written request of and as specified by an Authorized Authority Representative, be invested and reinvested in Authorized Investments. Any such investments shall be held by or under the control of the Trustee, and shall be deemed at all times a part of the Capitalized

Interest Fund, Tax Revenue Fund, Lease Revenue Fund, Non-Tax Revenue Fund, Debt Service Fund and the Rebate Fund, as the case may be, and the interest accruing thereon and any profit realized from such investments shall be credited to the respective Fund, and any loss resulting from such investments shall be charged to such Fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any such fund is insufficient to pay amounts properly payable therefrom. The Trustee may make any and all investments permitted under this Section through its own Bond Department.

Section 5.12 Remaining Amounts in Funds. Any amounts remaining in any fund established hereunder after payment in full of the principal of, interest and premium, if any, on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges and expenses of the Trustee and any paying agents and all other amounts required to be paid hereunder including rebate to the United States government, shall be promptly paid to the Authority.

ARTICLE VI. COVENANTS OF THE AUTHORITY

Section 6.01 Payment of Bonds; Limited Obligations. Subject to the provisions of Sections 2.02 and 6.08 hereof, the Authority covenants that it will promptly pay the principal of and interest on every Bond issued under the provisions of this Indenture at the place, on the dates and in the manner provided herein and in said Bonds, and any premium required for the retirement of said Bonds by purchase or redemption according to the true intent and meaning thereof, and, on or before each date on which any principal of or premium, if any, or interest on any of the Bonds becomes payable, whether at stated maturity thereof, by call for redemption, by declaration or otherwise, the Authority will irrevocably deposit or cause to be deposited with the Trustee under the trusts hereof, the entire amount necessary to pay all the principal, premium, if any, and interest payable on such date on all Bonds then Outstanding.

Section 6.02 Books and Records. The Authority covenants and agrees to keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the revenues received or disbursed pursuant to this Indenture and amount thereof forwarded to the Trustee, and such books shall be available for inspection by the Trustee and the holder of any of the Bonds at reasonable hours and under reasonable conditions. The Authority shall, within 270 days after the close of each Fiscal Year, cause the books, records and accounts of the Authority for such preceding Fiscal Year to be properly audited by independent certified public accountants, which such audited financial statements may be included with the audited financial statements of the Metropolitan Government.

Section 6.03 Intergovernmental Agreement. The Authority covenants and agrees to enforce the obligations of the Metropolitan Government under the Intergovernmental Agreement. The Authority shall not consent to any amendment, change or modification of the Intergovernmental Agreement except (i) for the purpose of curing any ambiguity or formal defect or omission, or (ii) in connection with any other change therein which, in an Opinion of Counsel, does not adversely affect the rights of the holders of the Bonds.

Section 6.04 Collection and Maintenance of Sales Tax Revenues, Ticket Tax Revenues and Non-Tax Revenues. The Authority shall take all steps necessary to collect and receive the Sales Tax Revenues, the Ticket Tax Revenues and the Non-Tax Revenues and shall not take any action or permit to be taken any action which would in any way cause the Sales Tax Revenues or the Ticket Tax Revenues to be applied to any purpose other than the payment of Debt Service on the Bonds.

Section 6.05 Completion of Stadium; Enforcement of Development Agreement and Stadium Lease. The Authority will take all reasonable steps, subject to the funds available from the proceeds of the Series 2020 Bonds, to cause the timely completion of construction of the Stadium in a manner suitable for its intended purposes, including without limitation enforcing the terms of the Development Agreement and any construction management or other agreement related to the construction of the Stadium. The Authority will take all reasonable steps to enforce the terms of the Stadium Lease, and will not amend the Stadium Lease in any manner which would materially reduce the rent payable by the Team thereunder.

Section 6.06 Further Assurances. The Authority will, at their cost, without expense to the Trustee or the holders of the Bonds, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged, and delivered all and every such further acts, conveyances, mortgages, assignments, transfers and assurances as the Trustee shall require, for the better assuring, conveying, mortgaging, assigning and confirming unto the Trustee the Trust Estate hereby mortgaged, conveyed or assigned or intended so to be, or which the Authority may be or may hereafter become bound to mortgage, convey or assign to the Trustee, or for carrying out the intention or facilitating the performance of the terms of this Indenture.

Section 6.07 Tax Compliance. The Authority covenants that it will restrict the use of the proceeds of any Tax Exempt Bonds in such manner and to such extent, if any, as may be necessary so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code. The Chair or Vice-Chair of the Board, the Director of Finance of the Metropolitan Government or any other officer having responsibility for the issuance of such Series of Tax-Exempt Bonds shall give an appropriate certificate of the Authority and the Metropolitan Government, as applicable, for inclusion in the transcript of proceedings for such Series of Tax-Exempt Bonds, setting forth the reasonable expectations regarding the amount and use of all the proceeds of the Series of Tax-Exempt Bonds, the facts, circumstances, and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Series of Tax-Exempt Bonds. Each such officer is further authorized to make or effect any election, selection, choice, consent, approval, or waiver on behalf of the Authority with respect to each Series of Tax-Exempt Bonds as the Authority is permitted or required to make or give under the federal income tax laws, for the purposes of assuring, enhancing, or protecting favorable tax treatment or characterization of the Series of Tax-Exempt Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such officer. Any such action of such officer shall be in writing and signed by the officer.

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

Section 6.08 Limitation on Liability. Anything in this Indenture to the contrary notwithstanding, the performance by the Authority of all duties and obligations imposed upon it hereby,

the exercise by them of all powers granted to them hereunder, the carrying out of all covenants, agreements, and promises made by them hereunder, and the liability of the Authority for all warranties and other covenants hereunder, shall be limited solely to the Trust Estate, including revenues and receipts which are a part thereof, and the Authority shall not be required to effectuate any of their duties, obligations, powers or covenants hereunder except to the extent of the Trust Estate and such revenues and receipts.

ARTICLE VII.
EVENTS OF DEFAULT; REMEDIES

Section 7.01 Events of Default. An Event of Default shall occur hereunder if one or more of the following events shall happen:

(a) if default shall be made in the due and punctual payment of the principal of, or interest or premium (if any) on any Bond when and as the same shall become due and payable;

(b) subject to the provisions of Section 7.05 hereof, if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on their part in this Indenture or in the Bonds contained, and such default shall have continued for a period of 60 days after written notice thereof specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the holders of not less than 25% in aggregate principal amount of the Bonds at the time outstanding; or

(c) if (i) the Authority files a petition in bankruptcy or for composition under any State or Federal bankruptcy or insolvency law, or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver for itself or the whole or any part of its property, or (ii) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Authority, of the whole or any part of its property, or approving a petition filed against the Authority seeking the bankruptcy or arrangement or reorganization of the Authority under any applicable law or statute of the United States or the State of Tennessee and such order, judgment or decree shall not be vacated, set aside or stayed within sixty days from the date of the entry thereof, or (iii) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control, and if as a result of any of the foregoing events described in clauses (i) to (iii) any court, trustee or receiver either (A) asserts jurisdiction over or attempts in any way to obtain possession of any part of the Trust Estate, or (B) seeks to disaffirm or reject any obligations of the Authority under the Indenture or the Bonds.

Section 7.02 Rights and Remedies. The Trustee, in case of the happening of an Event of Default specified in Section 7.01 hereof, may, and upon the written request of the holders of not less than 25% in principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction, shall exercise any or all rights of the Authority under the Intergovernmental Agreement.

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

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

Section 7.03 Application of Moneys. The proceeds of any remedial action taken pursuant to this Article VII shall be paid to and applied by the Trustee as follows:

(a) To the payment of all reasonable costs and expenses of suit, if any, and the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made hereunder by the Trustee or by any holder or holders of the Bonds, and of all taxes, assessments or liens superior to the lien of these presents;

(b) To the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

(c) To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on the principal amount of the Bonds at the respective rates specified therein from the respective dates upon which the Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with the interest, then to the payment first of the interest, ratably, according to the amount of the interest due on that date, and then to the payment of the principal, ratably, according to the amount of the principal due on that date, to the persons entitled thereto without any discrimination.

(d) To the payment of the surplus, if any, to the Authority, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 7.04 No Waivers. No delay or omission of the Trustee or of any holder of any of the Bonds to exercise any right or power arising from any default on the part of the Authority shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Trustee or Bondholders of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing.

Section 7.05 Limitation on Suits. No Bondholder shall have any right to institute or prosecute any suit or proceeding at law or in equity for the foreclosure hereof, for the appointment of a receiver of the Trust Estate, or for the enforcement of any of the provisions hereof or of any remedies hereunder in respect to the Trust Estate unless (a) the holders of twenty-five per cent (25%) in aggregate

principal amount of the Bonds then outstanding have requested the Trustee in writing to take such action; (b) the holders of the Bonds shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and (c) the Trustee shall have neglected for 60 days after its receipt of such written notice and offer of indemnity to take such action; provided, however, that the right of any holder of any Bond to receive payment of the principal thereof and/or premium, if any, and/or interest thereon on or after the respective due dates expressed therein or to institute suit for the enforcement of any such payment shall not be impaired or affected without the consent of such holder.

ARTICLE VIII. THE TRUSTEE

Section 8.01 Reports of Trustee. The Trustee shall furnish to the Authority the reports required by Section 5.07(c) on a monthly basis. Not more than two months after the close of each Fiscal Year of the Authority, the Trustee shall furnish to the Authority a complete financial statement covering receipts, disbursements, allocation and application of revenues for such Fiscal Year accruing to the Trust Estate and dates and amount thereof forwarded to the Trustee for such Fiscal Year. The Trustee shall at all times have access to the books and records of the Authority. The records of the Trustee pertaining to the Bonds shall be available to and open for inspection by the Authority or any Bondholder upon reasonable notice and the Authority covenants that it shall promptly furnish the Trustee such additional information as is deemed necessary by the Trustee to carry out the provisions of this Indenture and the trust created hereby.

Section 8.02 Acceptance of Trust and Obligations. The Trustee shall, prior to an event of default as defined in Section 7.01, and after the curing of all such events of default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any such event of default (which has not been cured) exercise such rights and powers vested in it by this Indenture and may in its discretion, but shall have no affirmative duty to, take such other actions as it deems to be in the best interest of the Bondholders, exercising such discretion with the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

(a) prior to such an event of default hereunder and after the curing of all such events of default which may have occurred, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any Officers' Certificate, certificate of Authorized Authority Representative, or Opinion of Counsel furnished to the Trustee and believed by it to be genuine and executed by the person or persons authorized to furnish the same, unless the Trustee knows that the matters upon which the certificate or opinion is based are erroneous; and

(b) at all times, regardless of whether or not any such event of default shall exist:

(i) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee unless the Trustee was guilty of willful misconduct or grossly negligent in ascertaining or failing to ascertain the pertinent facts; and

(ii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority (or such lesser or greater percentage as is specifically required or permitted by this Indenture) in

aggregate principal amount of all Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee.

Section 8.03 Condition to Acceptance of Trust. Except as otherwise provided in Section 8.01,

(a) the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, Bond or other paper or documents believed by it to be genuine and to have been signed or affixed or presented by the proper party or parties;

(b) any notice, request, direction, election, order or demand of the Authority mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Authority by any officer of the Authority (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Board of Directors of the Authority may be evidenced to the Trustee by a Certified Resolution;

(c) in the administration of the trusts of the Indenture, the Trustee may execute any of the trusts or powers hereof directly or through its agents or attorneys and the Trustee may consult with counsel (who may be but need not necessarily be counsel for the Authority) and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) whenever in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be exclusively proved and established by an Officers' Certificate of the Authority; and such Officers' Certificate of the Authority shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(e) the recitals herein and in the Bonds (except the Trustee's certificate of authentication thereon) shall be taken as the statement of the Authority and shall not be considered as made by, or imposing any obligation or liability upon, the Trustee. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Authority, or as to the security afforded thereby or hereby, or as to the validity of this Indenture or of the Bonds issued hereunder, and the Trustee shall incur no liability or responsibility in respect of any of such matters;

(f) the Trustee shall not be personally liable in case of entry by it upon the Trust Estate for debts contracted or liability or damages incurred in the management or operation of the Trust Estate. The Trustee shall not in any event be required to take, defend or appear in any legal action or proceeding hereunder or to exercise any of the trusts or powers hereof unless it shall first be adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred thereby. Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this subsection (f);

(g) the Trustee shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements herein or any contracts or securities assigned or conveyed to or mortgaged with the Trustee hereunder contained to be performed or observed by the Authority or any party

to such contracts or securities; nor shall the Trustee have any obligation, duty or liability under any of such agreements. The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any default or event of default specified in Section 7.01(b), (c), (d) or (e) hereunder unless the Trustee shall receive from the Authority or the holder of any Bond written notice stating that a default or event of default hereunder has occurred and specifying the same, and in the absence of such notice the Trustee may conclusively assume that there is no such default or event of default. Every provision contained in this Indenture or in any such contract or security wherein it is provided that the duty of the Trustee to take action or omit to take action or to permit the Authority or any party to any such agreement to do any act or thing depends on the occurrence and continuance of such default or event of default hereunder or thereunder shall be subject to the provisions of this subsection (g);

(h) no duty with respect to effecting or maintaining insurance shall rest upon the Trustee and the Trustee shall not be responsible for any loss by reason of want or insufficiency of insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Authority or any other person;

(i) it shall be no part of the duty of the Trustee to see to any recording, filing or registration of this Indenture, any contracts or securities assigned or conveyed to or mortgaged with the Trustee hereunder, any instrument of further assurance, or any supplement to any of said instruments, or to see to the payment of any fees, charges or taxes in connection therewith, or to give any notice thereof, or be under any duty in respect to any tax or assessment or other governmental charge which may be levied or assessed on the Trust Estate or any part thereof or against the Authority. The Trustee shall be under no obligation to see to the payment or discharge of any liens upon the Trust Estate;

(j) the Trustee shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Authority or the holder of any Bond;

(k) the Trustee shall not be under any obligation to give any consent, enter into any agreement, release any property or to take any other action which is discretionary with the Trustee under the provisions hereof except on written request of the holders of not less than any applicable specified percentage provided for in this Indenture or if no percentage is specified then 66-2/3% in principal amount of the Bonds outstanding hereunder;

(l) none of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it; and

(m) the Trustee shall not be accountable for the use of proceeds from the sale of the Bonds disbursed by it in accordance with the provisions of this Indenture.

Section 8.04 No Representations of Trustee. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority of any of the Bonds authenticated or delivered hereunder or of the proceeds of such Bonds unless deposited with the Trustee.

Section 8.05 Trustee's Ownership of Bonds. The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and otherwise deal with the Authority in the manner and to the same extent and with like effect as though it were not trustee hereunder.

Section 8.06 Money Held in Trust. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any moneys received by it hereunder except such as it may agree with the Authority to pay thereon.

Section 8.07 Trustee's Fees and Expenses. The Trustee shall be entitled to payment of fees for its services rendered hereunder and reimbursement of all reasonable advances, reasonable counsel fees and reasonable expenses, and other costs made or incurred by the Trustee in connection with its services and/or its capacity as Trustee or resulting therefrom. When the Trustee incurs fees and expenses or renders services after the occurrence of bankruptcy or insolvency proceedings with respect to the Authority, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. The Authority shall have no liability to pay any fees, charges or other expenses of the Trustee hereinabove mentioned except from the amounts pledged under this Indenture. If any property, other than cash, shall at any time be held by the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bonds, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The obligations of the Authority under this Section to compensate the Trustee for services and to pay or reimburse the Trustee for expenses, disbursements, liabilities and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall while an Event of Default hereunder is continuing have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such.

Section 8.08 Requirements of Trustee. There shall at all times be a trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or any State authorized under such laws to exercise corporate trust powers, having a reported capital and surplus of at least \$100,000,000, subject to supervision or examination by federal or state authority and acceptable to the Credit Facility Issuer, if any. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.08.

Section 8.09 Resignation or Incapacity of Trustee.

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

(b) In case at any time any of the following shall occur:

(i) The Trustee shall cease to be eligible in accordance with the provisions of Section 8.08 and shall fail to resign after written request therefor by the Authority or by any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months, or

(ii) The Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

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

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

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.09.

Section 8.10 Concerning Successor Trustee. Any successor trustee appointed as provided in Section 8.08 shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the Written Request of the Authority or the request of the successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor trustee, the Authority shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and duties. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by Section 8.06.

No successor trustee shall accept appointment as provided in this Section 8.10 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 8.08.

Upon acceptance of appointment by a successor trustee as provided in this Section 8.10, the Authority shall give written notice by first class mail to each Bondholder of the succession of such trustee to the trusts hereunder. If the Authority fails to give such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be so mailed at the expense of the Authority.

Section 8.11 No Filings for Successor Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided

that such successor trustee shall be eligible under the provisions of Section 8.08; provided, however, notice of such merger shall be given to the Authority and upon request of the Authority, such trustee or successor trustee shall resign.

Section 8.12 Notices to Rating Agencies. The Trustee shall provide each Rating Agency, if any, then rating any of the Bonds with prompt written notice of (i) any change of Trustee hereunder, (ii) any amendment to the Indenture, (iii) payment of all the Bonds, or (iv) defeasance of all of the Bonds in accordance with Article XI hereof. The obligations of the Trustee under this Section shall survive defeasance of the Bonds in accordance with Article XI hereof.

ARTICLE IX. EVIDENCE OF RIGHTS OF BONDHOLDERS

Section 9.01 Execution by Bondholders. Any request, consent or other instrument required by this Indenture to be signed and executed by Bondholders may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bondholders in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Article.

Section 9.02 Proof of Execution. The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership such affidavit or certificate shall also constitute sufficient proof of his authority.

Section 9.03 Proof of Ownership. The ownership of the Bonds shall be proved by the register of such Bonds. Any request, consent or vote of the holder of any Bond shall bind every future holder of the same Bond and the holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request, consent or vote.

Section 9.04 Bonds Held by Authority. In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Authority, the Metropolitan Government or by any person directly or indirectly controlling or controlled by or under common control with the Authority or the Metropolitan Government, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, provided that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for the purpose of this Section 9.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the Authority or the Metropolitan Government. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee.

ARTICLE X.
SUPPLEMENTAL INDENTURES

Section 10.01 Supplemental Indentures Not Requiring Consent of Holders. The Authority, when authorized by resolution of its Board of Directors, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may enter into an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved or conferred upon the Authority;

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable and not inconsistent with this Indenture and which shall not adversely affect the interests of the holders of the Bonds;

(c) to subject, describe or redescribe any property subjected or to be subjected to the lien of this Indenture;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) to provide for additional Series of Bonds to the extent permitted by this Indenture; and

(f) in connection with any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the holders of the Bonds.

Any Supplemental Indenture authorized by the provisions of this Section 10.01 may be executed by the Authority and the Trustee without the consent of the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of Section 10.02, but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 10.02 Supplemental Indentures Requiring Consent of Holders. With the consent (evidenced as provided in Article IX) of the holders of not less than 66-2/3% in aggregate principal amount of the Bonds at the time outstanding, the Authority, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purposes of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture and/or providing for additional Series of Bonds to the extent permitted by this Indenture; provided, however, that no such Supplemental Indenture shall (1) extend the fixed maturity of the Bonds or reduce the rate of interest thereon or extend the time of payment of such interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected, or (2) reduce the aforesaid percentage of holders of Bonds required to approve any such Supplemental Indenture, or (3) permit the creation of any lien on the properties assigned hereunder prior to or on a parity with the lien of

this Indenture (except for the issuance of Additional Bonds permitted hereunder) or deprive the holders of the Bonds of the lien created by this Indenture upon said properties, without the consent of the holders of all the Bonds then Outstanding. Upon receipt by the Trustee of a Certified Resolution authorizing the execution of any such Supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Bondholders, as aforesaid, the Trustee shall join with the Authority in the execution of such Supplemental Indenture unless such Supplemental Indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Indenture.

It shall not be necessary for the consent of the Bondholders under this Section 10.02 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 10.03 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article X, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all holders of Bonds outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.04 Opinion of Counsel. The Trustee in the absence of bad faith may rely on an Opinion of Counsel as conclusive evidence that any Supplemental Indenture executed pursuant to the provisions of this Article X complies with the requirements of this Article X.

Section 10.05 Notation to Bonds. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article X may bear a notation, in form approved by the Trustee, as to any matter provided for in such Supplemental Indenture and if such Supplemental Indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Trustee, to any modification of this Indenture contained in any such Supplemental Indenture, may be prepared by the Authority, authenticated by the Trustee and delivered without cost to the holders of the Bonds then outstanding, upon surrender for cancellation of such Bonds not fully paid, in equal aggregate principal amounts.

ARTICLE XI. DEFEASANCE; UNCLAIMED MONEYS

Section 11.01 Discharge of Indebtedness. If the Authority shall pay and discharge the entire indebtedness on all or any portion of any Series of Bonds outstanding hereunder in any one or more of the following ways:

(a) By paying or causing to be paid the principal of (including redemption premium, if any) and interest on all or any portion of any Series of Bonds outstanding hereunder, as and when the same become due and payable;

(b) By depositing or causing to be deposited with the Trustee or with an escrow agent with the same qualifications required of a trustee hereunder, in trust, at or before the date of maturity or redemption, sufficient money or Government Obligations the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem all or any portion of any Series of Bonds Outstanding hereunder and to pay interest thereon until the maturity or redemption date; and/or

(c) By delivering to the Trustee, for cancellation by it, all or any Series of Bonds outstanding hereunder;

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

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

Section 11.02 Termination of Liability. Upon the deposit with the Trustee, in trust, at or before maturity, of moneys or Government Obligations in the necessary amount to pay or redeem all or any Series of Bonds outstanding hereunder (whether upon or prior to their maturity or the redemption date of such Bonds), and to pay interest thereon until the maturity or redemption date provided that if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in Article V provided or provisions satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money or Government Obligations deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 11.03.

Section 11.03 Unclaimed Moneys. Notwithstanding any provisions of this Indenture, any moneys deposited with the Trustee or any other paying agent in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for five (5) years after the principal of all the Bonds outstanding hereunder has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall then be repaid to the Authority and the holders of such Bonds shall thereafter be entitled to look only to the Authority for repayment thereof, and all liability of the Trustee or any other paying agent with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee or other paying agent, as the case may be, may first mail by registered or certified mail to each Bondholder for whom unclaimed money is being held at the address of such Bondholder as shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee or such paying agent, in respect of the Bonds so payable and not presented and in respect of the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. In the event of the repayment of any such moneys to the Authority as aforesaid, the holders of the Bonds in respect to which such moneys were deposited shall thereafter be deemed to be unsecured creditors of the Authority for amounts equivalent to the respective amounts deposited for the payment of such Bonds and so repaid to the Authority (without interest thereon). Notwithstanding the foregoing, the Trustee shall, upon the Written Request of the Authority, repay such moneys to the Authority at any time earlier than five years if failure to repay such moneys to the Authority within such earlier period shall give rise to the operation of any escheat statute under applicable state law.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

Section 12.01 Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Authority shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 12.02 No Liability to Third Persons. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee and the holders of the Bonds issued hereunder, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenants, conditions or provisions therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee and the holders of the Bonds issued hereunder; provided, however, that this Section 12.02 shall not diminish, restrict or otherwise adversely affect the rights or benefits acquired by the Team or its affiliates by assignments or subrogation from the Authority, the Trustee or the holders of the Bonds issued hereunder.

Section 12.03 Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.04 Cremation of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, unless the Authority shall by Written Request direct otherwise, in lieu of such cancellation and delivery, cremate such Bonds and deliver a certificate of such cremation to the Authority.

Section 12.05 Severability. In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 12.06 Notices. (a) It shall be sufficient service of any notice, request, complaint, demand or other paper (i) on the Authority if the same shall be duly mailed by first class mail addressed as follows: The Sports Authority of The Metropolitan Government of Nashville and Davidson County, 730 2nd Avenue South, Suite 103, Nashville, Tennessee 37210, Attention: Chair, and (ii) on the Trustee if the same shall be duly mailed by first class mail addressed as follows: Regions Bank, Corporate Trust – Mail Code TNNA11505N, 150 Fourth Avenue North, Suite 1500, Nashville, Tennessee 37219, Attention: Corporate Trust Department, or to such address as each such party may from time to time file with the other parties hereto.

Section 12.07 Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 12.08 No Recourse Against Directors. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Bond hereby secured, or under any

judgment obtained against the Authority or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Indenture, shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Authority, either directly or through the Authority, or otherwise, for the payment for or to the Authority or any receiver thereof, or for or to the holder of any Bond issued hereunder or otherwise, of any sum that may be due and unpaid by the Authority upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Authority or any receiver thereof, or for or to the holder of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such Bonds.

Section 12.09 Governing Law. This Indenture shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Tennessee.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Trust Indenture to be executed by their duly authorized officers as of the date first written above.

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

By: _____
Kim Adkins
Chair

ATTEST:

Emmett Wynn
Secretary/Treasurer

REGIONS BANK

By: _____
Trust Officer

the security, and a statement of the terms and conditions upon which the Series 2020 Bonds are issued and secured, the rights of the holders thereof and of the Trustee thereunder, and the indebtedness which is equally secured. As provided in the Indenture, bonds of other series ranking equally with the Series 2020 Bonds may be issued and such bonds may vary in such manner as is provided and permitted in the Indenture. All bonds from time to time outstanding under the terms of the Indenture are hereinafter referred to as the "Bonds".

This Series 2020 Bond is issued in full compliance with the Constitution and statutes of the State of Tennessee, including among others Chapter 67 of Title 7, and Chapter 21 of Title 9, of the Tennessee Code Annotated. Pursuant to law and the proceedings under which this Series 2020 Bond is issued, this Series 2020 Bond is payable solely out of revenues and receipts described in the Indenture.

The Series 2020 Bonds are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts hereinabove described, which revenues and receipts are specifically pledged to such purpose in the manner and to the extent provided in the Indenture. Neither the State, nor any political subdivision thereof, including the Authority, shall be obligated to pay the principal of or interest on the Series 2020 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority, is pledged to the payment of the principal of or interest on the Series 2020 Bonds or other costs incident thereto. The Authority has no taxing power.

Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture; provided, however, that no such modification shall effect the reduction of or the extension of the stated time of payment of, the principal hereof or of the interest hereon or permit the creation of any lien on the trust estate prior to or on a parity with the lien of said Indenture (except for additional parity Bonds to the extent permitted by the Indenture) or deprive the holder hereof of the lien created by said Indenture on the trust estate without the consent of the holder hereof.

The Series 2020 Bonds maturing on or after August 1, 2031 are subject to redemption by the Authority on or after August 1, 2030, in whole or in part at any time, from any moneys that may be available for such purpose, upon payment of the price of par plus interest accrued to the redemption date.

The Series 2020 Bonds maturing August 1, 2040 and August 1, 2051 are subject to mandatory sinking fund redemption on February 1 of each of the dates set forth below at a redemption price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed plus accrued interest to the date of redemption in the years and in the principal amounts indicated below:

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
August 1, 2040	August 1, 2036	\$7,320,000
	August 1, 2037	7,540,000
	August 1, 2038	7,765,000
	August 1, 2039	8,000,000
	August 1, 2040*	8,245,000
August 1, 2051	August 1, 2041	\$8,490,000
	August 1, 2042	8,760,000
	August 1, 2043	9,040,000
	August 1, 2044	9,325,000
	August 1, 2045	9,620,000
	August 1, 2046	9,925,000
	August 1, 2047	10,240,000
	August 1, 2048	10,565,000
	August 1, 2049	10,900,000
	August 1, 2050	11,245,000
	August 1, 2051*	11,600,000

*final maturity

The principal amount of the Series 2020 Bonds to be called for mandatory sinking fund redemption shall, at the option of the Authority, be reduced by the principal amount of Series 2020 Bonds which, at least 60 days prior to the redemption date specified above, have been (1) purchased by the Authority and delivered to the Trustee for cancellation or (2) redeemed otherwise than by mandatory sinking fund redemption and, in either case, not previously applied as a credit against the obligation to redeem the Series 2020 Bonds pursuant to this mandatory sinking fund redemption provision.

Notice of redemption (unless waived by the registered owner) shall be given by first-class mail postage prepaid not less than 30 nor more than 60 days before the redemption date, to the registered owner of any Series 2020 Bond to be redeemed. Any notice of redemption which is mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the owner receives the notice. Failure to give notice by mail or any defect in the notice to the owner of any Series 2020 Bond designated for redemption shall not affect the validity of the proceedings for redemption.

This Series 2020 Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the main office of the Trustee in Nashville, Tennessee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2020 Bond. Upon such transfer a new fully registered Series 2020 Bond or Series 2020 Bonds, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Authority and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Authority nor the Trustee nor any paying agent shall be affected by any notice to the contrary.

The Series 2020 Bonds are issuable as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof.

The principal hereof may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an event of default as in the Indenture provided. No Bondholder shall have any right to bring any action or otherwise to enforce any provision of the Indenture unless the holders of 25% in aggregate principal amount of the Bonds then outstanding shall have in writing requested the Trustee to take such action and have offered the Trustee such reasonable indemnity as it may require against expenses and liabilities to be incurred, and the Trustee shall have neglected for 60 days after receipt of such written notice and offer of indemnity to take such action; provided, however, that the right of any holder of any Bond to receive payment of the principal thereof and/or interest thereon when due or to institute suit for the enforcement of any such payment shall not be impaired or affected without the consent of such holder.

This Series 2020 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 Series 2020 Bond during the period the Series 2020 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 Series 2020 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.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture, or in any Bond thereby secured, or under any judgment obtained against the Authority or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Indenture, shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Authority, either directly or through the Authority, or otherwise, for the payment for or to the Authority or any receiver thereof, or for or to the holder of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Authority upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his part or otherwise for the payment for or to the Authority or any receiver thereof, or for or to the holder of any Bond issued thereunder or otherwise, of any sum that may remain due and unpaid upon the Bond thereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issue of the Series 2020 Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been duly executed by the Trustee.

[signature page follows]

IN WITNESS WHEREOF, The Sports Authority of The Metropolitan Government of Nashville and Davidson County, has caused this Series 2020 Bond to be executed by its Chair and attested by its Secretary/Treasurer.

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

By: _____
Kim Adkins
Chair

ATTEST:

Emmett Wynn
Secretary/Treasurer

(Form of Trustee's Certificate of Authentication)

This Bond is one of the Bonds described in the within-mentioned Indenture.

Date: December 17, 2020

REGIONS BANK
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE:

: _____ :
: _____ :

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

Signature of Registered Owner)

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

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

EXHIBIT B

**INTERGOVERNMENTAL PROJECT AGREEMENT
(MLS PROJECT)**

This Agreement is made and entered into as of the 1st day of December, 2020, by and between The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) and The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the “Authority”).

WITNESSETH:

WHEREAS, Major League Soccer (“MLS”) has awarded a MLS franchise to Nashville Soccer Holdings, LLC (“Holdings”), and consistent with that franchise, Holdings and its affiliates require a suitable stadium be constructed; and

WHEREAS, the Metropolitan County Council of the Metropolitan Government (the “Metropolitan Council”) has determined that the construction of a MLS stadium (the “Stadium”) and related facilities on a portion of the 128-acre Nashville Fairgrounds site located at 300 Rains Avenue (the “Site”) will encourage and foster economic development and prosperity for the Metropolitan Government; and

WHEREAS, pursuant to Chapter 67, Title 7 of the Tennessee Code Annotated (the “Act”), the Metropolitan Council has created the Authority for the purpose of exercising all powers granted to a sports authority by the Act, including, without limitation, the financing, constructing and operating of the Stadium; and

WHEREAS, the Metropolitan Government and, by and through the Fairgrounds Board of Commissioners, and the Authority have entered into that certain Lease Agreement, dated as of July 16, 2020 providing for the lease of the Site to the Authority, and certain other matters collateral thereto; and

WHEREAS, the location of the Stadium on the Site will necessitate certain improvements to the Nashville Fairgrounds facilities (the “Fairgrounds Improvements”); and

WHEREAS, pursuant to Resolution No. RS 2018-1328, the Metropolitan Council has approved the issuance of up to \$50,000,000 of general obligation bonds and/or notes (the “Metro Bonds”) to finance the Fairgrounds Improvements; and

WHEREAS, the Authority and Walsh Management LLC, an affiliate of Holdings (the “Team”) have entered into that certain Stadium Development Agreement, dated as of July 16, 2020 (the “Development Agreement”) providing for the construction and development of the Stadium and the rights and responsibilities of the Authority and the Team related thereto; and

WHEREAS, the Authority and the Team have entered into that certain Lease Agreement, dated as of July 16, 2020 (the “Stadium Lease”) providing for the lease of the Stadium, once completed, to the Team, the payment of rent by the Team to the Authority (“Stadium Lease Payments”), and the use, occupancy, operation, maintenance and repair of the Stadium and certain other matters collateral thereto; and

WHEREAS, Nashville Team Holdings LLC (the “Team Guarantor”) has delivered to the Authority that certain Guaranty, dated as of July 16, 2020 (the “Guaranty”), pursuant to which the Team Guarantor has guaranteed the Team’s performance of its obligations under the Development Agreement and the payment of Stadium Lease Payments to the Authority pursuant to the terms of the Stadium Lease; and

WHEREAS, the Metropolitan Council now desires to facilitate the Authority's financing of the acquisition and construction of the Stadium; and

WHEREAS, pursuant to the Act, the Metropolitan Council is authorized to aid or otherwise provide assistance to the Authority, for such term or terms and upon such conditions as may be determined by resolution of the Metropolitan Council, by granting, contributing or pledging revenues of the Metropolitan Government to or for the benefit of the Authority; and

WHEREAS, the Authority has, by resolution of its Board of Directors adopted on October 29, 2020 (the “Authority Resolution”), authorized the issuance of up to \$225,000,000 of its Public Facility Revenue Bonds (the “Series 2020 Bonds”) for the purposes of paying (i) costs to acquire, construct, improve, renovate and equip the Stadium and related facilities on the Site (ii) architectural, engineering, legal and consulting costs incident thereto, (iii) capitalized interest on the Series 2020 Bonds, and (iv) costs incident to the issuance and sale of the Series 2020 Bonds (collectively, the “Permitted Uses”).

WHEREAS, the Series 2020 Bonds will be issued pursuant to the authority of Chapter 21, Title 9 of the Tennessee Code Annotated (the “LGPOA”) and the terms of that certain Indenture of Trust, dated as of December 1, 2020 (the “Indenture”) by and between the Authority and Regions Bank, as trustee (the “Trustee”); and

WHEREAS, at the time the Stadium begins operations, pursuant to Tennessee Code Annotated Sections 67-6-103(d) and 67-6-712, there shall be apportioned and distributed to the Metropolitan Government an amount equal to certain state and local tax revenue derived from the sale of admissions to Team games and also the sale of food and drink sold on the premises of the Stadium in conjunction with those games, parking charges, and related services, as well as the sale by the Team within the Metropolitan Government of authorized franchise goods and products associated with the Team’s operations as a professional sports franchise (the “Sales Tax Revenues”); and

WHEREAS, to fulfill the purposes of the statutes and ordinances providing for the collection of the Sales Tax Revenues, and to facilitate the construction and operation of the Stadium and the issuance of the Series 2020 Bonds, the Metropolitan Government wishes to make the Sales Tax Revenues available to the Authority to pay debt service on the Series 2020 Bonds; and

WHEREAS, pursuant to Section 7-3-204, Tennessee Code Annotated, and Substitute Bill No. BL2018-1289, the Metropolitan Council has approved on third and final reading the levy of a ticket tax on admission to all events at the Stadium (the “Ticket Tax”), a portion of the proceeds of which are dedicated to the payment of debt service on any bonds issued by the Authority to finance the construction or improvement of the Stadium (the “Ticket Tax Revenues”), and the balance of the proceeds of which shall be deposited to a reserve account maintained by the Metropolitan Government Department of Finance on behalf of the Authority to be used for long-term capital expenditures at the Stadium (the “Capital Improvements Revenues”); and

WHEREAS, to fulfill the purposes of the statutes and ordinances providing for the collection of the Ticket Tax, and to facilitate the construction and operation of the Stadium and the issuance of the Bonds, the Metropolitan Government wishes to make the Ticket Tax Revenues available to the Authority to pay debt service on the Series 2020 Bonds; and

WHEREAS, to enhance the marketability of the Series 2020 Bonds and thereby reduce the interest costs thereon, the Metropolitan Government wishes to make Non-Tax Revenues (as defined and described herein) available to the Authority for the payment of debt service on the Series 2020 Bonds in the event Sales Tax Revenues, Ticket Tax Revenues, Stadium Lease Payments, and other funds are insufficient therefor; and

WHEREAS, it is deemed necessary and desirable by the Metropolitan Council and the Board of Directors of the Authority that the parties enter into an agreement addressing the funding of the Stadium, the payment of the costs thereof and costs related thereto, the funding of the Fairgrounds Improvements, the disposition and administration of the funds needed to pay principal and interest on the Series 2020 Bonds, and other agreements and rights of the parties related thereto;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Engagement of the Authority to Develop Stadium. The Metropolitan Government hereby engages the Authority to undertake the acquisition, construction, development and operation of the Stadium on the terms and conditions set forth herein.

2. Duties of the Metropolitan Government. The Metropolitan Government covenants and agrees as follows:

(a) The Metropolitan Government will cause to be issued and sold the Metro Bonds in accordance with the applicable schedule set forth in the Development Agreement and shall cause the proceeds of the Metro Bonds to be used to fund the Fairgrounds Improvements in accordance with the applicable schedule set forth in the Development Agreement.

(b) The Metropolitan Government agrees to remit all Sales Tax Revenues to the Authority on a monthly basis until the Series 2020 Bonds have been paid in full.

(c) The Metropolitan Government agrees to remit the Ticket Tax Revenues to the Authority on a monthly basis until the Series 2020 Bonds have been paid in full.

(d) The Metropolitan Government will establish a MLS Stadium Capital Improvement Fund (the "Capital Fund"), to be kept separate and apart from all other funds of the Metropolitan Government. The Metropolitan Government will deposit the Capital Improvements Revenues to the Capital Fund and apply and administer such funds as herein provided.

(e) So long as the Series 2020 Bonds are outstanding, the Authority will deposit the Sales Tax Revenues and the Ticket Tax Revenues (collectively, the "Tax Revenues") received from the Metropolitan Government to the Tax Revenue Fund established in the Indenture, and such Tax Revenues will be used, together with Stadium Lease Payments, to pay debt service on the Series 2020 Bonds in accordance with the Indenture. If the Sales Tax Revenues, Ticket Tax Revenues, Stadium Lease Payments and other monies in the available funds of the Indenture are insufficient to pay debt service when due on the Series 2020 Bonds, the Metropolitan Government hereby pledges and agrees to transfer to the Trustee Non-Tax Revenues at such times and in such amounts necessary to cure the deficiency, all in accordance with the procedures set forth in the Indenture.

(f) The Metropolitan Government's pledge of Non-Tax Revenues hereunder is subject and subordinate to the prior pledge of such Non-Tax Revenues in favor of debt obligations heretofore issued

and/or incurred by the Authority or The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (the "Convention Center Authority"), and any bonds or other debt obligations hereafter issued by the Authority or the Convention Center Authority on parity therewith.

(g) As used herein, the term "Non-Tax Revenues" shall mean all income and revenues of the Metropolitan Government which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and normal and customary accounting practices of the Metropolitan Government are deposited to and become assets of the General Services District General Fund of the Metropolitan Government, derived from any source other than income and revenues derived from the exercise by the Metropolitan Government of its powers to levy and collect taxes of any kind. The term "Non-Tax Revenues" does not include: ad-valorem property taxes; sales taxes; State-shared taxes; revenues of any agency or instrumentality of the Metropolitan Government; revenues which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and the normal and customary accounting practices of the Metropolitan Government, are deposited to and become assets of any proprietary fund or enterprise fund of the Metropolitan Government; payments made by the Department of Water and Sewerage Services of the Metropolitan Government in lieu of ad valorem taxes pursuant to Resolution No. R96-177 adopted by the Metropolitan County Council on February 29, 1996; lease payments payable to the Metropolitan Government from the stadium currently known as Nissan Stadium; parking revenues from the parking lots surrounding Nissan Stadium; or ticket surcharge revenues collected by the Metropolitan Government or the Authority from patrons of the Authority's downtown arena currently known as Bridgestone Arena.

(h) The Metropolitan Government further authorizes the Authority to pledge its rights under this Agreement and to the Sales Tax Revenues, the Ticket Tax Revenues and the Non-Tax Revenues as security for its obligations under the Indenture, including, without limitation, the repayment of the Series 2020 Bonds and additional or refunding bonds issued pursuant to the Indenture (the issuance of which shall require additional approval of the Metropolitan Council). Subject to such Metropolitan Council approval, all of the provisions of this Agreement in favor of the Series 2020 Bonds shall apply equally in favor of such additional or refunding bonds.

(i) For so long as the Series 2020 Bonds or any additional bonds or refunding bonds issued pursuant to the Indenture and approved by the Metropolitan Council are outstanding, the Metropolitan Government will transfer the Sales Tax Revenues, the Ticket Tax Revenues and the Non-Tax Revenues (to the extent required) to the Authority as described herein and will not repeal or amend the ordinances authorizing the collection of the Sales Tax Revenues or the Ticket Tax Revenues in such a manner as to reduce the amount of Sales Tax Revenues or Ticket Tax Revenues payable to the Authority pursuant to this Agreement.

(j) For so long as any Series 2020 Bonds or any additional bonds or refunding bonds issued pursuant to the Indenture and approved by the Metropolitan Government are outstanding, it will not issue or incur, or permit to be issued or incurred, any indebtedness payable from or secured by a pledge of or lien on any of the Non-Tax Revenues ("Additional Secured Indebtedness"), nor will it pledge any of the Non-Tax Revenues or create a lien on or security interest in any of the Non-Tax Revenues to secure the indebtedness or obligation of the Metropolitan Government, the Authority, or any other entity, unless all the following conditions are met, in which case such Additional Secured Indebtedness may be issued on subordinate basis with respect to any Series 2020 Bonds or any additional bonds or refunding bonds issued pursuant to the Indenture:

(A) all the payments into the respective funds and accounts provided for in the Indenture, as supplemented, shall have been made in full to the date of issuance of said

Additional Secured Indebtedness or the creation of the lien, security interest or pledge hereinabove described;

(B) the Authority shall be in substantial compliance with all of the covenants, agreements and terms of the Indenture, as supplemented; and

(C) following the issuance of such Additional Secured Indebtedness or the creation of such lien, pledge or security interest, the total amount of Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded fiscal year of the Metropolitan Government equals or exceeds two times the Maximum Debt Service Requirement (as defined in the Indenture) payable during any calendar year with respect to any Series 2020 Bonds, any additional bonds or refunding bonds issued pursuant to the Indenture, and any Additional Secured Indebtedness.

3. Duties of the Authority. The Authority covenants and agrees as follows:

(a) The Authority will cause the Series 2020 Bonds to be issued and sold pursuant to the LGPOA and the Indenture. The Authority will cause the proceeds of the Series 2020 Bonds to be deposited as required by the Indenture and used solely for the Permitted Uses.

(b) The Authority will cause the completion of the construction of the Stadium with the proceeds of the Series 2020 Bonds, and any funds paid by the Team pursuant to the Development Agreement.

(c) The Authority will deposit the Sales Tax Revenues and the Ticket Tax Revenues received from the Metropolitan Government to the Tax Revenue Fund established in the Indenture for application as provided therein.

(d) The Authority agrees that it will adopt an annual budget for the Stadium indicating all operating expenses, revenues and capital improvements. The Authority agrees to (i) promptly provide the Director of Finance all budget information and proposals, as and when prepared by the Authority, and any other statements, reports and information relating to the Stadium as the Director of Finance may request from time to time; (ii) consult with the Director of Finance in connection with the adoption of its annual budget for the Stadium and (iii) present the budget so adopted to the Metropolitan Government at times and in the manner prescribed by the Director of Finance and in compliance with any requirements of the budget process of the Metropolitan Government. The Authority shall additionally submit to the Metropolitan Council the annual audit and report of its business affairs and transactions in compliance with the requirements of the Act.

(e) The Authority will comply with all the terms and conditions set forth in the Indenture, including, without limitation, the obligation to use funds held under the Indenture to reimburse the Metropolitan Government for any payments of the Non-Tax Revenues made by the Metropolitan Government for debt service on the Series 2020 Bonds up to said amount.

4. Term.

(a) The duties and responsibilities of the parties hereunder shall commence as of the date hereof and shall continue until the Series 2020 Bonds and any additional bonds and refunding bonds issued under the Indenture are paid in full.

(b) Notwithstanding anything to the contrary herein, termination of this Agreement shall not be permitted if such termination would impair in any way the ability or capacity of any of the

parties hereto to fully and timely fulfill its obligations under any contract or agreement with any third party, including the holder or owner of any notes, bonds or other indebtedness described herein.

5. Default. Subject to Section 4(b) above, in the event any of the parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then the non-defaulting party, so long as said party is not itself in default hereunder, may seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder.

6. Establishment of Funds. The Authority and the Metropolitan Government agree to establish such funds and accounts required by the Indenture and such further funds and accounts as shall be determined necessary and advisable by the Director of Finance and the Chairman of the Authority to account for and manage the revenues and receipts described herein and provide for the payment of the costs of operating, maintaining and repairing the Stadium and paying the principal of and interest on the Series 2020 Bonds.

7. Severability. If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

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

9. Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein, the terms of said documents or agreements shall control.

10. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

11. Authorized Representatives. Any action required of or permitted to be taken pursuant to this Agreement by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor

ATTEST:

By: _____
Metropolitan Clerk

APPROVED AS TO AVAILABILITY OF FUNDS BY:

Director of Finance

APPROVED AS TO FORM AND LEGALITY:

Director of Law

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

By: _____
Chairman

ATTEST:

Secretary



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