AMENDED AND RESTATED OFFERING MEMORANDUM

(Book-Entry-Only) **RATINGS: Moody's "P-1"**
S&P "A-1+"

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)
$325,000,000
GENERAL OBLIGATION
EXTENDABLE COMMERCIAL PAPER NOTES
2014 PROGRAM

Amended and Restated Offering Memorandum

The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government") is issuing its General Obligation Extendable Commercial Paper Notes (the "Commercial Paper" or "ECP Notes") in the maximum aggregate principal amount of $325,000,000, pursuant to certain provisions of Tennessee law and the Commercial Paper Resolution.

Purpose of Issuance

The Commercial Paper will be issued: (i) to finance the costs of public works projects in the Metropolitan Government; (ii) to retire previously issued general obligation commercial paper notes; (iii) to refund or renew Commercial Paper previously issued under the Commercial Paper Resolution; and (iv) for such other purposes as set forth in the Commercial Paper Resolution.

Security and Sources of Payment

The Commercial Paper will be direct obligations of the Metropolitan Government and shall be payable from unlimited ad valorem taxes to be levied on all taxable property in the Metropolitan Government. For the timely payment of principal of and interest on the Commercial Paper, the full faith and credit of the Metropolitan Government are irrevocably pledged.

Denominations

The Commercial Paper will be issued from time to time as fully registered interest-bearing obligations in denominations of $100,000 and integral multiples of $1,000 in excess of such amount.

Book-Entry-Only Form

The Depository Trust Company, New York, New York, will act as securities depository for the Commercial Paper. See "EXTENDABLE COMMERCIAL PAPER PROGRAM – Book-Entry-Only System" herein.

Interest Payments

Interest on the Commercial Paper will be calculated on the basis of a year consisting of 365/366 days, as applicable, and the actual number of days elapsed. Interest on the Commercial Paper is payable on the Original Maturity Date; however, if the Original Maturity Date is extended, then interest is not payable on the Original Maturity Date. When the Original Maturity Date is extended, interest is payable monthly as set forth herein and on any redemption date or the Extended Maturity Date and no additional interest shall accrue on the accrued but unpaid interest.

Original Maturity Date

Original Maturity Dates are each a business day of not less than one (1) day and not greater than ninety (90) days from the original issue date of the Commercial Paper.

Extended Maturity Date

The Metropolitan Government has the option to extend the Original Maturity Date of the Commercial Paper to a business day that is 270 days from the original date of issue. The Metropolitan Government intends to exercise this option to extend the maturity only in circumstances where there is a disruption in market liquidity.

Redemption

The Commercial Paper is not subject to redemption prior to the Original Maturity Date. If the Original Maturity Date is extended, Commercial Paper is subject to redemption in whole but not in part, on any date after the Original Maturity Date, at the option of the Metropolitan Government, prior to the Extended Maturity Date; provided, however, the Metropolitan Government must redeem all Commercial Paper that has Extended Maturity Dates.

Dealer

Morgan Stanley & Co. LLC, New York, New York, will serve as the Dealer for the Commercial Paper.

Issuing and Paying Agent

U.S. Bank Trust Company, National Association, New York, New York, will serve as Issuing and Paying Agent for the Commercial Paper.

Tax Matters

Interest on the Commercial Paper is excludable from gross income for federal income tax purposes to the extent and subject to the conditions, limitations and continuing compliance with tax covenants as further described herein. The Commercial Paper and the interest thereon are exempt from Tennessee taxes, subject to certain exceptions. See "TAX MATTERS" herein.

Securities Laws

The Commercial Paper is exempt securities under Section 3(a)(2) of the Securities Act of 1933 and is exempt from the Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

This cover page is not a summary of this Offering Memorandum, is intended only for quick reference, and should not be considered to be a complete statement of facts material to making an investment decision. This offering of the Commercial Paper to prospective investors is made only by means of this entire Offering Memorandum, including this cover page and the appendices attached hereto. No person is authorized to detach this cover page, nor the appendices attached hereto, from this Offering Memorandum or to otherwise use either without this entire Offering Memorandum.

MORGAN STANLEY

Dated: May 9, 2024.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Offering Memorandum, in connection with the issuance of the Commercial Paper, and, if given or made, such information or representation must not be relied upon as having been authorized by the Metropolitan Government or the Municipal Advisor. This Offering Memorandum 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.

This Offering Memorandum contains certain information for quick reference only and is not a summary of the terms of the Commercial Paper. The information set forth in this Offering Memorandum, including the appendices attached hereto, has been prepared by the Metropolitan Government from sources which are believed to be reliable. It is not guaranteed as to the accuracy or completeness by the Dealer for the Commercial Paper. The order and placement of information contained in this Offering Memorandum, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance and this Offering Memorandum, including the appendices attached hereto, must be read in its entirety. The captions and headings in this Offering Memorandum are for purposes of convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Offering Memorandum.

THIS OFFERING MEMORANDUM IS INTENDED TO REFLECT MATERIAL FACTS AND CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS OFFERING MEMORANDUM 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 OFFERING MEMORANDUM AT TIMES SUBSEQUENT TO THE ISSUANCE, FROM TIME TO TIME, OF THE COMMERCIAL PAPER SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE DEALER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFERING MEMORANDUM. THE DEALER HAS REVIEWED THE INFORMATION IN THE OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THE TRANSACTION, BUT THE DEALER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

For additional information regarding the Metropolitan Government, the Commercial Paper, or this Offering Memorandum and the appendices attached hereto, please contact the following individuals:

Mr. Kevin Crumbo
Director of Finance

Metropolitan Courthouse
1 Public Square, Suite 106
Nashville, Tennessee 37201
(615) 862-6151

Ms. Michell Bosch
Metropolitan Treasurer

Howard Office Building
700 President Ronald Reagan Way, Suite 310
Nashville, Tennessee 37210
(615) 862-6154

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Metropolitan Mayor
Freddie O'Connell

METROPOLITAN COUNTY COUNCIL

Metropolitan Vice-Mayor
Angie Emery Henderson

Council Member At-Large 1	Council Member At-Large 2
Zulfat Suara	**Delishia Porterfield**
Council Member At-Large 3	Council Member At-Large 4
Quin Evans Segall	**Burkley Allen**

Council Member At-Large 5
Olivia Hill

Council Member District 1	Council Member District 2	Council Member District 3	Council Member District 4	Council Member District 5
Joy Kimbrough	**Kyonzté Toombs**	**Jennifer Gamble**	**Mike Cortese**	**Sean Parker**
Council Member District 6	Council Member District 7	Council Member District 8	Council Member District 9	Council Member District 10
Clay Capp	**Emily Benedict**	**Donté Harrell**	**Tonya Hancock**	**Jennifer Webb**
Council Member District 11	Council Member District 12	Council Member District 13	Council Member District 14	Council Member District 15
Jeff Eslick	**Erin Evans**	**Russ Bradford**	**Jordan Huffman**	**Jeff Gregg**
Council Member District 16	Council Member District 17	Council Member District 18	Council Member District 19	Council Member District 20
Ginny Welsch	**Terry Vo**	**Tom Cash**	**Jacob Kupin**	**Rollin Horton**
Council Member District 21	Council Member District 22	Council Member District 23	Council Member District 24	Council Member District 25
Brandon Taylor	**Sheri Weiner**	**Thom Druffel**	**Brenda Gadd**	**Jeff Preptit**
Council Member District 26	Council Member District 27	Council Member District 28	Council Member District 29	Council Member District 30
Courtney Johnston	**Robert Nash**	**David Benton**	**Tasha Ellis**	**Sandra Sepulveda**
Council Member District 31	Council Member District 32	Council Member District 33	Council Member District 34	Council Member District 35
John Rutherford	**Joy Styles**	**Antoinette Lee**	**Sandy Ewing**	**Jason Spain**

METROPOLITAN GOVERNMENT EXECUTIVE ADMINISTRATION

Director of Finance	Metropolitan Treasurer
Kevin Crumbo	**Michell Bosch**
Director of Law	Metropolitan Clerk
Wallace Dietz	**Austin Kyle**

METROPOLITAN GOVERNMENT ADVISORS AND PROFESSIONAL CONSULTANTS

General Legal Counsel	Bond Counsel
Metropolitan Department of Law	**Bass, Berry & Sims PLC**
Nashville, Tennessee	*Nashville, Tennessee*
Disclosure Counsel	Municipal Advisor
Carpenter Law, PLLC	**Hilltop Securities Inc.**
Nashville, Tennessee	*Dallas, Texas*

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AMENDED AND RESTATED OFFERING MEMORANDUM

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

$325,000,000 GENERAL OBLIGATION EXTENDABLE COMMERCIAL PAPER NOTES 2014 PROGRAM

INTRODUCTION

This Introduction is not a summary of this Offering Memorandum and is intended only for quick reference. This offering of the Commercial Paper to prospective investors is made only by means of this entire Offering Memorandum, including the cover page and the appendices attached hereto. No person is authorized to detach this Introduction from this Offering Memorandum or to otherwise use it without this entire Offering Memorandum, including the cover page and the appendices attached hereto.

General

This Amended and Restated Offering Memorandum (the "Offering Memorandum"), including the appendices attached hereto, amends and restates that certain offering memorandum, dated July 1, 2014, as amended and restated on June 24, 2021, pertaining to The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and its General Obligation Extendable Commercial Paper Notes, 2014 Program (the "Commercial Paper Program" or "ECP Program"). Certain capitalized terms used within this Offering Memorandum not otherwise defined herein shall have the same meanings ascribed to them in the Commercial Paper Resolution (as defined herein).

This Offering Memorandum, including the appendices attached hereto, is being provided to furnish certain information in connection with the issuance, from time to time, by the Metropolitan Government of its General Obligation Extendable Commercial Paper Notes (the "Commercial Paper" or "ECP"), authorized under the Commercial Paper Program, in the maximum aggregate principal amount of $325,000,000. The Metropolitan Government has executed and delivered the following agreements in connection with the issuance of the Commercial Paper:

Issuing and Paying Agency Agreement – executed and delivered by and between the Metropolitan Government and U.S. Bank Trust Company, National Association, New York, New York (together with its successors and assigns, the "Issuing and Paying Agent"), as the same may be amended, supplemented or restated from time to time in accordance with its terms, and together with any other successor issuing and paying agency agreement (the "Issuing and Paying Agency Agreement"). See "EXTENDABLE COMMERCIAL PAPER PROGRAM" herein.

Commercial Paper Dealer Agreement – executed and delivered by and between the Metropolitan Government and Morgan Stanley & Co. LLC, New York, New York (together with its successors and assigns, the "Dealer"), as the same may be amended, supplemented, or restated from time to time in accordance with its terms, and together with any other successor commercial paper dealer agreement (the "Dealer Agreement"). See "EXTENDABLE COMMERCIAL PAPER PROGRAM" and "DEALER" herein.

Authority for Issuance of the Commercial Paper

The Metropolitan Government is authorized to issue and sell from time to time its general obligation bond anticipation notes, in the form of Commercial Paper, to: (i) finance the costs of public works projects in the Metropolitan Government; (ii) retire previously issued general obligation commercial paper notes; (iii) refund or renew Commercial Paper previously issued under the Commercial Paper Resolution; and (iv) for such other purposes as set forth in the Commercial Paper Resolution. The proceeds of the Commercial Paper shall be applied in the manner set forth in the Commercial Paper Resolution.

The Commercial Paper will be issued under and subject to: (i) the Constitution and the laws of the State of Tennessee, including particularly the applicable provisions of the Local Government Public Obligations Act, codified at Title 9, Chapter 21, Part 5 of the Tennessee Code Annotated, as amended (the "Act"); (ii) the Charter of The Metropolitan Government of Nashville and Davidson County (the "Charter"); (iii) the Initial Resolutions; and (iv) Resolution No. RS2014-1066, as amended by Resolution No. RS2017-688, Resolution No. RS2021-905 and Resolution No. RS2024-298 (collectively, the "Commercial Paper Resolution" or "ECP Resolution"), duly adopted by the Metropolitan County Council of the Metropolitan Government (the "Metropolitan Council").

Security and Sources of Payment for the Commercial Paper

The Commercial Paper shall be payable primarily from the proceeds of subsequently issued Commercial Paper and proceeds of the Bonds. Additionally, the Commercial Paper will be direct obligations of the Metropolitan Government and shall be payable from unlimited ad valorem taxes to be levied on all taxable property in the Metropolitan Government. For the timely payment of principal of and interest on the Commercial Paper, the full faith and credit of the Metropolitan Government are irrevocably pledged. Under Tennessee law, the Metropolitan Government's legislative body is authorized to levy a tax on all taxable property in the Metropolitan Government, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For additional information on the security and sources of payment for the Commercial Paper, including a discussion of the 2006 Charter Amendment (as hereinafter defined), see "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER" herein.

Description of the Commercial Paper

The Commercial Paper will be dated as of their respective dates of issuance and will bear interest from the dated date thereof. The Commercial Paper will be sold at par and issued from time to time in denominations of $100,000 and integral multiples of $1,000 in excess of such amount, with interest payable at maturity, unless the Metropolitan Government elects to extend the maturity of the Commercial Paper, in which case interest on the Commercial Paper shall be payable monthly through the Extended Maturity Date or any redemption date. The Commercial Paper, when issued, will be in book-entry-only form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York.

The Commercial Paper will have Original Maturity Dates, each being a business day, of not less than one (1) day and not greater than ninety (90) days from the original issue date of the Commercial Paper. The Metropolitan Government has the option to extend the Original Maturity Date of the Commercial Paper to a business day that is 270 days from the original issue date. The Commercial Paper is not subject to redemption prior to the Original Maturity Date. If the Original Maturity Date is extended, Commercial Paper is subject to redemption in whole but not in part, on any date after the Original Maturity Date, at the option of the Metropolitan Government, prior to the Extended Maturity Date; provided, however, the

Metropolitan Government must redeem all Commercial Paper that has Extended Maturity Dates. See "EXTENDABLE COMMERCIAL PAPER PROGRAM" herein.

Commercial Paper Dealer

Morgan Stanley & Co. LLC, New York, New York, will serve as the Dealer for the Commercial Paper. Pursuant to the Dealer Agreement, the Dealer has agreed to accept and perform certain duties and responsibilities, including, among other things, the offering and sale, from time to time, of the Commercial Paper on behalf of the Metropolitan Government. See "EXTENDABLE COMMERCIAL PAPER PROGRAM" and "DEALER" herein.

Issuing and Paying Agent

U.S. Bank Trust Company, National Association, New York, New York, will serve as Issuing and Paying Agent for the Commercial Paper. The Commercial Paper shall be issued by the Issuing and Paying Agent in accordance with instructions given and/or confirmed by an Authorized Officer of the Metropolitan Government, as set forth and more fully described in the Issuing and Paying Agency Agreement. See "COMMERCIAL PAPER PROGRAM" herein.

Additional Information

All references in this Offering Memorandum referring to an electronic hyperlink to the Metropolitan Government's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023, are incorporated in **APPENDIX A** attached hereto. Certain financial, demographic, and operating information related to the Metropolitan Government is attached hereto as **APPENDIX B**.

The proposed form of opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, with respect to certain legal matters related to the validity and issuance of the Commercial Paper is attached hereto as **APPENDIX C**. Certain information related to the summary of the Commercial Paper Resolution is attached hereto as **APPENDIX D**.

The descriptions contained herein do not purport to be comprehensive or definitive, and all references to the Commercial Paper, the Commercial Paper Resolution, and various other documents and instruments referenced herein, are qualified in their entirety by reference to the respective document or instrument, copies of which are available from the Metropolitan Government and the Dealer.

INVESTORS SHOULD CONSIDER THIS ENTIRE OFFERING MEMORANDUM IN MAKING AN INVESTMENT DECISION AND SHOULD NOT CONSIDER INFORMATION MORE OR LESS IMPORTANT BECAUSE OF ITS LOCATION. INVESTORS SHOULD REFER TO THE LAWS, REPORTS OR OTHER DOCUMENTS DESCRIBED IN THIS OFFERING MEMORANDUM FOR MORE COMPLETE INFORMATION.

EXTENDABLE COMMERCIAL PAPER PROGRAM

General

The Commercial Paper Resolution authorizes and provides for: (i) the issuance and sale of the Commercial Paper in an aggregate principal amount not to exceed $325,000,000, at any one time, issued in the form and manner set forth in the Commercial Paper Resolution; (ii) the execution and delivery of one or more commercial paper dealer agreements and issuing and paying agency agreements; and (iii) certain other matters related thereto.

Purpose of the Commercial Paper Program

The Metropolitan Government is authorized to issue and sell from time to time its general obligation bonds, and in anticipation thereof to issue and sell from time to time general obligation bond anticipation notes, to provide financing for such costs for which general obligation bonds and bond anticipation notes have been authorized by Initial Resolution of the Metropolitan Council.

The Commercial Paper will be issued under and in accordance with the Commercial Paper Resolution: (i) to finance the costs of public works projects in the Metropolitan Government; (ii) to retire previously issued general obligation commercial paper notes; (iii) to refund or renew Commercial Paper previously issued under the Commercial Paper Resolution; and (iv) for such other purposes as set forth in the Commercial Paper Resolution.

Description of the Commercial Paper

The Commercial Paper will be dated the date of their respective authentication and issuance and are to be issued in book-entry-only form, in denominations of $100,000 and in integral multiples of $1,000 in excess of $100,000. The Commercial Paper shall bear interest at an annual rate not to exceed the Maximum Rate allowed for the Commercial Paper under the Commercial Paper Resolution. The Maximum Rate means, with respect to the Commercial Paper, the rate equal to the lesser of (a) 9% per annum, calculated on the basis of actual days elapsed and a 365/366-day year, as applicable, or (b) the maximum rate of interest permitted by Section 47-14-103, Tennessee Code Annotated, or other applicable Tennessee law. Tennessee law currently prescribes a maximum rate equal to the prime rate in effect from time to time, plus 4.00%. The maximum rate under applicable Tennessee law in effect on the date hereof is 12.5%. The Commercial Paper shall be sold by the Dealer pursuant to the Dealer Agreement at a price of not less than 100% of the principal amount of the Commercial Paper.

The Commercial Paper will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for the DTC. Beneficial ownership interests in the Commercial Paper will be available in book-entry-only form, and purchasers of the Commercial Paper will not receive certificates representing their interests in the Commercial Paper purchased. See "THE EXTENDABLE COMMERCIAL PAPER PROGRAM – Book-Entry-Only System" herein.

Commercial Paper will mature on its Original Maturity Date, which may range from 1 to 90 days from its original Issue Date as determined by the Metropolitan Government upon the issuance of the applicable Commercial Paper, unless the Metropolitan Government exercises its option to extend the maturity date. In that case, the Commercial Paper will mature on the Extended Maturity Date, which will be the business day that is the earlier of: (i) 270 days from its original Issue Date, and (ii) the Final Maturity Date (January 31, 2029). Commercial Paper notes may bear different Issue Dates, Original Maturity Dates, Extended Maturity Dates and interest rates.

Commercial Paper shall bear interest from its Issue Date to its Original Maturity Date at an annual rate, which shall not in any event exceed the Maximum Rate, payable on its Original Maturity Date, unless the maturity date is extended, in which case interest will be paid on the dates described below. If the Metropolitan Government exercises its option to extend the maturity date of Commercial Paper, the Commercial Paper will bear interest from the Original Maturity Date at the applicable Extension Rate payable on the dates described below.

The Metropolitan Government may, from time to time, without the consent or notice to the Holders of the Commercial Paper, amend certain provisions of the Commercial Paper Resolution, including, without limitation, amendments to the definitions of Maximum Rate or Extension Rate, that are only effective for

Commercial Paper issued on or after the effective date of such amendment with appropriate disclosure. The Commercial Paper shall be sold by the Dealer pursuant to the Dealer Agreement at a price of not less than 100% of the principal amount of the Commercial Paper.

Commercial Paper will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for the DTC. Beneficial ownership interests in the Commercial Paper will be available in book-entry-only form, and purchasers of the Commercial Paper will not receive certificates representing their interests in the Commercial Paper purchased. See "**APPENDIX D – SUMMARY OF EXTENDABLE COMMERCIAL PAPER RESOLUTION**" herein.

Extension of the Maturity Date

The Metropolitan Government is required to notify the Issuing and Paying Agent and the Dealer by 11:30 a.m. (New York, New York time) on the Original Maturity Date that it wishes to exercise its option to extend the maturity of the Commercial Paper. The Issuing and Paying Agent shall correspondingly notify (i) DTC by 12:00 noon on the Original Maturity Date and (ii) the Rating Agencies then maintaining a rating on the Commercial Paper and EMMA (as defined herein) by the close of business on the Original Maturity Date, that the maturity is being extended. Even if the requisite notices are not given by the Metropolitan Government and/or the Issuing and Paying Agent, if payment of the principal of and interest on the Commercial Paper does not occur on the Original Maturity Date, the maturity of the Commercial Paper shall be extended automatically. With the consent of the Issuing and Paying Agent and the Dealer, the Metropolitan Government may modify the notification provisions contained in the Commercial Paper Resolution if deemed appropriate to conform to DTC's rules and procedures. In no event shall an extension of the Original Maturity Date constitute a default or a breach of any covenant under the Commercial Paper Resolution.

If the Metropolitan Government exercises its option to extend the maturity of an issue of the Commercial Paper, then:

(i) neither principal nor interest shall be paid on the Original Maturity Date for such issue of the Commercial Paper;

(ii) the Commercial Paper shall mature on the Extended Maturity Date;

(iii) the Commercial Paper shall bear interest from the Original Maturity Date at the Extension Rate; and

(iv) accrued but unpaid interest shall be paid on each Extended Period Interest Payment Date and on the Extended Maturity Date, and no additional interest shall accrue on the accrued but unpaid interest.

The Extension Rate shall be the rate of interest per annum determined by the following formula, provided that such Extension Rate shall not exceed the Maximum Rate:

The greater of (SIFMA Index + *E*) or *F*

The Extension Rate applicable to the Commercial Paper will be determined by the Issuing and Paying Agent based on the Prevailing Ratings and other information available as of 11:00 a.m. on the Original Maturity Date of the Commercial Paper and each Thursday thereafter and will apply from that date through the following Wednesday or, if earlier, the applicable Extended Maturity Date. As used in the formula, the *E* and *F* variables shall be the fixed percentage rates, expressed in basis points and yields, respectively, determined based on the Prevailing Ratings of the Rating Agencies then rating the Commercial Paper, as follows:

Prevailing Ratings

Moody's	S&P	*E* Variable	*F* Variable
P-1	A-1+	250 basis points	7.00%
-	A-1	350 basis points	7.50%
P-2	A-2	550 basis points	8.00%
Lower than P-2 (or rating withdrawn for credit reasons)	Lower than A-2 (or rating withdrawn for credit reasons)	Maximum Rate	Maximum Rate

If the individual Prevailing Ratings indicate different *E* or *F* variables as a result of split ratings assigned to the Metropolitan Government, the *E* or *F* variable shall be the arithmetic average of those indicated by the Prevailing Ratings. If another credit rating agency becomes a Rating Agency, the Issuing and Paying Agent shall, upon written direction of the Metropolitan Government, following consultation with the Metropolitan Government and the Dealer, determine how the agency's rating categories shall be treated for the purpose of indicating an *E* or *F* variable.

Redemption of the Commercial Paper

The Commercial Paper shall not be subject to redemption prior to their Original Maturity Date. In the event the Metropolitan Government exercises its option to extend the maturity of the Commercial Paper, then the Commercial Paper may be redeemed on any date after its Original Maturity Date, at the option of the Metropolitan Government at a redemption price equal to par, plus accrued and unpaid interest to the redemption date; provided that no Commercial Paper with an Extended Maturity Date shall be redeemed unless all Commercial Paper then Outstanding that has been extended beyond their Original Maturity Date is redeemed simultaneously. To exercise its redemption option, the Metropolitan Government shall provide not less than five (5) nor more than twenty-five (25) calendar days' notice to the Issuing and Paying Agent. The Issuing and Paying Agent will notify DTC of the Commercial Paper to be redeemed within one Business Day of receipt of such notice.

Commercial Paper Agreements

The Metropolitan Government has entered into the following agreements in connection with the issuance of the Commercial Paper:

Issuing and Paying Agency Agreement – executed and delivered by and between the Metropolitan Government and the Issuing and Paying Agent, dated as of July 1, 2014, as the same may be amended, supplemented or restated from time to time in accordance with its terms. Under the Issuing and Paying Agency Agreement, the Issuing and Paying Agent has agreed to accept and perform certain duties and responsibilities on behalf of the Metropolitan Government pertaining to the Commercial Paper. The Metropolitan Government, pursuant to the Commercial Paper Resolution and the Issuing and Paying Agency Agreement, has authorized and directed the Issuing and Paying Agent to act as its paying agent in the issuance, authentication, delivery, and payment of the Commercial Paper.

The Issuing and Paying Agent shall issue the Commercial Paper to the Metropolitan Government in accordance with the terms and conditions set forth in the Commercial Paper Resolution. The Commercial

Paper shall not be issued unless and until the Metropolitan Government delivers or causes to be delivered to the Dealer and the Issuing and Paying Agent an opinion of Bond Counsel regarding such Commercial Paper in the form attached to this Offering Memorandum. See "**APPENDIX C – FORM OF BOND COUNSEL OPINION**" attached hereto.

Commercial Paper Dealer Agreement – executed and delivered by and between the Metropolitan Government and the Dealer, dated as of July 1, 2014, as the same may be amended, supplemented or restated from time to time in accordance with its terms. Under the Dealer Agreement, the Dealer has agreed to accept and perform certain duties and responsibilities, including, among other things, the offering for sale from time to time of the Commercial Paper on behalf of the Metropolitan Government. See "DEALER" herein. In accordance with the Commercial Paper Resolution, the Dealer may resign at any time by giving written notice of such resignation to the Metropolitan Government and the Issuing and Paying Agent, specifying the date as of which the Dealer proposes that the same shall become effective, which date shall be not less than thirty (30) days after the date of such notice. The Metropolitan Government shall give written notice of the appointment of a successor Dealer to the Issuing and Paying Agent.

Book-Entry-Only System

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

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

DTC will act as securities depository for the ECP Notes. The ECP Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered ECP Note will be issued for each maturity of the ECP Notes in the aggregate principal amount of each such maturity 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 and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between accounts of Direct Participants. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing

Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Metropolitan Government as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Commercial Paper are credited on the record date, as identified in a listing attached to the Omnibus Proxy.

Principal of, premium, if any, and interest payments on the Commercial Paper will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Metropolitan Government or the Issuing and Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Issuing and Paying Agent or the Metropolitan Government, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Commercial Paper, as applicable, to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Metropolitan Government or the Issuing and Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

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

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

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE METROPOLITAN GOVERNMENT AND THE DEALER BELIEVE TO BE RELIABLE, BUT THE METROPOLITAN GOVERNMENT AND THE DEALER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE METROPOLITAN GOVERNMENT NOR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (B) DISTRIBUTION OF CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE COMMERCIAL PAPER; (C) THE PAYMENT BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, OR INTEREST ON, ANY COMMERCIAL PAPER; (D) THE DELIVERY OF ANY NOTICE BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (E) THE ELECTION OF THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE COMMERCIAL PAPER; OR (F) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Commercial Paper, references herein to the registered owners of the Commercial Paper shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Commercial Paper.

SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER

General

The obligations of the Metropolitan Government to make payments of principal and interest with respect to the Commercial Paper shall constitute and be direct general obligations of the Metropolitan

Government and shall be payable primarily from the proceeds of general obligation bonds in anticipation of which the Commercial Paper is being issued. For a more complete statement of the general covenants and provisions pursuant to which the Commercial Paper is issued, reference is hereby made to the Commercial Paper Resolution.

Unless the payment of the Commercial Paper otherwise shall be provided for by or on behalf of the Metropolitan Government from proceeds of rollover commercial paper or other available moneys, on or before the respective maturity dates thereof, the Metropolitan Government shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of general obligation bonds or other obligations of the Metropolitan Government, or otherwise obtain governmental financing, in an amount sufficient to provide for the payment of the outstanding principal of and interest on the Commercial Paper at maturity.

Pledge of Payments

The Commercial Paper shall be direct general obligations of the Metropolitan Government and shall be secured by the unlimited ad valorem taxes to be levied on all taxable property in the Metropolitan Government. The full faith and credit and unlimited taxing power of the Metropolitan Government are irrevocably pledged to the payment of the principal of and interest on the Commercial Paper.

Levy of Ad Valorem Taxes

Under Tennessee law, the Metropolitan Council is authorized to levy a tax on all taxable property in the Metropolitan Government, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. The current property tax rate in the General Services District is $2.922 per $100 of assessed value and the additional property tax rate for the Urban Services District is $0.332 per $100 of assessed value, for a combined property tax rate of $3.254 per $100 of assessed value.

In accordance with the Act and the Commercial Paper Resolution, the Metropolitan Government agrees that a tax sufficient to pay, when due, such principal and such interest on the Commercial Paper, shall be levied annually and assessed, collected and paid in like manner with the other taxes of the Metropolitan Government and shall be in addition to all other taxes authorized or limited by law.

By referendum passed on November 7, 2006, voters in the Metropolitan Government amended the Charter (the "2006 Charter Amendment") to require that all future increases of the maximum ad valorem (real property) tax rate of $4.04 per one hundred dollars of assessed property value in the General Services District and $4.69 per one hundred dollars of assessed property value in the Urban Services District be first approved by voter referendum prior to implementation by the Metropolitan Government.

The Act dictates the levy of a tax sufficient to pay debt service of any general obligation bonds or notes issued thereunder, without regard to any other Tennessee or local laws to the contrary. Bond Counsel will opine that the pledge of the Metropolitan Government's unlimited taxing power is valid, binding and enforceable against it, and that there is no limitation on the Metropolitan Government's ability to impose sufficient taxes to fund debt service on the Commercial Paper. See "**APPENDIX C – FORM OF OPINION OF BOND COUNSEL**" attached hereto.

If valid, the 2006 Charter Amendment may limit the Metropolitan Government's ability to raise additional revenues for governmental requirements – other than the payment of general obligation debt service – by increasing property tax rates. The 2006 Charter Amendment does not purport to specifically limit that portion of the tax rate allocable to the payment of debt service. The information set forth in **APPENDIX A** and **APPENDIX B** attached to this Offering Memorandum more fully describes the percentages of the Metropolitan Government's budget funded with ad valorem property tax revenues and provides other pertinent information regarding the Metropolitan Government's mechanisms for collections and expenditures of its ad valorem property tax revenues.

The Metropolitan Government's Department of Law and Bond Counsel have each opined that a court would likely find the 2006 Charter Amendment to be invalid as an unconstitutional limitation on the exercise of the Metropolitan Council's taxing authority. Neither the legal effect nor the constitutionality of the 2006 Charter Amendment has been challenged, and the timing and outcome of any such challenge cannot be predicted.

Remedies and Rights of Holders

The Commercial Paper, when duly issued, will constitute a contract between the Metropolitan Government and each registered owner of the Commercial Paper. Any registered owner(s) of the Commercial Paper, including a trustee or trustees for the registered owners, shall have the right, in addition to all other rights: (a) by mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce his or her rights against the Metropolitan Government and the Metropolitan Council and any officer, agent or employee of the Metropolitan Government, including, but not limited to, the right to require the Metropolitan Government, the Metropolitan Council and any proper officer, agent or employee of the Metropolitan Government to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes and to require the Metropolitan Government and the Metropolitan Council and any officer, agent or employee of the Metropolitan Government to carry out any other covenants and agreements and to perform its and their duties under the applicable provisions of the Act; and (b) by action or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of such registered owners of the Commercial Paper.

CURRENT FINANCIAL CONDITIONS

General Fund History

The chart below illustrates a historical summary of the General Fund balance of the Metropolitan Government for the Fiscal Year ended June 30, 2019, through the Fiscal Year ended June 30, 2023:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SUMMARY OF THE GENERAL FUND
For the Fiscal Years Ended June 30, 2019, through June 30, 2023
(Amounts in Thousands)

	2023	2022	2021	2020	2019
Beginning Fund Balance	$ 429,072	$ 285,487	$ 73,775	$ 91,445	$ 76,661
Revenues	1,529,672	1,393,517	1,317,697	1,067,727	1,074,613
Expenditures	(1,254,724)	(1,117,625)	(975,505)	(1,007,359)	(950,771)
Other Financing Sources (Uses)	(200,145)	(132,307)	(130,480)	(78,038)	(109,058)
Ending Fund Balance	**$ 503,875**	**$ 429,072**	**$ 285,487**	**$ 73,775**	**$ 91,445**
Unreserved Fund Balance	**$ 339,480**	**$ 378,958**	**$ 264,975**	**$ 61,073**	**$ 77,325**

Source: The Metropolitan Government of Nashville and Davidson County Department of Finance.

As illustrated in the General Fund table above, the Metropolitan Government's General Fund balance increased by $74.8 million, or 14.9%, from the end of Fiscal Year 2022 to the end of Fiscal Year

2023. The following sections more fully describe the Metropolitan Government's: (i) financial results for Fiscal Year 2023, which resulted in the increase in its General Fund balance; and (ii) projected financial results for Fiscal Year 2024.

Fiscal Year 2023 Results

For Fiscal Year 2023, the budget for the General Fund did not include any increases in tax rates from the previous year, including property taxes or local option sales taxes. Additionally, this budget sought to maintain fund balance levels in accordance with the Fund Balance Policy implemented in Fiscal Year 2022. The Fiscal Year 2023 General Fund budget was prepared in a different economic environment than the Fiscal Year 2021 and Fiscal Year 2022 budgets. Accordingly, revenue and expenditure estimates were reflective of a full recovery from the economic impacts and fiscal challenges resulting from the COVID-19 pandemic. The total fund balance of the General Fund increased by $74.8 million during the current fiscal year as compared to $140.7 million increase in the previous year. The unreserved fund balance for the General Fund was $339.5 million on June 30, 2023, which represented a decrease of $39.4 million from the previous fiscal year. The unreserved fund balance as a percentage of budgeted expenditures was approximately 25.6%. Total revenues exceeded budgeted amounts by $117.7 million. As previously noted, revenues of the Metropolitan Government were budgeted to reflect a full economic recovery from the fiscal impacts resulting from the COVID-19 pandemic. As anticipated, Fiscal Year 2023 revenues were strong and significant positive variances were achieved, primarily with activity-based revenues including local option sales tax, beer and alcoholic beverage taxes, business taxes, building and constriction related permits, and the Tennessee sales tax levy. Expenditures and other financing uses were under budget by $69.2 million with savings achieved across substantially all Metropolitan Government departments.

For Fiscal Year 2023, the actual results for all funds supported by property taxes reflected increases in the fund balance. The total fund balance increased $37.2 million for the General Purpose School Fund, increased $21.9 million for the General Services District General Purposes Debt Service Fund, increased $7 million for the General Services District School Purposes Debt Service Fund, and increased $818 thousand for the Urban Services District General Purposes Debt Service Fund.

Fiscal Year 2024 Projected Results

The Fiscal Year 2024 budget adopted by the Metropolitan Council contemplated general fund expenditures of $1.674 billion, anticipated to generate a $100 million or 5.9% increase from the Fiscal Year 2023 budgeted expenditures. The Fiscal Year 2024 budget anticipated an increase in property tax revenue of $38 million to be generated from growth in the property tax base, increases in local option sales tax revenue in the amount of $56 million, and increases in other revenues in the amount of $24 million, partially offset by decreases in various other revenues. The Fiscal Year 2024 budget did include the use of fund balance of $71 million to General Service District General Purpose Debt Service to be incompliant with the Fund Balance Policy. The Fiscal Year 2024 budget included the use of fund balance in the amount of $60 million in surplus appropriation for all Council-approved projects. For Fiscal Year 2024, the projected results for the following funds supported by property tax revenues are anticipated to achieve increases to their respective fund balances. The Metropolitan Government's total fund balance is projected to increase $9 million for the General Purpose School Fund and increase $71 million for the General Service District General Purposes Debt Service Fund.

ANTICIPATED FUTURE BORROWING PLANS

The Metropolitan Government maintains two general obligation commercial paper programs with a combined funding capacity of up to $700 million. In addition to the Commercial Paper Program, the Metropolitan Government maintains another general obligation commercial paper program in a maximum principal amount of $375 million, for which liquidity support is provided by TD Bank N.A. and the commercial paper dealer is BofA Securities, Inc., New York, New York. Should current capital spending plans continue, the Metropolitan Government would expect to issue an additional $650 million of general obligation bonds to retire commercial paper in the next 24-36 months.

For a further discussion regarding the Metropolitan Government's anticipated future borrowing plans, see "**APPENDIX B – FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY – CAPITAL FINANCING AND BONDS**" attached hereto.

LITIGATION

At the time of the delivery of the Commercial Paper, the Metropolitan Government will deliver, or cause to be delivered, a certificate of the Metropolitan Government stating that there is no controversy or litigation of any nature then pending or threatened adversely affecting: (i) the issuance of the Commercial Paper, or in any way contesting or affecting the validity of the Commercial Paper or any proceedings of the Metropolitan Government taken with respect to the issuance or sale thereof; (ii) the power of the Metropolitan Government to levy and collect ad valorem taxes to timely pay the its obligations on the Commercial Paper; or (iii) the corporate existence, boundaries or powers of the Metropolitan Government, or the title of its officials to their respective offices.

The Metropolitan Government is a party to various lawsuits in the normal course of business, but there is no pending litigation against the Metropolitan Government that, if decided adversely to the Metropolitan Government, would have a material adverse financial impact upon the Metropolitan Government or its operations. The Metropolitan Government has been engaged in litigation since 2020 addressing various attempts to amend the Charter. While the litigation has thus far resolved in the Metropolitan Government's favor, given the subject matter, a discussion is included herein.

The Metropolitan Charter provides that the Metropolitan Council is the legislative body of the Metropolitan Government and is composed of forty (40) members who are elected for four-year terms, wherein thirty-five (35) members are elected from council districts and five (5) members are elected at large. The Tennessee General Assembly in its 2023 session adopted Senate Bill No. 0087 and House Bill No. 0048, which, if constitutional, would require the Metropolitan Council to amend the Metropolitan Charter to decrease the size of the Metropolitan Council to no more than twenty (20) voting members.

On March 13, 2023, the Metropolitan Government's Department of Law filed suit, accompanied by a Motion for Temporary Injunction, against the Tennessee Governor, Tennessee Secretary of State and Tennessee Coordinator of Elections (the "State Defendants"), challenging the constitutionality of Public Chapter 21 of the 113th Tennessee General Assembly ("Public Chapter 21"). The lawsuit seeks a declaration and permanent injunction on grounds that Public Chapter 21 violates Article XI, Section 9 (the "Home Rule Amendment"), and Article VII, Section 1, of the Tennessee Constitution. Additional plaintiffs, including members of the Metropolitan Council and taxpayers in the Metropolitan Government (together the "Individual Plaintiffs"), filed a companion lawsuit challenging the law on the same grounds, and the two cases were quickly consolidated.

On April 4, 2023, a three-judge panel comprised of Chancery Court and Circuit Court judges from the three grand divisions in the State of Tennessee (the "State") (i.e., West Grand Division, Middle Grand Division, and East Grand Division) heard argument from the State Defendants, the Metropolitan Government, and the Individual Plaintiffs on the Motions for Temporary Injunction filed by the plaintiffs in both cases. The Individual Plaintiffs and the Metropolitan Government argued that an injunction was necessary to prevent irreparable harm that would ensue to the Metropolitan Government and the public if the redistricting process had to be completed on the timeline set forth in Public Chapter 21 (i.e., in advance of the August 2023 election).

By order dated April 10, 2023, the three-judge panel enjoined Section 1(b) of Public Chapter 21, the portion of the law that required the Metropolitan Government to redistrict in advance of the August 2023 election. The three-judge panel ruled unanimously that the Metropolitan Government was likely to succeed on its claim that Section 1(b) of Public Chapter 21 violated the Home Rule Amendment; that this constitutional injury established irreparable harm to the Metropolitan Government; that the balance of harms supported maintaining the status quo (i.e., not requiring redistricting on such a short timeline); and that requiring the Metropolitan Government to redistrict on the timeline set forth in Public Chapter 21 threatened the integrity of the Metropolitan Government's pending election process, contrary to the public interest. The lawsuit will be argued on the merits on May 20, 2024.

TAX MATTERS

Federal Taxes

Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Commercial Paper. Their opinion under existing law, relying on certain statements by the Metropolitan Government and assuming compliance by the Metropolitan Government with certain covenants, is that interest on the Commercial Paper is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Commercial Paper is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

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

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

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

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

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

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 Commercial Paper or under Tennessee, local or foreign tax law.

> ***Information Reporting and Backup Withholding***. Information reporting requirements apply to interest on tax-exempt obligations, including the Commercial Paper. 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 Commercial Paper 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 Commercial Paper 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 Commercial Paper 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 Commercial Paper during the period the Commercial Paper 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 Commercial Paper in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Commercial Paper or otherwise prevent holders of the Commercial Paper from realizing the full benefit of the tax exemption of interest on the Commercial Paper. Further, such proposals may impact the marketability or market value of the Commercial Paper simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Commercial Paper issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Commercial Paper. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Commercial Paper would be impacted thereby. Purchasers of the Commercial Paper should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Commercial Paper, 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.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and validity of the Commercial Paper are subject to the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose approving opinion, in substantially the form attached hereto as "**APPENDIX A – FORM OF OPINION OF BOND COUNSEL**" will be delivered concurrently with the issuance of the Commercial Paper.

Certain legal matters will be passed upon for the Metropolitan Government by its Disclosure Counsel, Carpenter Law, PLLC, Nashville, Tennessee. Additionally, certain legal matters will be passed upon for the Metropolitan Government by its Director of Law. Certain legal matters will be passed upon for the Dealer by its counsel, Adams and Reese LLP, Nashville, Tennessee.

No representation is made to the holders of the Commercial Paper that Bond Counsel has verified the accuracy, completeness or fairness of the statements contained in this Offering Memorandum, and Bond Counsel assumes no responsibility to the holders of the Commercial Paper except for the matters that will be set forth in its unqualified approving opinion.

The legal opinions to be delivered concurrently with the issuance of the Commercial Paper express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering legal opinions, the attorneys providing such opinions do not become insurers or guarantors of the result indicated by that expression of professional judgment with respect to the transaction on which the opinions are rendered or of the future performance of parties to the transaction. Furthermore, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL INFORMATION

In connection with the issuance of the Commercial Paper, the Metropolitan Government is not required to and will not agree to provide any "annual financial information" (within the meaning of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12")) or any other information or notices required by Rule 15c2-12 to the Municipal Securities Rulemaking Board ("MSRB"). However, the Metropolitan Government has agreed to provide such "annual financial information" and other information and notices required by Rule 15c2-12 to the Electronic Municipal Market Access of the MSRB ("EMMA") in connection with the issuance of its various outstanding general obligation bonds, and such information is available from EMMA www.emma.msrb.org as long as the Metropolitan Government has outstanding general obligation bonds.

Audited financial statements of the Metropolitan Government and related supplementary information for each fiscal year are also available through the website of the Metropolitan Government's Department of Finance at https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents. Also, certain supplementary information regarding the Metropolitan Government can be provided by submitting a public records request through the website of hubNashville at https://hub.nashville.gov/s?language=en_US.

To the extent there are any differences between the audited financial statements posted on the website of the Metropolitan Government's Department of Finance or from related documents received through a public records request as compared to the audited financial statements filed by the Metropolitan Government on EMMA, then the audited financial statements filed on EMMA shall control.

For additional information regarding the Metropolitan Government and its audited financial statements, the Commercial Paper, or this Offering Memorandum and the appendices attached hereto, please contact: Michell Bosch, Treasurer of the Metropolitan Government at 700 President Ronald Reagan Way, Suite 310, Nashville, Tennessee 37210.

This Offering Memorandum is not a summary of the terms of the Commercial Paper, and information essential to the making of an informed decision with respect to the Commercial Paper may be obtained in the manner described above. All references to documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced. The information and expressions of opinion in this Offering Memorandum are subject to change without notice, and future use of this Offering Memorandum shall not create any implication that there has been no change in the matters described herein since the date hereof.

INDEPENDENT AUDITORS

The electronic hyperlink containing the Metropolitan Government's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023, which is inclusive of the audited financial statements for Fiscal Year 2023, is incorporated herein and has been audited by Crosslin & Associates, Certified Public Accountants, serving as independent auditors to the Metropolitan Government.

Crosslin & Associates, Certified Public Accountants has not been engaged to perform and has not performed, since the date of the Annual Comprehensive Financial Report, any review or analysis of the audited financial statements addressed within the Annual Comprehensive Financial Report and has not performed any review or analysis of the audited financial statements set forth and more fully described within this Offering Memorandum or the appendices attached hereto.

See "**APPENDIX A – ELECTRONIC HYPERLINK TO THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2023**" attached hereto to access the electronic hyperlink pertaining to the Annual Comprehensive Financial Report and the audited financial statements of the Metropolitan Government.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings (together the "Rating Agencies"), have each assigned ratings of "P-1" and "A-1+", respectively, to the Commercial Paper.

The ratings reflect only the respective views of the Rating Agencies, and any explanation of the significance of such ratings may be obtained from the Rating Agencies at the following addresses: Moody's Investors Services, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041.

The Metropolitan Government furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Offering Memorandum, relating to the Metropolitan Government and its outstanding debt. Generally, rating agencies base their ratings upon such information and materials and upon investigations, studies and assumptions by the ratings agencies. The Metropolitan Government makes no representation as to the appropriateness of these ratings and is not required to maintain a specified rating with respect to the Commercial Paper. There is no assurance that such ratings will remain unchanged for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the Rating Agencies furnishing the same, if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions taken by the Rating Agencies, or any other rating agency, may have an adverse impact on the market price or marketability of the Commercial Paper. The Metropolitan Government has not undertaken any responsibility to oppose any such revision, suspension, or withdrawal.

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 Commercial Paper, 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 it 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 Commercial Paper.

DEALER

The Metropolitan Government has appointed the Dealer to serve as dealer for the Commercial Paper. Under the Dealer Agreement, the Dealer shall use its best efforts to arrange for the sale of the Commercial Paper, but shall not be obligated to purchase any Commercial Paper for its own account or arrange the sale of any Commercial Paper unless and until it is in accordance with the Commercial Paper Resolution, the Issuing and Paying Agency Agreement, and the Dealer Agreement and the Dealer has agreed to such purchase or arranged sale. Any inquiries to the Dealer pertaining to the Commercial Paper may be directed as set forth below:

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036
Attention: Municipal Short-Term Products
Telephone: (212) 761-9093
Fax: (212) 507-2103
Email: short-term-notice@morganstanley.com

The Dealer and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Dealer and its affiliates have from time to time performed and may in the future perform various commercial and investment banking services for the Metropolitan Government for which they received or will receive customary fees and expenses.

In the ordinary course of their respective various business activities, the Dealer and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Dealer and its 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. Such investment and security activities may involve securities and instruments of the Metropolitan Government.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Dallas, Texas (the "Municipal Advisor"), is employed as Municipal Advisor to the Metropolitan Government in connection with the issuance of the Commercial Paper. 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 Commercial Paper or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Municipal Advisor may from time to time sell investment securities to the Metropolitan Government for the investment of bond proceeds or other funds of the Metropolitan Government upon the request of the Metropolitan Government.

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

FORWARD LOOKING STATEMENTS

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

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

In considering the matters set forth in this Offering Memorandum, prospective investors should carefully review all information included herein (particularly the information under this caption) to identify any investment considerations. Potential investors should be thoroughly familiar with this entire Offering Memorandum 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 Commercial Paper.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to in this Offering Memorandum, including the cover page and the appendices attached hereto, 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 Commercial Paper, the security for the payment of the Commercial Paper and the rights and obligations of the holders thereof.

The information contained in this Offering Memorandum, including the cover page and the appendices attached hereto, has been prepared by the Metropolitan Government and compiled from sources deemed by the Metropolitan Government to be reliable and, while not guaranteed as to completeness or accuracy, the information contained herein is believed by the Metropolitan Government to be correct as of the date of this Offering Memorandum.

Use of the words “shall” or “will” in this Offering Memorandum or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled. Any statements made in this Offering Memorandum 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 Offering Memorandum nor any statement, which may have been made verbally or in writing, is to be construed as a contract with the holders of the Commercial Paper.

[*Signatures on Following Page*]

AUTHORIZATION OF AND CERTIFICATION REGARDING THE AMENDED AND RESTATED OFFERING MEMORANDUM

The execution and delivery of this Amended and Restated Offering Memorandum have been duly authorized and approved by the Metropolitan Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: *_/s/ Freddie O'Connell_*
Freddie O'Connell
Metropolitan Mayor

By: *_/s/ Kevin Crumbo_*
Kevin Crumbo
Director of Finance

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APPENDIX A

ELECTRONIC HYPERLINK TO THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

The electronic hyperlink incorporated in this **APPENDIX A** contains the Metropolitan Government's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023, which is inclusive of the audited financial statements for Fiscal Year 2023, and has been audited by Crosslin & Associates, Certified Public Accountants, serving as independent auditors to the Metropolitan Government (the "ACFR").

The ACFR is hereby incorporated by reference as a part of this **APPENDIX A** and is available through the website of the Metropolitan Government's Department of Finance at the following hyperlink: https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents.

To the extent there are any differences between the ACFR posted on the website of the Metropolitan Government's Department of Finance as compared to the ACFR filed by the Metropolitan Government on EMMA, then the ACFR filed on EMMA shall control.

Crosslin & Associates, Certified Public Accountants has not been engaged to perform and has not performed, since the date of the ACFR, any review or analysis of the audited financial statements addressed within the ACFR and has not performed any review or analysis of the audited financial statements set forth and more fully described within the Offering Memorandum or the appendices attached thereto.

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APPENDIX B

FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") prepared its Annual Comprehensive Financial Report, the electronic hyperlink being attached as and incorporated into **APPENDIX B** of the Amended and Restated Offering Memorandum (the "Offering Memorandum"), which contains its audited financial statements for the Fiscal Year ended June 30, 2023.

In addition to preparing the Annual Comprehensive Financial Report for Fiscal Year 2023, the Metropolitan Government has prepared this **APPENDIX B**, which includes certain financial, demographic, and operating information pertaining to the Metropolitan Government for the same period. It is the intention of the Metropolitan Government that this **APPENDIX B**, together with the Offering Memorandum along with the appendices attached thereto, and other requested information will be used in connection with the issuance and sale of the Commercial Paper.

For additional information regarding the Metropolitan Government, the Annual Comprehensive Financial Report, the Commercial Paper, or the Offering Memorandum and this **APPENDIX B**, please contact the following individuals:

Mr. Kevin Crumbo *Director of Finance*	Ms. Michell Bosch *Metropolitan Treasurer*
Metropolitan Courthouse 1 Public Square, Suite 106 Nashville, Tennessee 37201 (615) 862-6151	Howard Office Building 700 President Ronald Reagan Way, Suite 310 Nashville, Tennessee 37210 (615) 862-6154

The following information provided in this APPENDIX B is subject to change without notice and has been collected from sources that the Metropolitan Government considers to be reliable. The Metropolitan Government has made no independent verification of the information provided by non-Metropolitan Government sources, and the Metropolitan Government takes no responsibility for the completeness or accuracy thereof. Except as otherwise provided, the information contained in this APPENDIX B is often in relation to dates and periods prior to the onset of the COVID-19 pandemic and the resulting measures instituted to mitigate it. Historical numbers, including but not limited to those regarding employment, transportation, and tourism, presented herein cannot be relied upon as reflective of current conditions or predictive of future results, which may be materially different from the information presented herein. The delivery by the Metropolitan Government of the information contained herein shall not, under any circumstances, create any implication that there has been no material change in the affairs of the Metropolitan Government since the date of the Offering Memorandum.

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INTRODUCTION

The Metropolitan Government of Nashville and Davidson County

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is the capital of and most populous city within the State of Tennessee. It is located on the Cumberland River in northern Middle Tennessee. Nashville is a center for the industries of music, healthcare, publishing, manufacturing, banking, transportation, 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 ("MSA") located at the intersections of Interstate 24, Interstate 40, and Interstate 65. The Metropolitan Government and its MSA each have an estimated population of 708,144 and 2,046,828, respectively, as of 2022 according to the United States Census Bureau. See "DEMOGRAPHIC AND STATISTICAL INFORMATION" herein.

On June 28, 1962, the voters of the City of Nashville and Davidson County approved the Charter of the Metropolitan Government of Nashville and Davidson County (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", under which the boundaries of Nashville and Davidson County became co-extensive.

The executive and administrative powers are vested in the Metropolitan Government's Mayor (the "Metropolitan Mayor"), who is elected at large for a four-year term. The Metropolitan 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 of the Metropolitan Government (the "Metropolitan Council") is required to override the Metropolitan Mayor's veto. The Charter also provides for a Metropolitan Vice-Mayor, who is elected at large for a four-year term and is the presiding officer of the Metropolitan Council. The Metropolitan Council is the legislative body of the Metropolitan Government and is composed of forty (40) members who are elected for four-year terms, wherein thirty-five (35) members are elected from council districts and five (5) members are elected at-large.

In its 2023 legislative session, the Tennessee General Assembly adopted Senate Bill No. 0087 and House Bill No. 0048, which, if constitutional, would require the Metropolitan Council to amend the Charter to decrease the size of the Metropolitan Council to no more than twenty (20) voting members in connection with the regularly-scheduled August 2027 Metropolitan Council election. Such amendment will not affect the approval or the issuance of the Commercial Paper. For more information, see "LITIGATION" within the Offering Memorandum.

The Charter provides a framework for the Metropolitan Government to serve the needs of two service districts: (i) the General Services District of the Metropolitan Government ("General Services District" or "GSD") and (ii) the Urban Services District of the Metropolitan Government ("Urban Services District" or "USD"). The GSD embraces the entire area of Davidson County and is taxed to support general services, functions, and particular debt obligations, which are deemed properly chargeable to the whole population. Such services include general administration, police, fire protection, courts, jails, health and 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 and Davidson County as they existed on April 1, 1963, being the date of consolidation, as more fully described above.

The residents of the USD are charged an additional tax to support the above-mentioned general services, functions, and particular 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 USD may be expanded, and its territorial limits extended by annexation whenever particular areas of the GSD 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 the services typically provided by cities, counties, and school districts. The Metropolitan Government's school system is the second largest school system in the State of Tennessee. The Metropolitan Government provides tax-supported funding for its school's capital and operating expenses. School system operations are managed by the Metropolitan Board of Public Education, which consists of nine (9) publicly elected members.

The Metropolitan Government provides water and wastewater services throughout the GSD and USD. Capital and operating costs of water and wastewater services are funded exclusively through revenues generated from water and wastewater rates, fees, and charges. Similarly, the Metropolitan Government funds the capital and operating costs of its electric system exclusively through revenues generated from electric system rates, fees, and charges. Because these utility systems are not tax-supported enterprises, information regarding these utility systems is not included within this **APPENDIX B** or the Offering Memorandum in connection with the Commercial Paper.

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 Annual Comprehensive Financial Report ("ACFR"), 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 the Metropolitan Government's ACFRs are available on the Metropolitan Government's website, https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents.

The Metropolitan Government reports on 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.

- **Education Services Fund** – used to account for a variety of programs supporting education activities including various state and federal grant programs, funds reserved for unemployment claims of the Metropolitan Nashville Public School employees, food service operations of the school system, costs associated with charter schools, and fundraising activities of individual schools.

- **General Services District General Purposes Debt Service Fund** – used to account for the accumulation of resources and for the payment of principal and interest on the outstanding GSD general obligation debt.

- **General Services District School Purposes Debt Service Fund** – used to account for the accumulation of resources and for the payment of principal and interest on the outstanding debt related to schools.

- **Urban Services District General Purposes Debt Service Fund** – used to account for the accumulation of resources and for the payment of principal and interest on the outstanding USD general obligation debt.

- **General Services District 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.

- **Urban Services District 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 on 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 its 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.

- **Stormwater Operations** – under the administrative responsibility of the Department of Water and Sewerage Services and accounts for activities surrounding the maintenance of the Metropolitan Government's stormwater drainage system. Revenues are derived from a stormwater fee assessed on users of the system.

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.

- **<u>Custodial Funds</u>** – 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 of the Metropolitan Government (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 Metropolitan 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 Council for consideration no later than May 1st of each year. 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 Council has passed the budget ordinance on the first reading, it will subsequently hold public hearings. After the conclusion of the public hearings, the Metropolitan Council may amend the operating budget prepared by the Metropolitan Mayor. However, the budget, as finally amended and adopted, 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 Council fails to adopt a budget by July 1st, the budget submitted by the Metropolitan 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 located within the GSD and an additional annual tax on all taxable property located 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 illustrated 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
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(For the Fiscal Years Ended June 30, 2019, through June 30, 2023)

	2023	2022	2021	2020	2019
REVENUES:					
Property taxes	$ 815,179,124	$ 781,476,535	$ 754,775,682	$ 597,829,022	$ 565,209,717
Local option sales tax	240,875,992	204,274,395	168,157,620	113,464,491	141,902,355
Other taxes, licenses and permits	194,639,712	191,691,975	159,909,219	159,918,852	160,881,656
Fines, forfeits and penalties	4,527,290	4,655,522	4,820,452	5,014,278	6,855,593
Revenue from use of money of property	15,207,168	92,145	190,700	376,653	1,698,384
Revenue from other governmental agencies	186,097,921	148,550,333	173,009,118	139,187,410	124,460,648
Commissions and fees	19,736,251	18,633,182	17,718,359	13,437,944	17,058,875
Charges for current services	46,987,945	42,306,233	37,102,858	36,498,952	42,233,974
Compensation for loss, sale or damage to property	733,874	700,747	1,108,900	513,104	13,096,343
Contributions and gifts	13,105	37,902	33,025	406,680	318,780
Miscellaneous	5,673,667	1,098,185	871,032	1,079,380	897,243
Total revenues	1,529,672,049	1,393,517,154	1,317,696,965	1,067,726,766	1,074,613,568
EXPENDITURES					
General government	68,622,952	59,437,051	53,109,511	52,446,684	51,342,987
Fiscal administration	32,031,952	28,386,656	26,274,627	24,620,447	24,085,812
Administration of justice	81,140,835	76,456,975	69,325,655	68,715,316	65,677,679
Law enforcement and care of prisoners	379,962,278	351,730,198	312,866,080	301,194,426	288,482,195
Fire prevention and control	172,978,973	156,953,762	138,443,891	136,829,267	130,611,622
Regulation and inspection	14,665,025	13,062,172	11,484,128	11,032,259	10,238,714
Conservation of natural resources	299,741	324,250	343,532	335,444	322,263
Public welfare	9,782,303	7,598,119	5,839,322	6,672,499	6,667,525
Pubic health and hospitals	83,388,263	75,554,608	64,863,227	66,919,483	66,464,916
Public library system	39,384,151	32,919,491	30,651,471	31,369,260	31,282,141
Public works, highway, and street	50,213,354	43,603,025	35,374,417	36,321,877	35,064,951
Recreational and cultural	62,181,963	49,084,856	43,779,702	42,072,126	43,787,806
Employee benefits	82,537,345	91,008,008	89,295,904	88,233,381	87,855,789
Miscellaneous	134,980,762	120,889,663	93,853,337	102,696,115	108,887,193
Capital outlay	31,343,368	10,615,724	-	-	-
Debt service:					
Principal retirement	10,754,135	-	-	21,230,100	-
Interest	456,323	-	-	16,669,900	-
Total expenditures	1,254,723,723	1,117,624,558	975,504,804	1,007,358,584	950,771,593
Excess (deficiency) of revenues over expenditures	274,948,326	275,892,596	342,192,161	60,368,182	123,841,975
OTHER FINANCING SOURCES (USES)					
Leases	253,016	10,615,724	-	-	-
Subscriptions	28,253,492	-	-	-	-
Transfers in	25,863,508	34,845,249	20,483,569	25,936,866	28,324,712
Transfers out	(254,515,763)	(180,604,653)	(150,964,244)	(103,974,920)	(137,383,097)
Total other financing sources (uses)	(200,145,747)	(135,143,680)	(130,480,675)	(78,038,054)	(109,058,385)
Excess (deficiency) of revenues and other sources over expenditures and other uses	74,802,579	140,748,916	211,711,486	(17,669,872)	14,783,590
FUND BALANCE, beginning of year (1)	429,072,306	285,486,531	73,775,045	91,444,917	76,661,327
FUND BALANCE, end of year	$ 503,874,885	$ 426,235,447	$ 285,486,531	$ 73,775,045	$ 91,444,917

(1) - The beginning fund balance was restated.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2023.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SPECIAL REVENUE FUNDS (1) (2)
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(For the Fiscal Years Ended June 30, 2019, through June 30, 2023)

	2023	2022	2021	2020	2019
REVENUES:					
Property taxes	$ 477,100,857	$ 479,124,651	$ 436,064,759	$ 331,591,099	$ 325,095,825
Local option sales tax	364,223,197	345,730,678	244,212,837	242,743,133	242,006,117
Other taxes, licenses and permits	218,498,706	173,453,410	71,017,140	103,649,115	135,340,744
Fines, forfeits and penalties	1,879,570	1,019,255	1,736,460	1,858,881	3,226,296
Revenue from the use of money or property	25,268,936	86,873	1,768,870	3,349,841	3,996,660
Revenue from other governmental agencies	709,497,571	749,072,864	700,409,034	507,400,824	514,846,966
Commissions and fees	8,362,944	8,525,862	8,466,222	12,080,393	8,893,569
Charges for current services	38,057,495	27,245,384	18,544,545	29,383,312	32,968,507
Compensation for loss, sale or damage to property	11,425,795	2,272,631	4,336,452	1,982,404	9,293,212
Contributions and gifts	12,612,722	11,782,885	7,313,894	6,515,863	13,726,681
Miscellaneous	5,516,415	40,088	186,205	329,505	62,659
Total revenues	1,872,444,208	1,798,354,581	1,494,056,418	1,240,884,370	1,289,457,236
EXPENDITURES					
General government	172,064,809	126,306,016	63,733,177	103,282,752	104,559,104
Fiscal administration	206,981	96,788	234,154	343,633	285,175
Administration of justice	12,506,960	13,136,297	13,140,010	13,458,767	10,538,338
Law enforcement and care of prisoners	5,959,653	5,174,803	9,671,723	25,071,303	23,107,385
Fire prevention and control	811,018	273,482	958,372	23,954	33,184
Regulation and inspection	179,620	134,502	43,533	48,049	96,487
Public welfare	85,487,743	141,154,400	174,549,641	58,410,684	46,917,069
Public health and hospitals	37,524,517	42,988,455	32,081,393	23,969,614	22,963,130
Public library system	1,607,722	1,734,761	779,695	781,938	1,053,862
Public works, highways and streets	51,994,095	41,346,522	45,473,916	37,924,204	42,878,934
Recreational and cultural	1,959,712	2,362,134	1,815,558	1,694,001	2,058,992
Education	1,409,396,336	1,269,029,098	1,121,276,681	1,034,084,222	1,041,774,050
Debt service:					
Principal retirement	9,660,163	-	-	-	-
Interest	124,472	-	-	-	-
Capital outlay	66,005,255	31,551,010	27,639,968	24,544,427	32,483,038
Total expenditures	1,855,489,056	1,675,288,268	1,491,397,821	1,323,637,548	1,328,748,748
Excess (deficiency) of revenues over expenditures	16,955,152	123,066,313	2,658,597	(82,753,178)	(39,291,512)
OTHER FINANCING SOURCES (USES)					
Insurance recovery	-	-	-	4,000,000	-
Leases	1,294,988	861,989	-	-	-
Subscriptions	33,302,656	-	-	-	-
Transfers in	429,692,680	350,535,845	307,620,877	216,935,884	215,571,815
Transfers out	(282,005,378)	(264,270,585)	(200,691,303)	(175,665,100)	(180,185,805)
Total other financing sources (uses)	182,284,946	87,127,249	106,929,574	45,270,784	35,386,010
Excess (deficiency) of revenues and other sources over expenditures and other uses	199,240,098	210,193,562	109,588,171	(37,482,394)	(3,905,502)
FUND BALANCE, beginning of year, as restated (1)	468,219,054	257,220,955	147,632,784	180,497,282	184,402,784
FUND BALANCE, end of year	$ 667,459,152	$ 467,414,517	$ 257,220,955	$ 143,014,888	$ 180,497,282

(1) - The beginning fund balance was restated.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2023.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(For the Fiscal Years Ended June 30, 2019, through June 30, 2023)

	2023	2022	2021	2020	2019
REVENUES:					
Property taxes	$ 320,930,834	$ 305,485,345	$ 276,438,168	$ 154,648,416	$ 151,549,899
Local option sales tax	80,286,524	82,004,189	69,041,361	87,659,932	66,325,954
Other taxes, licenses and permits	469,007	467,930	188,681	239,243	-
Fines, forfeits and penalties	240,764	215,017	197,512	316,378	207,489
Revenue from the use of money of property	1,942,356	426,814	1,608,541	651,221	992,583
Revenue from other governmental agencies	1,177,497	1,285,943	-	9,733,881	5,572,748
Compensation for loss, sale, or damage to property	584,615	-	222,063	-	-
Bond interest tax credit	4,921,897	4,921,897	4,922,502	4,911,180	4,895,429
Miscellaneous	10,824	-	-	-	-
Total revenues	410,564,318	394,807,135	352,618,828	258,160,251	229,544,102
EXPENDITURES					
Principal retirement	266,213,241	229,274,217	191,390,744	162,282,384	155,391,020
Interest	128,338,724	122,323,012	137,569,537	129,539,635	126,187,299
Fiscal charges	2,437,455	2,109,128	6,569,561	3,687,504	3,954,518
Total expenditures	396,989,420	353,706,357	335,529,842	295,509,523	285,532,837
Excess (deficiency) of revenues over expenditures	13,574,898	41,100,778	17,088,986	(37,349,272)	(55,988,735)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	-	-	627,995,457	-	-
Payments to refunded bond escrow agent	-	-	(636,464,334)	-	-
Bond issue premium (discount)	-	-	11,178,482	-	-
Transfers in	16,168,653	16,873,289	15,751,555	53,712,523	63,089,894
Total other financing sources (uses)	16,168,653	16,873,289	18,461,160	53,712,523	63,089,894
Excess (deficiency) of revenues and other sources over expenditures and other uses	29,743,551	57,974,067	35,550,146	16,363,251	7,101,159
FUND BALANCE, beginning of year	127,839,964	69,865,897	34,315,751	17,952,500	10,851,341
FUND BALANCE, end of year	$ 157,583,515	$ 127,839,964	$ 69,865,897	$ 34,315,751	$ 17,952,500

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2023.

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 disbursed to local taxpayers by the first Monday in October each year with payment due before March 1 of the following year. The process for the (i) valuation of property, (ii) assessment of property values, (iii) levy of property taxes, (iv) collection of property taxes, (iv) remittance of incremental property taxes to the Metropolitan Government, and (v) the collection of delinquent property taxes are more fully described within this section.

Property Valuation

Pursuant to the Property Tax Act, the Assessor of Property of the Metropolitan Government (the "Metropolitan Assessor") appraises the value of all real property (with the exception of public utility property) every four (4) years. Except in certain circumstances where real 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 Metropolitan 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 Metropolitan Assessor's office uses acceptable methods approved by the Tennessee State Comptroller's Office to estimate the value of each property. Because all real properties need to be appraised by January 1 in the year of a reappraisal, the Metropolitan 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 the Metropolitan Assessor staff by the end of April of each tax year, and Metropolitan Assessor's staff may make adjustments to the appraised or assessed value of such real property in dispute. 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 Tennessee State Board of Equalization on or about August 1 of the same year.

Assessed Value

Each year, the Metropolitan 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:

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

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

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

Properties owned by governmental, religious, charitable, scientific, literary, or educational institutions are exempt from assessment and, therefore, have no requirement to pay property taxes.

The Metropolitan Government-owned utility systems (i.e. electric utilities with the Nashville Electric Service and water and sewer utilities with the Department of Water and Sewerage Services), are also exempt from assessment but are separately assessed through certain payments-in-lieu of ad valorem taxes ("PILOT") payments. 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 minus power cost for the preceding three (3) fiscal years. The PILOT payments received from Nashville Electric Service and the Department of Water and Sewerage Services are accounted for in the Metropolitan Government's annual financial statements as if the PILOT payments were regular ad-valorem property tax payments.

Levy of Property Taxes

The Metropolitan Government is divided into two service districts, the GSD and the USD. The GSD embraces the entire area of Davidson County. Properties situated within the GSD 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. Since April 1, 1963, the area of the USD has been expanded by annexation from 72 square miles to 184 square miles. Properties in the USD are subject to an additional tax to support additional police protection, storm sewers, street lighting and refuse collection. The current property tax rate in the General Services District is $2.922 per $100 of assessed value and the additional property tax rate for the Urban Services District is $0.332 per $100 of assessed value, for a combined property tax rate of $3.254 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 must submit the operating budget for the upcoming fiscal year to the Metropolitan Council. The Metropolitan Council may revise the budget proposed by the Metropolitan 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 Metropolitan 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 USD) 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 Industrial Development Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the "IDB"), serves as a conduit quasi-governmental entity, and was created pursuant to Tennessee Annotated Code Section 7-53-101 *et seq*., as amended, to, among other things, issue revenue bonds to foster economic development, acquire, own, lease, and dispose of properties that help to promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to relocate to the Metropolitan Government. Under Tennessee law and as a further aid to foster economic development, the IDB can negotiate and consummate PILOT agreements ("PILOT agreements") to maintain and increase employment opportunities and certain household incomes. The intent of the consummation of the PILOT agreements are to provide a financial incentive designed to encourage economic development through affording significant property tax relief for certain qualified projects and properties located within the GSD and USD of the Metropolitan Government.

The property tax abatements afforded through the PILOT agreements, which may be as much as 100% of the real and/or personal property taxes, may be granted to any qualified business located within or relocating to property within the Metropolitan Government, making significant capital investments and retaining or increasing a significant number of full-time employees. The approval of any PILOT agreements is given consideration on a case-by-case basis and includes the appropriate diligence of assessing the overall benefit to the Metropolitan Government through evaluating various factors, including but not limited to: (i) the positive advantages with job creation and increased wage rates; (ii) the level of local capital investment; and (iii) overall economic impact.

The Director of the Metropolitan Mayor's Office of Economic and Community Development serves as the Executive Director of the IDB (the "Director"). The Director typically negotiates the PILOT agreements, then presents the PILOT agreements to the Metropolitan Council for approval, and if approved, subsequently presents the same to the Board of Directors of the IDB for final approval.

The Metropolitan Government tracks all active PILOT agreements, the PILOT payments applicable thereto, and the abated assessed property values generated in connection therewith, wherein all such information is reflected and included in the Metropolitan Government's audited financial statements within its Annual Comprehensive Financial Report. A full list of the active IDB PILOTs is set forth and more fully described in the Notes incorporated in the audited financial statements within the Annual Comprehensive Financial Report attached to and incorporated in the Offering Memorandum as **APPENDIX A**.

In addition, effective May 5, 2022, the Metropolitan Government adopted Ordinance BL2022-1170 authorizing the Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County to negotiate and accept payments in lieu of ad valorem taxes from its lessees operating mixed-income multifamily housing facilities including housing for low and moderate-income persons (the "Program") and approving the Program for determining qualifications and eligibility for such payments. Per the terms of the Program, the total annual tax abatement amount cannot exceed three million dollars annually.

Historical Property Tax Rate Adjustments

In the last twenty-five (25) years, the Metropolitan Council has adjusted property tax rates on six (6) occasions, in each case increasing the property tax rate for the purpose of generating additional tax revenues to satisfy increased budgetary demands. The following table illustrates the tax year of the rate adjustment and the percentage adjustment with the GSD levy, the USD levy and the combined percent adjustment with both the GSD/USD levies. The Metropolitan Government cannot predict whether the historical pattern of property tax rate adjustments will continue. Any decision to increase or reduce the property tax rate must be approved by the Metropolitan Council.

Tax Year	GSD Adjustment	USD Adjustment	GSD/USD Combined Adjustment
1997	14.03%	18.75%	15.08%
1998	3.79	0.00	2.91
2001	26.69	12.16	23.78
2005	19.88	0.00	16.67
2012	13.48	8.77	12.83
2020	37.50	8.33	33.80

Adjustment of Property Tax Rates as a Result of Reappraisal

As more fully discussed above, the Property Tax Act requires that real property (with the exception of public utility property) be reappraised every four (4) years. The Property Tax Act further requires that the result of the reappraisal be revenue neutral in the aggregate. As a result, upon the reappraisal of real property located within the GSD and USD of 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 real property located within the GSD and USD of 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 six (6) reappraisals have resulted in a decrease in the property tax rate as illustrated in the chart below, reflecting in each case a proportionate increase in aggregate appraised property values. The next reappraisal year will take place in 2025.

Reappraisal Year	GSD/USD Combined Equalization Rate Adjustment
2001	(12.74)%
2005	(12.23)
2009	(11.94)
2013	(3.09)
2017	(30.1)
2021	(22.1)

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 local taxpayers by the first Monday in October 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 paying a delinquent interest of one and one-half percent (1.5%). These delinquent interest amounts are thereafter added to delinquent tax bills on the first (1st) day of each succeeding month until the property taxes are paid in full.

To aid in the collection of property taxes, the Property Tax Act imposes a lien on the property to secure payment of the delinquent 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 the property if the Metropolitan Government is unable to collect the 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.

Statistical Data Regarding Property Tax Collections and Concentration

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
TEN-YEAR HISTORY OF ASSESSED VALUATION
(For the Fiscal Years Ended June 30, 2014, through June 30, 2023)

The following table illustrates a ten-year history of assessed property values for the Fiscal Years ended June 30, 2014, through June 30, 2023 (with numbers expressed in thousands):

Fiscal Year Ended June 30	Total Assessed Value (USD/GSD)	Growth (Decline) from Prior Year
2014	$20,209,537	5.5%
2015	20,376,059	0.8
2016	20,742,695	1.8
2017	21,314,821	2.8
2018	31,144,615	46.1
2019	32,220,800	3.5
2020	33,015,683	2.5
2021	34,127,994	3.3
2022	46,284,154	35.6
2023	48,073,683	3.9

Source: The Metropolitan Government of Nashville and Davidson County.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PRINCIPAL PROPERTY TAXPAYERS
(For the Calendar Year Ended December 31, 2022)

The following table illustrates information regarding the ten largest property taxpayers of the Metropolitan Government for the Calendar Year ended December 31, 2022.

PRINCIPAL PROPERTY TAXPAYERS	2022 ASSESSED VALUATION	AMOUNT OF TAX	% OF TOTAL TAX LEVY
Electric Power Board [1]	$ N/A	$ 36,739,876	2.40%
HCA Healthcare	532,573,577	17,165,766	1.12
RHP Hotels Inc./Gaylord	109,094,718	13,267,079	0.87
Highwoods Properties	279,567,404	9,193,586	0.60
Southwest Value Partners	254,266,943	8,273,846	0.54
Piedmont Natural Gas	182,293,224	5,773,341	0.38
NW 5+B Mulitfamily LLC	161,753,560	5,472,770	0.36
Vanderbilt University and Medical Center	165,192,454	5,375,101	0.35
Mid-America Apartments	166,748,621	5,228,186	0.34
AT&T Telephone/Bellsouth	146,862,070	4,711,371	0.31
TOTAL	**$ 1,998,352,571**	**$ 111,200,923**	**7.27%**

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

Source: The Metropolitan Government of Nashville and Davidson County, Office of the Metropolitan Assessor and Office of the Metropolitan Trustee.

Sales Tax

Under this revenue category, a local option sales tax is collected at the rate of two and one-fourth percent (2.25%) 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 Tennessee law, only on the first $1,600 of a transaction.

Other Taxes, Licenses, and Permits

Under this revenue category, the Metropolitan Government charges for licenses and permits issued by its departments, agencies, boards, and commissions. Additionally, the Metropolitan Government, pursuant to Metropolitan Code of Laws in section 5.12.020 and Metropolitan Council Ordinance No. BL2007-1557, levies a seven percent (7%) surcharge tax with hotels and motels located within the GSD and USD, which assessed against the gross receipts of such hotels and motels (the "the Hotel/Motel Tax"). The Tennessee General Assembly, pursuant to Tennessee Code Annotated Section 67-4-1415, authorized the Metropolitan Government, by Ordinance No. BL2022-1529 of the Metropolitan Council, to levy an additional 1% hotel occupancy tax (the "Stadium Hotel Tax") within the entirety of the boundary of the Metropolitan Government. The statutes prohibit the application of the proceeds of the Stadium Hotel Tax for any purpose other than funding capital improvements for a new football stadium, including the payment of debt service on any bonds issued in connection therewith.

Three percent (3%) of the revenues derived from the Hotel/Motel Tax are required to be annually allocated to The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County for payment on the debt service of its outstanding bonds. Two percent (2%) of the remaining Hotel/Motel Tax is required to be appropriated for tourist promotion, and the remaining one percent (1%) balance of the Hotel/Motel Tax is allocated to the general fund of the Metropolitan Government.

Fines, Forfeits and Penalties

Under this revenue category, the Metropolitan Government performs collections of obligations imposed by the courts, law enforcement and related agencies charged with the care and oversight of incarcerated persons.

Revenue from Use of Money or Property

Under this revenue category, the Metropolitan Government receives interest on investments, rentals and commissions for the use of Metropolitan Government property or rights.

Revenue from Other Governmental Agencies and Contributions and Gifts

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

Charges for Current Services

This revenue category includes fees and charges for certain activities and services provided by agencies of the Metropolitan Government.

Other Revenue Sources

This revenue category 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) any miscellaneous fees.

Transfers In

Under this revenue category, 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/Motel Taxes, debt service requirements, and indirect cost recovery.

EXPENDITURES

Overview

With being categorized as a metropolitan government under Tennessee law, the Metropolitan Government must provide the same or similar public services typically provided by cities, counties and school districts. These 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 set forth within this **APPENDIX B** more fully describing the

Metropolitan Government's (i) General Fund; (ii) Special Revenue Funds; and (iii) Debt Service Funds, found on pages B-5, B-6, and B-7, highlight the amounts of costs and services funded from the three major tax-supported operating funds of the Metropolitan Government.

Public Employees and Employees' Costs

Employee costs account for approximately fifty-seven percent (57%) of all General Fund expenditures. As of June 30, 2023, the Metropolitan Government, and the Metropolitan Board of Education employed approximately 20,150 persons full-time, which of whom approximately 9,747 worked full-time for the Metropolitan Board of Public Education and 10,403 worked full-time for the Metropolitan Government, respectively.

Pension Plan Overview

Metropolitan Government employees/retirees participate in one of three main pension plan groups:

1. Metro Active Plans;

2. Tennessee Consolidated Retirement System (TCRS) for Metropolitan Nashville Public Schools Certificated Employees (Teachers); and

3. Closed Plans maintained under the Guaranteed Payment Plan.

The Metro Active Plans consist of two divisions – Division A and Division B. Metro Active Plan Division A was established at the inception of the Metropolitan 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. On July 1, 1995, Metro Active Plan Division A became closed to new members.

On July 1, 1995, Metro Active Plan Division B 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 the Metro Active Plan Division A were given the option to transfer to Metro Active Plan Division B as of July 1, 1996. At that time, ninety-five percent (95%) of the approximately 11,300 employees elected to transfer to the Metro Active Plan Division B.

The Metro Active Plan Division B is a non-contributory, defined benefit plan, covering 12,100 current employees and 13,900 retired and deferred vested employees. The Metro Active Plan Division B covers all employees of the Metropolitan Government other than school teachers. Contributions to fund benefits for employees of the general government (approximately 75% of total contributions) are funded from the Metropolitan Government's operating fund and revenues. The balance of contributions (approximately 25%) to fund the benefits of Metropolitan Government employees is provided through enterprise funds and other non-operating funded agencies of the Metropolitan Government (e.g. contributions for the employees of the Department of Water and Sewerage Services are funded from water and sewer revenues).

The teachers currently employed within and retired from the Metropolitan Nashville Public Schools participate in the Tennessee Consolidated Retirement System ("TCRS") a component of RetireReadyTN. TCRS is a cost-sharing multiple-employer, contributory, defined benefit plan administered by the Tennessee Consolidated Retirement System Board of Trustees. Approximately 6,500 currently employed and retired teachers are covered by TCRS. TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the State's retirement plan. 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 https://treasury.tn.gov/Retirement/Retire-Ready-Tennessee/for-Teachers.

The TCRS employer contribution rate is established at an actuarially determined rate and set annually by the TCRS Board of Trustees. Metropolitan Nashville Public Schools is required to make contributions directly to TCRS, based on the established rate. The Metropolitan Government funds this contribution from its operating funds and revenues, through its annual funding of Metropolitan Nashville Public Schools education budget. The employer rate for the Teacher Legacy Plan for Fiscal Years ending June 30, 2023, and June 30, 2022, were 8.69% and 10.30%, respectively, of annual covered payroll. The employer's contributions to TCRS for the Fiscal Years ending June 30, 2023, and June 30, 2022, were $23,020,487 and $27,221,946, respectively, equal to the required contributions for each fiscal year. The employer rate for the Teacher Retirement Plan for Fiscal Years ending June 30, 2023, and June 30, 2022, were 2.87% and 2.01%, respectively, of annual covered payroll. The employer's contributions to TCRS for the Fiscal Years ending June 30, 2023, and June 30, 2022, were $5,666,386 and $3,509,801, respectively, equal to the required contributions for each fiscal year. Teachers are required by Tennessee law to contribute five percent (5%) of their salary to the plan.

The Closed Plans are defined benefit plans collectively covering zero active employee and approximately a combined total of 1,000 retired employees and beneficiaries. Contributions to the Closed Plans are funded from the Metropolitan Government's operating fund through the Guaranteed Payment Plan and contributions from the State of Tennessee.

Metro Active Plans

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 five years of credited employee service. The lifetime annual benefit is calculated as 1.75% multiplied by the final average earnings multiplied by the years of credited service. Final average earnings are the highest 60 consecutive months of credited service divided by five. Benefits fully vest on completing five years of service. Employees with a date of hire on or after July 1, 2013, will become fully vested on completing ten 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 two percent (2%) of final average earnings multiplied by the years of credited police and fire service up to 25 years; plus 1.75% of final average earnings multiplied by the year of credited police and fire service over 25 years. Final average earnings is the highest 60 consecutive months of credited service divided by five. Benefits fully vest upon completing five years of service. Employees with a date of hire on or after July 1, 2013, will become fully vested on completing ten 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 ten years credited employee service. Benefits are reduced by four percent (4%) for each of the first five years by which the retirement date precedes the normal retirement age, and by eight percent (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 (1st) day of the month following the attainment of unreduced retirement age computed and payable in accordance with the Metro Active Plans.

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. This contribution percentage is known as the "employer contribution rate." The employer contribution rate applicable for any fiscal year is determined by resolution of the Metropolitan 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 Metropolitan Benefit 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 Metropolitan Benefit Board.

Historic Employer Contribution: The Metropolitan Government has historically made employer contributions at a rate higher than the minimum required contribution. The Metropolitan Government's policy has been to make annual contributions to the Metro 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 Metro Active Plan year ended June 30, 2006, the Metropolitan 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 illustrates the annual employer contribution rate (in both percentage of employee salary and aggregate dollar terms) for the past ten (10) years. The employer contribution rate for Fiscal Year 2022 was 12.881%. The employer contribution rate for Fiscal Year 2023 was 12.455% and the employer contribution rate for Fiscal Year 2024 is 12.338%. The main factor affecting the reduction in the employer contribution rate is due to the funded status and the investment returns, which were higher than projected.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL METRO CONTRIBUTIONS
METRO ACTIVE PLANS
(For the Fiscal Years Ended June 30, 2014, through June 30, 2023)

Fiscal Year Ended June 30	Contribution Rate	Contribution Amount
2023	12.445%	$104,562,723
2022	12.881	92,752,276
2021	12.340	86,414,449
2010	12.340	78,632,924
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

Source: The Metropolitan Government of Nashville and Davidson County.

Key Actuarial Assumptions: Current actuarial assumptions include a discount rate of 7.0%, cost of living adjustments of 5% for year one and 2.50% thereafter for Metro Active Plan Division A and 4% for year one and 1.25% thereafter for Metro Active Plan Division B. Salary increase assumptions range from 5.9% at age 20 to 2.9% at age 70, with an average assumed increase of 4.34% annually. Five-year smoothing of gains and losses is utilized with a maximum 20% deviation from market value., Inflation is assumed at a rate of 2.50%.

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 illustrates a history of funding progress based on the Metropolitan Government's net pension liability.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
OPEN PENSION PLAN; SCHEDULE FUNDING PROGRESS
For the Fiscal Years Ended June 30, 2018, through June 30, 2023

(Amounts in Thousands)

Fiscal Year Ended	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, 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%
June 30, 2020	3,489,331	3,272,530	216,801	93.79%	638,021	33.98%
June 30, 2021	3,632,594	4,204,832	(572,238)	115.75%	662,804	(86.30%)
June 30, 2022	3,883,879	4,052,835	(168,956)	104.35%	687,540	(24.57%)
June 30, 2023	4,122,612	3,965,902	156,710	96.20%	706,049	22.20%

Source: The Metropolitan Government of Nashville and Davidson County.

Tennessee Consolidated Retirement System

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 Tennessee statutes codified in Title 8, Chapter 34-37 of the Tennessee Code Annotated. The Tennessee Code Annotated is amended by the Tennessee General Assembly.

Funding Sources

Teachers contribute five percent (5%) of their salaries, and the Metropolitan Government, through its funding of the school budget, contributes an amount equal to the percentage of certified payroll set by the TCRS each fiscal 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).

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
CLOSED TCRS PLAN [(1)]
For the Plan Years Ended June 30, 2017, through June 30, 2022
(Amounts in Thousands)

Plan Year Ended	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
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%
June 30, 2019	-7.68%	(79,016)	257,691	(30.66%)	104.28%
June 30, 2020	-7.44%	(56,700)	247,479	(22.91%)	103.09%
June 30, 2021	-7.58%	(326,892)	248,751	(131.41%)	116.13%
June 30, 2022	-8.03%	-98,490	264,350	(37.26%	104.42%

[(1)] The plan measurement date is the end of the prior fiscal year.

Source: The Metropolitan Government of Nashville and Davidson County.

Open TCRS Defined Benefit Plan and Defined Contribution Plan for Employees Hired on or after July 1, 2014.

<u>*Benefits*</u>

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 from a variety of investment products. Benefit provisions are established in Tennessee statutes codified in Title 8, Chapter 34-37 of the Tennessee Code Annotated. The Tennessee Code Annotated is amended by the Tennessee General Assembly.

The maximum employer pension cost is a total of nine percent (9%) of salary for both the defined benefit plan and the defined contribution plan. Employer contributions to the defined benefit plan will be four percent (4%) of members salary, and employer contributions to the defined contribution plan will be five percent (5%) of members salary.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
OPEN TCRS PLAN
For the Fiscal Years Ended June 30, 2017, through June 30, 2022
(Amounts in Thousands)

Plan Year Ended	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
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%
June 30, 2019	(10.65%)	(6,010)	112,675	(5.33%)	123.07%
June 30, 2020	(10.29%)	(5,854)	112,675	(4.51%)	116.52%
June 30, 2021	(10.36%)	(11,223)	149,526	(7.51%)	121.53%
June 30, 2022	(10.23%)	(3,097,489)	174,530	-1.77	104.55%

Source: The Metropolitan Government of Nashville and Davidson County.

Annual Contributions

Required TCRS contributions for the Closed Plan in 2022 and 2023 were 10.30% and 8.69% of covered payroll, or $27,221,946 and $23,020,487.

Required TCRS contributions for the Open Plan in 2022 and 2023 were 2.01% and 2.87% of covered payroll, or $3,509,801 and $5,666,386.

Additional Information

Additional information about TCRS can be accessed at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Closed Plans – Guaranteed Payment Plan

The Metropolitan 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 Metropolitan Benefit Board and the Metropolitan Board of Public 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 the Metropolitan Government and the Metropolitan Board of Public 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:

1. Metropolitan Board of Public Education Teacher Retirement Plan
2. Davidson County Board of Education Retirement Plan
3. Nashville City Teachers Retirement Plan
4. Former Davidson County Pension System
5. 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.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
CLOSED PENSION PLANS
SCHEDULE FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2023
(Amounts in Thousands)

Teachers and Employees	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
Metro Teachers	$192,369	$175,547	$16,822	91.26%
County Teachers	18,256	1,178	17,079	6.45
City Teachers	7,253	963	6,290	13.28
City Employees	18,018	-	18,018	0.00
County Employees	2,668	-	2,668	0.00

Source: The Metropolitan Government of Nashville and Davidson County.

Historical Contributions

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL CONTRIBUTIONS
METRO CLOSED PLANS
(For the Fiscal Years Ended June 30, 2014, through June 30, 2023)

Fiscal Year Ended June 30	Metropolitan Government Contributions	State of Tennessee Contributions
2023	$33,577,400	$10,542,237
2022	33,577,400	11,305,003
2021	33,577,400	12,291,240
2020	33,570,400	13,341,332
2019	33,577,400	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

Source: The Metropolitan Government of Nashville and Davidson County.

Additional statistical information pertaining to the Closed Plans can be found in the Metropolitan Government's Annual Comprehensive Financial Report, an electronic hyperlink which is incorporated in and attached to the Offering Memorandum as **APPENDIX A**.

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 Plans who elects to participate in the Metropolitan Medical Benefit Plan, the Metropolitan Government contributes seventy-five percent (75%) of all premium payments, and the retiree contributes twenty-five percent (25%). For employees hired January 1, 2013, or later, the Metropolitan Government contribution is based on years of service and ranges from twenty-five percent (25%) for a retiree with less than 15 years of service to seventy-five percent (75%) for a retiree with 20 or more years of service. On July 1, 2014, the Metropolitan Government implemented a Medicare Part D or Employer Group Waiver Plan for eligible retirees that are expected to reduce OPEB liability. On July 1, 2021, the Metropolitan Council approved legislation to remove most Medicare-eligible Metro retirees from the self-insured medical plan and into a fully insured Medicare Advantage Plan.

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 dental insurance for any retiree who elects to participate at no cost to the retiree and provides life insurance at no charge. During the Fiscal Year ended June 30, 2023, contributions totaled $70,875,663.

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 seventy-five percent (75%) of all premium payments with the retiree contributing the remaining twenty-five percent (25%). Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid. During the Fiscal Year ended June 30, 2023, contributions totaled $22,510,840.

The Metropolitan Government adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, in Fiscal Year 2008. GASB Statement No. 45 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. GASB Statement No. 45 was later replaced by GASB Statement No. 75.

For June 30, 2023, the amounts related to OPEB under GASB Statement No.75 were (all amounts in thousands):

	Metro Plan	School Plan
Total OPEB Liability	$1,553,717	$684,223
Covered Payroll	741,804	386,992
Total OPEB Liability as a % of Covered Payroll	209.5%	176.8%

The key assumptions used in developing these amounts include:

- Current level of benefits provided;
- June 30, 2023, valuation and measurement date;
- Discount Rate: 4.13%;
- Administrative fee increases: 5.00% per annum; and
- Healthcare cost trend rate: 6.25% graded down to 5.20% over two years and following the 2022 Getzen model thereafter for medical expenses and prescription drugs, 4% each year for dental expenses.

New Developments in State Law and Reporting

Under current Tennessee law and except as more fully 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 more fully above, 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 Council has approved a comprehensive Investment Policy governing the overall administration and investment management of those funds held in the Short-Term Investment Portfolio. This 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, USD and GSD 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 Cash Investment 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.

TAX ANTICIPATION NOTES

As described above, a significant portion of the Metropolitan Government's revenues are generated from the levy of property taxes, which are not billed until around September 15 of each year, and which may be paid as late as February 28 of the following year. In order to fund a portion of budgeted appropriations in anticipation of the collection of tax revenue, the Metropolitan Government has issued tax anticipation notes. Under Tennessee law, a local government may not use tax anticipation notes to fund more than sixty percent (60%) of budgeted appropriations from any particular fund. For Fiscal Year 2024, the Metropolitan Council has authorized the issuance of up to $163 million of tax anticipation notes to fund a portion of appropriations from its MNPS General Purpose Debt Service Fund, General Services District General Purpose Debt Service Fund, and Urban Services District General Purpose Debt Service Fund (collectively, the "Tax-Supported Funds"). The tax anticipation notes will be borrowed on an interfund basis, in which the Tax-Supported Funds will borrow from other eligible Metropolitan Government funds, such as the Metropolitan Government's Water and Sewer Surplus Fund. Under Tennessee law, any tax anticipation notes: (i) are payable solely from the revenues collected to the borrowing funds in the fiscal year of issuance; and (ii) must be repaid in full prior to the conclusion of the fiscal year of issuance.

CAPITAL FINANCING AND BONDS

Capital Improvements Budget Process

The Charter requires the Metropolitan Government to annually prepare a five-year capital improvements budget. The Metropolitan Mayor submits to the Metropolitan 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 Metropolitan 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 Council has the power to accept, with or without amendment, or reject, the proposed program and proposed means of financing. The Metropolitan 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 Metropolitan Council.

Not all projects included in the capital improvements budget are financed and/or completed. In order for a project included in the capital improvements budget to be financed with general obligation bonds, the Metropolitan Council must subsequently adopt an initial resolution, or capital spending plan, specifically authorizing the project and the amount of general obligation bonds that may be issued to finance the project.

Additionally, certain projects in the capital improvements budget would not be funded with general obligation bonds. For example, water and sewer improvements listed in the budget would likely be funded from water system and sewer system revenues and/or proceeds from water system and sewer system revenue bonds. Similarly, certain projects of The Sports Authority of the Metropolitan Government of Nashville and Davidson County (the "Sports Authority") would likely be funded with facility-specific revenue streams, rather than general obligation bonds.

Current Capital Improvements Budget

The information illustrated on the capital improvements budget chart on the following page sets forth the recommended capital improvement projects as more fully described within the currently proposed Fiscal Year 2023-2024 Capital Improvements Budget, which are given priority for funding by the Metropolitan Mayor and the Metropolitan Council for Fiscal Year 2023-2024 through Fiscal Year 2028-2029.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPOSED CAPITAL IMPROVEMENTS BUDGET – FINAL – BY AGENCY
FISCAL YEAR 2023-2024 TO FISCAL YEAR 2028-2029

Metropolitan Government Departments	Fiscal Year 2024	Total % of Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total Budgeted Capital Improvements	Total % of Fiscal Year 2024 - 2028
Administrative	$285,500,000	2.664%	$5,000,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$300,650,000	1.183%
Arts Commission	9,475,000	0.088%	$5,150,000	1,000,000				16,325,000	0.064%
Assessor of Property	20,000	0.000%	5,850,000					20,000	0.000%
Council Office	967,936,700	9.032%		122,503,500.00	51,065,000.00			1,690,284,200	6.650%
County Clerk	2,000,000	0.019%	548,779,000					2,000,000	0.008%
District Energy System (DES)	3,419,800	0.032%						3,914,800	0.015%
Election Commission	1,402,000	0.013%	495,000					1,402,000	0.006%
Farmers Market	1,390,000	0.013%						1,390,000	0.005%
Finance	20,000,000	0.187%		5,000,000	5,000,000	5,000,000	5,000,000	50,000,000	0.197%
Fire Department - GSD	471,300,000	4.398%	10,000,000	77,000,000	2,000,000	2,000,000	2,000,000	646,300,000	2.543%
General Hospital	29,106,400	0.272%	92,000,000					29,106,400	0.115%
General Services	1,135,526,000	10.595%		10,000,000	10,000,000			1,216,526,000	4.786%
Health Department	2,800,000	0.026%	61,000,000					32,800,000	0.129%
Historical Commission	275,000	0.003%	30,000,000					275,000	0.001%
Human Relations Commission	28,000,000	0.261%						28,000,000	0.110%
Information Technology Services	17,125,400	0.160%		4,541,000	2,927,000			44,844,400	0.176%
Justice Integration Services	200,000	0.002%	20,251,000					200,000	0.001%
MDHA	87,850,000	0.820%		10,000,000	10,000,000	10,000,000	10,000,000	215,850,000	0.849%
Metro Action Commission	46,585,000	0.435%	88,000,000	27,200,000	27,200,000			130,010,000	0.512%
MNPS (Schools)	1,398,438,300	13.048%	29,025,000	812,874,000	768,954,200	588,386,100	760,880,900	5,260,603,300	20.697%
Metro Transit Authority	562,362,000	5.247%	931,069,800	54,058,400	74,284,000	68,264,000	72,539,000	890,218,100	3.502%
Municipal Auditorium	7,090,000	0.066%	58,710,700					7,090,000	0.028%
Office of Emergency Management	400,000	0.004%		400,000	400,000	400,000	400,000	2,400,000	0.009%
Parks & Recreation	1,295,360,300	12.087%	400,000	513,437,300	505,617,300	454,837,300	454,837,300	3,755,726,800	14.776%
Planning	89,800,000	0.838%	531,637,300	13,500,000	3,500,000	3,500,000	3,500,000	132,300,000	0.521%
Police	98,930,000	0.923%	18,500,000					126,518,000	0.498%
Public Library	210,227,500	1.962%	27,588,000	83,316,400	204,168,000	5,663,900	10,800,000	696,961,700	2.742%
Public Works / NDOT	647,947,300	6.046%	182,785,900	533,894,900	497,330,600	447,937,700	261,280,600	2,906,718,700	11.436%
Sheriff's Office	3,000,000	0.028%	518,327,600					3,000,000	0.012%
Social Services	772,500	0.007%						772,500	0.003%
Sports Authority	2,103,640,400	19.628%		400,000	850,000	850,000	850,000	2,106,990,400	8.290%
State Trial Courts	600,000	0.006%	400,000					600,000	0.002%
TOTAL	**$10,717,289,600**	**100.000%**	**$4,471,818,300**	**$3,038,330,500**	**$2,862,826,100**	**$2,278,279,000**	**$2,048,612,800**	**$25,417,156,300**	**100.000%**

Source: The Metropolitan Government of Nashville and Davidson County.

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 TD Bank N.A. and the commercial paper dealer is BofA Securities, Inc., New York, New York, and (ii) up to $325 million of general obligation extendable commercial paper notes for which there is no liquidity provider and the extendable commercial paper notes dealer is Morgan Stanley & Co. LLC. 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 ten percent (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 illustrated on the following pages only reflect the Metropolitan Government's: (i) long-term general obligation bonded indebtedness as of June 30, 2023, including the Metropolitan Government's District Energy System Revenue and Tax Refunding Bonds, Series 2012A; (ii) debt ratios as of June 30, 2023; and (iii) historical debt ratios for the last ten fiscal years. These tables do not reflect:

(1) the current outstanding principal amount of Commercial Paper;

(2) the Metropolitan Government's financing obligations under any tax anticipation notes. See "TAX ANTICIPATION NOTES" within this **APPENDIX B**;

(3) the Metropolitan Government's financing obligations to the Tennessee State School Bond Authority (the "TSSBA") with respect to approximately $13 million of outstanding Qualified Zone Academy Bonds and Qualified School Construction Bonds issued by the TSSBA on behalf of the Metropolitan Government;

(4) the financing obligations of the Metropolitan Government which are payable solely from the revenues of one or more utility systems (i.e. water, sewer and electric);

(5) the financing obligations of the Metropolitan Nashville Airport Authority, which are payable solely from revenues from operations at the Nashville International Airport;

(6) the tax increment financing obligations of the Metropolitan Development and Housing Agency and the Metropolitan Government's Industrial Development Board, which both are more fully described in this **APPENDIX B**; or

(7) the financing obligations of the Sports Authority and the Metropolitan Government, which both are more fully described in this **APPENDIX B**.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
COMPUTATION OF NET GENERAL OBLIGATION DEBT
(For the Fiscal Year Ended June 30, 2023)

Gross General Obligation Debt	**Amounts**
General Obligation Bonds Payable	
General Services District:	
For School Purposes	$ 1,034,336,836
For General Purposes	2,272,215,205
Urban Services District:	
For General Purposes	136,596,927
Total Gross General Obligation Debt	**$3,443,148,968**
Less:	
Amounts Available In Debt Service Funds	**Amounts**
General Services District:	
For School Purposes	$78,567,775
For General Purposes	66,289,047
Urban Services District:	
For General Purposes	12,588,894
Total Amounts Available in Debt Service Funds	**$ 157,445,716**
Net General Obligation Debt	**$3,285,703,252**

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2023.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT RATIOS
(As of June 30, 2023)

	Debt to Estimated Market Value [(a)]	**Debt to Assessed Value [(b)]**	**Debt per capita [(c)]**
TOTAL DEBT	2.27%	7.16%	$4,862.22
NET DEBT	2.17%	6.83%	$4,639.88

[(a)] Estimated Market Value – ($151,623,899,775).

[(b)] Assessed Value – ($48,073,863,096).

[(c)] Population of Nashville and Davidson County, Tennessee, United States Census Bureau, Population Estimates Program 2022 – (708,144).

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2023.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL DEBT RATIOS
For the Fiscal Years Ended June 30, 2014, through June 30, 2023
(Dollar Amounts, other than Net Debt Per Capita, Expressed in Thousands)

The following table illustrates certain debt ratios of the Metropolitan Government for the past ten fiscal years:

Fiscal Year Ended	Metropolitan Government 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
2013-2014	658,602	65,810,055	20,209,537	2,227,730	21,554	2,206,176	3.35	10.92	3,525.82
2014-2015	668,347	66,270,673	20,376,059	2,124,090	28,090	2,096,000	3.16	10.29	3,349.79
2015-2016	678,889	67,533,296	20,742,695	2,364,890	22,283	2,342,607	3.47	11.29	3,136.10
2016-2017	684,410	78,262.509	21,314,821	2,689,195	20,675	2,668,520	3.41	12.52	3,450.65
2017-2018	691,243	99,659,583	31,144,615	2,550,045	10,851	2,539,194	2.55	8.15	3,899.01
2018-2019	692,587	102,919,516	32,220,800	3,112,175	17,953	3,094,222	3.01	9.60	4,103.65
2019-2020	708,041	123,954,384	33,015,683	2,930,265	34,316	2,895,949	2.34	8.77	4,933.86
2020-2021	715,491	128,201,489	34,127,994	3,368,975	69,866	3,299,109	2.57	9.67	4,497.74
2021-2022	715,884	147,996,606	46,284,154	3,140,561	127,840	3,012,721	2.04	6.51	4,208.39
2022-2023	708,144	151,623,899	48,073,683	3,443,148	157,445	3,285,703	2.17	6.83	4,639.88

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2023.

SCHEDULE OF THE OUTSTANDING GENERAL OBLIGATION BONDS

The following table illustrates a summary of the Metropolitan Government's outstanding General Obligation Bonds, per series, as of June 30, 2023:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY GENERAL OBLIGATION BONDS OUTSTANDING

GENERAL OBLIGATION BONDS	OUTSTANDING PAR AMOUNTS	FINAL MATURITY DATES
Series 2010B Bonds	$ 252,005,000	July 1, 2034
Series 2012A Bonds	30,150,000	October 1, 2033
Series 2012B Bonds	50,680,000	July 1, 2024
Series 2012-1 Bonds	6,440,000	August 1, 2027
Series 2013 Bonds	58,540,000	July 1, 2024
Series 2015A Bonds	38,015,000	July 1, 2026
Series 2015B Bonds	29,145,000	July 1, 2029
Series 2015C Bonds	112,410,000	July 1, 2028
Series 2016 Bonds	289,620,000	January 1, 2033
Series 2017 Bonds	376,825,000	July 1, 2036
Series 2018 Bonds	621,925,000	July 1, 2038
Series 2021A Bonds	56,505,000	July 1, 2026
Series 2021B Bonds	452,165,000	July 1, 2034
Series 2021C Bonds	531,190,000	January 1, 2041
Series 2022A Bonds	312,330,000	January 1, 2042
Series 2022B Bonds	268,570,000	January 1, 2042
TOTAL	**$3,486,515,000**	

Source: The Metropolitan Government of Nashville and Davidson County.

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CONTINGENT DEBT AND PAYMENT LIABILITIES

As of the date of the Offering Memorandum, the Metropolitan Government has the following outstanding contingent obligations payable from certain moneys of the Metropolitan Government as more fully described within the Offering Memorandum and within this **APPENDIX B**.

Convention Center Authority of The Metropolitan Government of Nashville and Davidson County

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

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").

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 Sports Authority bonds as more fully described below) 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 because of the CCA Series 2010B Bonds being issued as Build America Bonds. The CCA 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 Convention Center's headquarters hotel. The Omni 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 to develop the Omni, which incentives are payable over the course of approximately 20 years from the completion date of the Omni. The Metropolitan Government has pledged its GSD Non-Tax Revenues (as it has with respect to the Sports Authority bonds and the CCA Series 2010B Bonds as more fully described below) 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 the continued operation of Omni. The obligation of the Metropolitan Government to make the payments on the above-mentioned debt is not a general obligation of the Metropolitan Government but rather is required to be paid solely from GSD Non-Tax Revenues pledged by the Metropolitan Government for such payments.

Non-Tax Revenues have since Fiscal Year 2020 included a payment-in-lieu of tax from the CCA, which the CCA 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 CCA has funds available after payment of operating expenses and debt service obligations. These payments-in-lieu of taxes have historically corresponded to a portion of Metropolitan Government operating and capital costs attributable to Convention Center operations (e.g. downtown safety and security expenses attributable to CCA operations). These costs have been funded with general fund dollars through the annual Metropolitan Government budgeting process. In 2023, the Tennessee General Assembly amended the CCA's enabling act to expressly prohibit future transfers of CCA funds to the Metropolitan Government, except to the extent necessary to fund operating and capital expenditures attributable to Convention Center operations. The Metropolitan Government's current intention is to continue to collect payments-in-lieu of taxes from the CCA as agreed, and to annually appropriate Metropolitan Government general fund moneys to Convention Center purposes in an amount not less that the annual payment-in-lieu of taxes. As such, the CCA's payments-in-lieu of taxes will continue to be reflected in Non-Tax Revenues in future years (to the extent collected) but will be subject to the statutory restriction that the proceeds thereof, or an equivalent amount of other Metropolitan Government general fund dollars, be spent for statutorily permitted Convention Center purposes.

As of the date of the Offering Memorandum, the Metropolitan Government has not been called upon to make a payment under the outstanding CCA 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. Such adverse impact could decrease tourism and subsequently reduce the Tourism Tax Revenues increasing the likelihood that the Metropolitan Government's GSD Non-Tax Revenues or USD Non-Tax Revenues will be called upon for the payment of debt service on outstanding CCA debt and incentives.

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 pursuant to the Sports Authority Act of 1993, Tennessee Code Annotated Section 7-67-101 *et seq*., as amended (the "Sports Authority Act"). The statutory and public purpose of the Sports Authority Act 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. The Sports Authority has no taxing power.

The Sports Authority owns and oversees the operations of six (6) existing sports-related public facilities located in Nashville and employs a staff of five (5) employees, four being full-time and one being part-time. Below are descriptions of each of the financings and associated debt liabilities of the Metropolitan Government in connection with the Sports Authority.

Titans (Nissan) Stadium. The Sports Authority owns approximately 95 acres of land located on the east bank of the Cumberland River where the existing Titans Stadium is located. The Titans Stadium, which is the current home of the National Football League's ("NFL") Tennessee Titans (the "Titans"), is owned by the Sports Authority and leased to Cumberland Stadium, Inc. The Sports Authority has financed and refinanced certain costs of constructing, repairing and improving the Titans Stadium, including with the issuance of multiple series of revenue improvement or refunding bonds from 1996 through 2021, $34,050,000 of which (the "Outstanding Nissan Stadium Bonds") remain outstanding. On August 31, 2023, the Sports Authority issued its $705,440,000 Stadium Project Revenue Bonds for, among other things, the purpose of financing: (i) the design, engineering, construction, equipping, and furnishing of a new, first class, state-of-the-art, enclosed stadium (the "Stadium") and certain other improvements related to the Stadium in Nashville, Tennessee, to be used as the home venue of the NFL Titans and for other entertainment, cultural, sporting and civic events; (ii) certain costs of issuance related to the issuance and delivery of the bonds.

Bridgestone Arena – The Authority also owns Bridgestone Arena, which is the home of the National Hockey League's Nashville Predators (the "Predators") and a large-scale concert venue that hosts other sporting and entertainment events in downtown Nashville. The Metropolitan Government financed the construction of Bridgestone Arena with a portion of its general obligation bonds. The Authority financed certain expenses associated with the Predators and their relocation to the Bridgestone Arena with the issuance of its 1998 Authority Bonds, which have since been retired.

Ford Ice Centers. The Sports Authority also owns or operates two community ice hockey and recreational skating facilities municipally known as Ford Ice Center-Antioch and Ford Ice Center-Bellevue. Ford Ice Center-Antioch, a two-sheet ice skating and hockey facility located in the southeastern part of Nashville that is leased to, and operated by, Mid-Ice, LLC, an affiliate of the Predators. The Sports Authority has financed the construction of Ford Ice Center-Antioch with the issuance of its 2013A Bonds and 2021B Bonds. The debt service is payable primarily from lease payments and surcharges levied on patrons of Bridgestone Arena, the venue for Nashville Predators' home games and other sporting and entertainment events. In the event of a deficiency in such revenues, the debt is payable from the Metropolitan Government's GSD Non-Tax Revenues. The Sports Authority also leases from the Metropolitan Government space to operate Ford Ice Center-Bellevue, a two-sheet ice skating and hockey facility located in the southwestern part of Nashville. The Authority has a facility management and use agreement with Mid-Ice, LLC to operate Ford Ice Center-Bellevue.

Major League Soccer Stadium (GEODIS Park). The Sports Authority owns GEODIS Park, which is the home of Major League Soccer's ("MLS") Nashville Soccer Club, which commenced MLS play in 2020 at Nissan Stadium and transitioned to GEODIS Park in May of 2022. The MLS Stadium includes 30,000 seats and an MLS regulation-size natural grass playing surface and is LEED Silver certified (the "MLS Stadium"). On December 17, 2020, the Metropolitan Government issued $225 million of revenue bonds through the Sports Authority to finance the construction of the MLS Stadium. These revenue bonds are payable primarily from MLS team rents, sales taxes resulting from ticket, concession and merchandise sales at the MLS Stadium events, and ticket taxes levied on MLS Stadium patrons. Any deficiency in such revenues is payable from GSD Non-Tax Revenues.

First Horizon Ballpark. The Sports Authority also owns the First Horizon Ballpark, the downtown baseball park that is the home of the Nashville Sounds, the AAA affiliate of the Major League Baseball's Milwaukee Brewers. The First Horizon Ballpark was financed (or refinanced) by the Sports Authority's Series 2013A Ballpark Bonds, Series 2013B Ballpark Bonds, and the Series 2021C Bonds. Debt service on the Series 2013A Ballpark Bonds, the Series 2013B Ballpark Bonds, and the Series 2021C Bonds is primarily payable by incremental First Horizon Ballpark sales tax revenues, tax increment financing payments from development adjacent to the First Horizon Ballpark, and (except in the case of the Series 2021A Bonds only) Nashville Sounds lease payments. Any deficiency in such revenues 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, pledged by the Metropolitan Government for such payments. As of the date of the Offering Memorandum, the Metropolitan Government has not been called upon to make a payment under the outstanding Sports Authority debt except with respect to First Horizon Ballpark Bonds, where the Metropolitan Government has been required to contribute between $600,000 and $1,550,000 for Fiscal Year 2016 through Fiscal Year 2022 to fund annual debt service. The Metropolitan Government can offer no assurance as to whether annual contributions with respect to the First Horizon Ballpark Bonds will remain in this range or whether or not there will be future calls on the Metropolitan Government to make additional payments under other Sports Authority debt obligations.

District Energy System

The Metropolitan Government owns a District Energy System ("DES"), which provides steam and chilled water to approximately 42 buildings in downtown Nashville for the purposes of general heating and air conditioning. DES is operated by Constellation Energy Solutions, LLC ("CES") of Baltimore, Maryland. The Metropolitan Government is a customer of DES and purchased approximately 39.49% of the steam and 41.37% of the chilled water sold by the system for the Fiscal Year ended June 30, 2023. The Metropolitan Government has covenanted to provide funding in an amount equal to any shortage in revenues necessary to pay debt service on outstanding DES obligations and/or necessary to pay operating expenses (the "Metro Funding Amount"). The budgeted Metro Funding Amount for Fiscal Year 2023 is $374,300. The proposed budgeted Metro Funding Amount for Fiscal Year 2024 is $384,400. In addition to covering any DES operating shortfalls, the Metro Funding Amount also provides for the payment of debt service on the DES.

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 currently operates an approximately 1,000-space parking facility in downtown Nashville. The lease arrangements obligate MDHA to make annual lease payments of approximately $2.9 million through 2044. The lease payments are payable primarily from parking revenues generated from the parking facility, which are projected to be sufficient revenues to pay the debt. In the event of a deficiency, such debt shall be payable from a subordinate pledge of the 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 the Offering Memorandum, the Metropolitan Government has not been called upon to make a payment under the MDHA's 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. Due to certain unpredictable factors that are beyond the control of the Metropolitan Government, the future tourism traffic could be reduced. This adverse impact may cause an increased likelihood that the Metropolitan Government's USD Non-Tax Revenues will be called upon for the payment of debt service on these outstanding MDHA bonds.

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 MHDA or 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 for the payment of debt service on the TIF bonds. As of the date of the Offering Memorandum, the Metropolitan Government 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 Fiscal Year ended September 30, 2022, MDHA had outstanding approximately $122.8 million of TIF bonds and notes previously issued to finance redevelopment projects in and around the downtown Nashville area.

IDB TIFs: In 2015, the IDB issued its $21,935,000 TIF bonds 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. The Metropolitan Government funded approximately $1.6 million of debt service payments on these TIF bonds in Fiscal Year 2023.

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DEMOGRAPHIC AND STATISTICAL INFORMATION

Population Growth

The following table illustrates information regarding the population growth in the Metropolitan Government. A comparison with the Nashville Metropolitan Statistical Area ("MSA"), the State of Tennessee and the United States serves to illustrate relative growth:

METROPOLITAN STATISTICAL AREA
POPULATION GROWTH
(For the Calendar Years 2020-2022)

Geographical Areas	April 1, 2020 Estimates Base	2022 Population Estimates	2020 – 2022 Percentage Changes
Nashville/Davidson	715,875	708,144	-1.1%
MSA	1,989,525	2,046,828	2.9%
State of Tennessee	6,910,786	7,051,339	2.0%
United States	331,449,520	333,287,557	0.6%

Source: United States Census Bureau (www.census.gov).

The following table illustrates the per capita personal income growth within the MSA that has occurred to the greatest extent in surrounding communities; notwithstanding, the suburbs of Nashville are in themselves residential, manufacturing, and agricultural communities:

METROPOLITAN STATISTICAL AREA
PER CAPITA PERSONAL INCOME
(For the Calendar Years 2013- 2022)

Geographical Areas	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nashville/Davidson	$49,057	$52,665	$54,994	$57,717	$61,212	$66,773	$71,100	$74,867	$82,087	$85,551
MSA	46,622	49,021	51,658	53,300	55,078	58,056	61,366	64,368	70,026	74,035
State of Tennessee	39,454	40,753	42,535	43,499	44,879	46,870	49,343	52,351	56,560	58,292
United States	44,798	46,887	48,725	49,613	51,550	53,786	56,250	59,765	64,143	65,470

Source: United States Bureau of Economic Analysis (www.bea.gov).

Employment

The following table illustrates the labor force segments of the eight-county Nashville Metropolitan Statistical Area for the Calendar Years 2018 through 2022:

METROPOLITAN STATISTICAL AREA
EMPLOYMENT INDUSTRIES
(For the Calendar Years 2018 through 2022)

Employment Industries	2018	2019	2020	2021	2022
Total Employed – All Industries (1)	1016	1046	1003	1053	1123
(*In Percentages*):					
Education & Health Services	15.10%	14.84%	15.25%	14.99%	14.62%
Financial Activities	6.73%	6.76%	6.95%	6.88%	6.78%
Government	11.67%	11.50%	12.00%	11.34%	10.79%
Information	2.30%	2.37%	2.34%	2.49%	2.80%
Leisure & Hospitality	11.47%	11.62%	9.73%	10.22%	10.92%
Manufacturing	8.30%	8.11%	7.87%	7.80%	7.67%
Professional & Business Services	16.63%	16.72%	16.93%	17.22%	17.49%
Trade, Transportation, Utilities	19.10%	19.32%	19.92%	19.97%	19.73%
Other	8.68%	8.77%	9.00%	9.10%	9.22%

(1) Total Nonfarm Employment in Thousands.

Source: United States Bureau of Labor Statistics (www.bls.gov)

Unemployment Rates

The following table illustrates the unemployment percentage rates in Davidson County, the MSA, the State of Tennessee and the United States for the Calendar Years 2013-2022:

METROPOLITAN STATISTICAL AREA
UNEMPLOYMENT RATES
(For the Calendar Years 2013-2022)

Geographical Areas	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nashville/Davidson	5.9%	5.0%	4.3%	3.6%	2.8%	2.6%	2.5%	8.3%	4.4%	2.8%
MSA	6.2	5.2	4.5	3.8	2.9	2.7	2.6	7.0	3.8	2.7
State of Tennessee	7.8	6.6	5.6	4.7	3.7	3.5	3.3	7.5	4.5	2.4
United States	7.4	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6

Source: United States Bureau of Labor Statistics (www.bls.gov)

Principal Employers

The following table illustrates the principal employers located within the Nashville, the company's number of employees and the percentage of total employment per company for the Fiscal Year Ended June 30, 2023:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PRINCIPAL EMPLOYERS
(For the Fiscal Year Ended June 30, 2023)

PRINCIPAL EMPLOYERS	NUMBER OF EMPLOYEES	PERCENTAGES OF TOTAL EMPLOYMENT
Vanderbilt University/VUMC	30,869	2.76%
State of Tennessee	26,531	2.37
Metro Nashville-Davidson County Government and Public Schools	19,730	1.76
HCA Healthcare Inc.	14,700	1.31
United States Government	13,452	1.20
Nissan North America	11,000	0.98
Ascension Saint Thomas	8,335	0.74
The Kroger Company	8,091	0.72
Amazon.com	7,000	0.62
Western Express Inc.	4,455	0.40
TOTAL	**144,163**	**12.87%**

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

Note: The schedule reflects employers and number of employees within the Nashville MSA.

Private-Sector Investment and Job Creation

Since July 1, 2023, the Nashville Area Chamber of Commerce announced 2 business relocations or expansions into Davidson County, collectively bringing 114 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.

Oracle Corp.

On May 4, 2021, the Metropolitan Council voted unanimously to approve the development plan of Oracle Corp. ("Oracle") for the construction of its new campus within the Metropolitan Government's industrial riverfront located in East Nashville (*i.e.*, the East Bank). Oracle is a computer technology corporation best known for its software products, cloud-engineering services and systems and database management systems. The development of Oracle's 65-acre campus contemplates a private investment of approximately $1.2 billion and is anticipated to create around 8,500 new permanent jobs (of which 500 have currently been filled) by the end of 2031 that pay an average annual wage of $110,000. This development is also anticipated to create around 11,500 ancillary jobs and around 10,000 temporary jobs during the construction period.

As part of the development plan for this deal, the Metropolitan Government agreed to divert fifty percent (50%) of Oracle's property taxes for up to 25 years, to the extent necessary to reimburse Oracle for its up-front $175 million investment into Nashville's public infrastructure located in and around the Oracle campus.

Amazon

In 2018, the American multinational e-commerce and technology company, Amazon.com, Inc. ("Amazon"), announced its plans to invest $230 million in Nashville to build its newest operations center to be located at Nashville Yards in downtown Nashville. This mixed-use development included plans for a new operations center combined with a massive complex of hotels, shops, restaurants, apartments, offices and a 1.3-acre park. The new Amazon operations site includes management and tech-focused jobs, including software developers, customer fulfillment, transportation, supply chain, and various other employment opportunities.

The $230 million investment is expected to create approximately 5,000 new permanent jobs at the Amazon operations center. As of 2022, Amazon employed 2,500 people at its operations site, wherein the employees earn an average annual wage of $150,000. These innovative and highly compensated employment opportunities are expected to continue to boost the Nashville economy, provide workers with attractive and equitable opportunities, and distinguish Nashville from other major cities by making it a premiere location for business investment and career opportunities. Amazon imposed a corporate hiring freeze in 2022, and it is not clear whether the freeze will impact the total number of jobs located in Nashville.

Other Nashville Business Investment

Over the past several years, many sizable headquarters, shared service operations, and manufacturing operations have relocated and/or expanded in Nashville or announced their intention to do so. For example, Oracle has hired 700 of 8,500 employees for its future East Bank Campus. Additionally, the RMR Group Inc. has acquired 16 acres located within the East Bank immediately to the north of the location of the new stadium project to be built in Nashville and has submitted a development plan to the Metropolitan Government that contemplates three million square feet of mixed-use space.

Capgemini, the global information technology consulting firm, announced it will invest $20.1 million to establish operations in Nashville. Headquartered in France and located in 50 countries, Capgemini will create a minimum of 500 new jobs, with projected growth of up to 1,000 jobs, as the company launches its first Tennessee delivery center at Broadwest in Nashville.

Smart, the London-based retirement fintech company has chosen Nashville for its United States headquarters. The Smart relocation project is anticipated to create nearly 130 new jobs and yield a $2.2 million investment into Nashville.

TechnologyAdvice, a business-to-business technology marketing platform, is expected to create 350 new jobs in Nashville over the next few years by expanding its headquarters and back-office operations.

In 2022, The Kroger Co., America's largest grocery retailer, announced the opening of its first spoke delivery hub in the region in Nashville. The approximately 40,000-square-foot facility serves as a last-mile cross-dock location that efficiently extends the fulfillment network reach to customers up to 200 miles away from a state-of-the-art, robotically automated Atlanta fulfillment center. The facility will employ more than 180 individuals.

United Record Pressing, the oldest and largest vinyl record pressing plant in North America, announced the company will expand manufacturing operations at its headquarters to create 209 additional jobs.

Other business investment successes within Nashville include the establishment of the first Amazon Air cargo aircraft ("Amazon Air") at the Nashville International Airport ("BNA"). Amazon Air will use over 39,000 square feet of space at BNA. Amazon Air's Nashville gateway at BNA will include an onsite area to sort packages bound for their next destination and will be managed by an Amazon logistics partner, LGSTX Cargo Services. The Amazon Air's Nashville gateway is anticipated to create and support more than 70 jobs.

Firestone Building Products ("Firestone") has also announced the expansion of its Nashville operations. Headquartered in Nashville with operations worldwide, Firestone was recently acquired by Holcim Participations (US) Inc., a global leader in sustainable building solutions. This Firestone project will create 28 new permanent jobs and yield an estimated $13 million investment into Nashville.

Nashville Record Pressing will establish operations in Nashville, which includes relocating its headquarters, and establishing certain manufacturing, distribution, and back-office functions. Nashville Record Pressing is estimated to invest $13.3 million into this expansion which is estimated to create 255 new permanent jobs in Nashville.

Iron Galaxy Studios will invest $950,000 to establish a new video game development studio located in Nashville. As part of Iron Galaxy Studios' expansion to Nashville, this expansion is estimated to create 108 new permanent tech jobs over the next five years.

Chick-fil-A Supply® officials announced that the company will expand its operations, selecting Antioch, Tennessee as the location for its fourth United States distribution center. Chick-fil-A will invest an estimated $16.3 million into this expansion, which subsequently will create 45 new jobs.

Manufacturing

As of October 2023, approximately 89,800 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.

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.

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, gives 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 ("MTA") 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 during the Fiscal Year ended June 30, 2023, approximately $61.611 million and $5.314 million, respectively, to pay approximately 62.2% of the MTA's operating expenses. The State of Tennessee 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 BNA and the John C. Tune airport. Funding for the Airport Authority's capital and operating expenses is provided exclusively from Airport Authority revenues. BNA is situated approximately eight miles from downtown Nashville. The John C. Tune airport celebrated the restoration of the hangers destroyed by the March 3, 2020, tornado in June 2022. The Authority celebrated 85 years at BNA as the gateway to Music City in June 2022. BNA continues to experience record-breaking growth with 21.9 million total travelers at the end of Fiscal Year 2023. BNA averages 300 daily departures, offers 99 nonstop markets to 37 states, District of Columbia, Puerto Rico, and four countries. Services connecting to Vancouver and Delaware for easy access to Canada and Philadelphia were added in 2023. BNA continued expansions inside with reimagined concessions opening 49 new food, beverage, and retail spaces. Nashville's legendary Bluebird Café performed its first concert series away from its historical venue live at BNA. S&P Global Ratings raised its long-term rating and underlying rating to "AA-" from "A+" on the Airport Authority's senior-lien airport revenue bonds, with a stable financial outlook on February 7, 2023. In April 2023, BNA opened its newest six-level parking garage that adds 1,800 additional covered parking spaces and connects directly to the on-site Hilton hotel which opened in February 2024.

In May 2018, Metropolitan Government voters rejected a $9 billion transit funding program aimed at relieving congestion in Nashville and the surrounding region. The Metropolitan Government expects to continue to pursue some type of transit program in the future.

Construction

Construction in the Metropolitan Government 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.

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
NUMBER AND VALUE OF BUILDING PERMITS
(For the Calendar Years 2014-2023)

	RESIDENTIAL CONSTRUCTION		NON-RESIDENTIAL CONSTRUCTION		REPAIRS, ALTERATIONS, AND INSTALLATIONS		OTHER [1]			
Calendar Year	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Total Number of Permits	Total Permit Value
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
2020	5,065	1,087,364,258	1,262	2,849,430,768	2,245	637,530,427	2,893	48,416,444	11,465	4,658,741,897
2021	5,840	1,354,609,341	1,422	3,233,814,213	1,935	849,251,371	2,877	59,010,065	12,074	5,496,684,990
2022	6,434	1,522,597,275	1,235	3,148,493,682	1,956	620,952,445	2,708	77,395,665	12,333	5,369,439,067
2023	5,237	1,158,284,840	1,151	2,747,824,413	1,995	927,124,866	1,982	56,243,509	10,365	4,889,477,628

[1] Includes moved residential buildings, house trailers, and the demolition of residential and non-residential buildings and signs & billboard permits.

Source: The Metropolitan Government of Nashville and Davidson County 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 Nashville'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 Nashville with a renovated facility staffed with residents from Meharry Medical College.

Higher Education

The Nashville MSA includes 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 NFL's Tennessee Titans have played their football games in Nissan Stadium since 1999, and the Metropolitan Government hosted the NFL draft in 2019. The National Hockey League's ("NHL") Nashville Predators currently play their hockey games in the Bridgestone Arena, and the Metropolitan Government hosted the NHL All-Star game in 2017. The Nashville Sounds, the AAA affiliate of the Milwaukee Brewers, play their baseball games in First Horizon Ballpark. The MLS' Nashville Soccer Club plays its games at the MLS Stadium. See "CONTINGENT DEBT AND PAYMENT LIABILITIES" hereinabove.

Cultural Facilities

Library System

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

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 Tennessee Performing Arts Center plays host to numerous events each year, including an annual series of Broadway plays. The Nashville Children's Theater is home to the oldest professional theater for children in the county. Thousands of school age children and adults are treated to a variety of productions each year. The Schermerhorn Symphony Center is an 1,844-seat concert hall located in downtown Nashville, which hosts the Nashville Symphony.

Museums and Visual Arts

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

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

Cheekwood Botanical Garden and Art Museum is a 55-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 pieces of mosaic-stained glass called the 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 celebrates its 85th anniversary this year. The museum opened in the Bill Haslam Center in October 2018 with 137,000 square feet of administration and gallery space.

Music City opened the National Museum of African American Music in 2021. This museum celebrates the history of Black music in America and has the mission to educate the world, preserve the legacy, and educate visitors on the central role African Americans played in creating American music.

Music Concert Venues

The Metropolitan Government hosts large concert events at either the Bridgestone Arena or the Titans 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 three producers. The Nashville Convention and Visitors Corporation and Tourism Economics estimate that visitors spent $10.2 billion in 2023.

As of February 2024, the Nashville MSA has 495 hotels offering 57,769 rooms.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
MSA HOTEL AND MOTEL ROOMS AND OCCUPANCY RATE
(For the Calendar Years 2014-2023)

Calendar Year	Rooms Available	Occupancy Rate
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%
2020 (1)	50,654	40.88%
2021 (1)	54,499	59.10%
2022	57,576	68.60%
2023	57,476	68.69%

(1) Hotels experienced declines in their occupancy rates due to the impact of the COVID-19 pandemic.

Source: The Metropolitan Nashville and Davidson County Conventions and Visitors Corporation.

Conventions and Corporate Meetings

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

Located approximately ten miles from downtown is the Gaylord Opryland Resort & Convention Center, the third largest hotel/convention center under one roof in the United States. The complex features 2,881 hotel rooms, 263,000 square feet of exhibit space and 300,000 square feet of meeting space. A $90 million indoor waterpark was completed in December 2018. 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, Titans Stadium, the Ford Ice Center, 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 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. The Titans 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 more fully described above, the Metropolitan Nashville public schools make up the second largest school system in Tennessee. The following table illustrates Metropolitan Nashville's school system's enrollment and attendance trends:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PUBLIC SCHOOLS ENROLLMENT AND ATTENDANCE
(For the School Years 2013-2014 – 2022-2023)

School Year	Total Enrollment	Average Attendance
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
2020-2021	80,118	74,577
2021-2022	79,651	77,030
2022-2023	80,701	73,292

Source: The Metropolitan Government of Nashville and Davidson County.

Metro Nashville Public Schools, as Tennessee's second largest school district (the "District"), announced on January 12, 2021 that it will receive an additional $123 million of the more than $1.1 billion COVID-19 relief funding to be received by the Tennessee Department of Education ("TDOE") as a part of the U.S. Congress latest COVID-19 relief package. The District and TDOE are currently engaged in ongoing discussions related to the District's requests for reimbursement of grant funds. TDOE has stated that additional grant funding may be delayed. The District has vowed to timely comply with the requirements of the TDOE and is now putting together a plan, including how it will expend the one-time supplemental relief funding. The funds can be used to address the needs of special student populations, purchasing technology, summer programs, supplemental after-school programs, mental health services and staffing needs. The District anticipates prioritizing the use of the funds to directly address COVID-19 needs through hiring nurses and partnering with healthcare facilities, including Meharry Medical College, to make rapid testing available to students and staff. These COVID-19 relief funds could also be applied toward facility improvements. The District must fully expend the COVID-19 relief funds by the end of Summer 2024.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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[Form of Bond Counsel Opinion]

May 9, 2024

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

U.S. Bank National Association
New York, New York

Morgan Stanley & Co. LLC
New York, New York

The Metropolitan Government of Nashville and Davidson County
$325,000,000 General Obligation Extendable Commercial Paper Notes, 2014 Program

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by The Metropolitan Government of Nashville and Davidson County (the "Issuer") of up to $325,000,000 in aggregate principal amount at any time of its General Obligation Extendable Commercial Paper Notes, 2014 Program (the "Notes"). In such capacity, we have examined the law and such certified proceedings and other documents as we deemed necessary to render this opinion, including, but not limited to, Resolution No. RS2014-1066 (the "Resolution") authorizing the issuance and sale of the Notes. The terms used herein, but not defined herein, shall have the respective meanings given such terms in the Resolution.

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

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

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

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

3. The Notes constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit and unlimited taxing power, and the full faith and credit of the Issuer is pledged to the payment thereof.

4. Interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all

requirements of the Code, that must be satisfied subsequent to the date hereof in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Notes to be so included in gross income retroactive to the date of issuance of the Notes. Except as set forth in this paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Notes.

5. Under existing law, the Notes 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 the Notes during the period such Notes 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 Notes 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 Notes and the enforceability of the Notes and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Offering Memorandum relating to the Notes.

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

Very truly yours,

APPENDIX D

SUMMARY OF THE EXTENDABLE COMMERCIAL PAPER RESOLUTION

SUMMARY OF THE EXTENDABLE COMMERCIAL PAPER RESOLUTION

Definitions

"***Act***" means Title 9, Chapter 21, Tennessee Code Annotated, as amended from time to time.

"***Authorized Officer***" means the Director of Finance of the Metropolitan Government and any other persons authorized in writing by the Director of Finance of the Metropolitan Government to act as an Authorized Officer hereunder.

"***Bond Counsel***" means Bass, Berry & Sims PLC or any other firm of attorneys specializing in the field of municipal finance law, selected by the Metropolitan Government.

"***Bonds***" means general obligation bonds of the Metropolitan Government authorized by the Initial Resolutions.

"***Book-Entry ECP***" means ECP issued in book-entry-only form through the Depository.

"***Business Day***" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a State legal holiday, (iv) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the Office of the Issuing and Paying Agent is located, or the city in which the principal office of the Dealer is located, are authorized or obligated by law or executive order to be closed, (v) a day on which the New York Stock Exchange is not open for trading, or (vi) with respect to the Book-Entry ECP, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

"***Code***" means the Internal Revenue Code of 1986, including regulations, rulings and judicial decisions promulgated thereunder.

"***Costs***" shall mean any of the costs of a Public Works Project permitted to be financed by Section 9-21-109 of the Act.

"***Dealer***" means Morgan Stanley & Co. LLC, appointed by the Metropolitan Government pursuant to the Resolution to serve as dealer for the ECP Program in accordance with the Dealer Agreement, and any other dealer for the ECP Program or any successor to any of them appointed pursuant to the Resolution.

"***Dealer Agreement***" means each Dealer Agreement authorized by the Resolution, as the same may be amended or supplemented, and any other dealer agreement which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the ECP Program.

"***Depository***" means (i) DTC, (ii) any other Person appointed by the Metropolitan Government to serve as securities depository for the Master Note, and (iii) in each such case, its successors and assigns.

"***DTC***" means The Depository Trust Company, New York, New York, and its successors and assigns.

"***ECP***" or "***ECP Notes***" means general obligation bond anticipation notes of the Metropolitan Government issued in the form of extendable commercial paper in accordance with the Resolution.

"***ECP Fund***" means the special purpose trust fund described below to be held by the Issuing and Paying Agent for the benefit of the Holders from time to time of ECP for the deposit of proceeds of ECP and other moneys to be used to pay the principal of and interest on Outstanding ECP, and the payment therefrom of principal of and interest on Outstanding ECP.

"***ECP Program***" means a program of the Metropolitan Government consisting of the issuance from time to time of ECP.

"***Electronic Means***" means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"***EMMA***" means the Electronic Municipal Market Access of the Municipal Securities Rulemaking Board.

"***Extended Maturity Date***" means, for each ECP Note, a Business Day that is the earlier of: 1) 270 days after its Issue Date and 2) the Final Maturity Date.

"***Extended Period Interest Payment Date***" means: (i) if the applicable Original Maturity Date is before the 15th day of the month, the first Business Day of the next month and the first Business Day of each month thereafter; and (ii) if the applicable Original Maturity Date is on or after the 15th day of the month, the first Business Day of the second succeeding month and the first Business Day of each month thereafter.

"***Extension Rate***" means, for each ECP Note, the rate of interest per annum established under the Resolution for each weekly period from and after the Original Maturity Date.

"***Final Maturity Date***" means January 31, 2029.

"***Holder***" means any Person who is in possession of any ECP issued or endorsed to such Person or to the order of such Person or to bearer or in blank; provided, however, that "Holder", when used with reference to Book-Entry ECP evidenced by a Master Note, and such Master Note, shall mean the registered owner of such Master Note as shown on the books of the Issuing and Paying Agent kept pursuant to the Resolution.

"***Initial Resolutions***" means, collectively, (i) the following initial resolutions of the Metropolitan Government adopted by the Metropolitan County Council for the purposes and not in excess of the respective amounts therein: RS2009-746; RS2010-1363; RS2012-276; RS2013-559; RS2013-710, RS2014-963, RS2014-1126, RS2015-1500, RS2016-245, RS2017-713, RS2017-963, RS2018-1328, RS2018-1454, RS2019-100, RS2020-213, RS2021-757, RS2021-1201, RS2022-1452, RS2023-1978 and RS2024-194; and (ii) future initial resolutions adopted by the Metropolitan County Council of the Metropolitan Government; provided that any future initial resolution must first be published and either not sufficiently protested or approved by referendum, all as prescribed by the Act.

"***Issuance Request***" means a request made by the Metropolitan Government, acting through an Authorized Officer, to the Issuing and Paying Agent for the delivery of ECP Notes, as described below.

"***Issue Date***" means, for each ECP Note, the date on which beneficial ownership is transferred to the original purchaser thereof.

"***Issuing and Paying Agency Agreement***" means the Issuing and Paying Agency Agreement authorized by the Resolution, as the same may be amended or supplemented, and any other issuing and paying agency agreement which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the ECP Program.

"***Issuing and Paying Agent***" means U.S. Bank National Association, appointed by the Metropolitan Government pursuant to the Resolution to serve as Issuing and Paying Agent and registrar in accordance with the Issuing and Paying Agency Agreement, and any successor thereto appointed pursuant to the Resolution.

"***Master Note***" means a master note issued pursuant to the Resolution.

"***Maximum Rate***" means, as of any time, the rate equal to the lesser of (a) 9% per annum, calculated on the basis of actual days elapsed and a 365 or 366 day year, or (b) the maximum rate of interest at the time permitted by Section 47-14-103, Tennessee Code Annotated, or other applicable State law.

"***Metropolitan Government***" means The Metropolitan Government of Nashville and Davidson County.

"***Moody's***" means Moody's Investors Service, Inc., or any successor, then maintaining a rating on ECP at the request of the Metropolitan Government.

"***Office***" means, when used with reference to the Issuing and Paying Agent, such address as the Issuing and Paying Agent may designate from time to time by notice in writing to the Metropolitan Government and the Dealer.

"***Original Maturity Date***" means, for each ECP Note, a Business Day not less than 1 day and not greater than: i) the 90^{th} day after the Issue Date, or ii) the 90^{th} day preceding the Final Maturity Date.

"***Original Rate***" means, for each ECP Note, the rate of interest per annum borne by such ECP Note to the Original Maturity Date.

"***Outstanding***" means, when used as of any particular time with reference to ECP, all ECP theretofore or thereupon issued pursuant to the Resolution except (i) ECP theretofore canceled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation; (ii) ECP with respect to which, and only to the extent, all liability of the Metropolitan Government shall have been discharged in accordance with the defeasance provisions described below; and (iii) ECP in lieu of, or in substitution for, which other ECP has been or is then being issued by the Issuing and Paying Agent pursuant to the terms of the Resolution.

"***Person***" means an individual, corporation, firm, association, partnership, limited liability company, trust, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"***Prevailing Rating***" means, at the time of determination and with respect to a Rating Agency, the rating assigned to the ECP Notes by the Rating Agency or any comparable future designation by the Rating Agency.

"***Prior Notes***" shall have the meaning ascribed in the preamble.

"***Program Documents***" shall mean, collectively, the Resolution, the Dealer Agreement and the Issuing and Paying Agency Agreement.

"***Public Works Project***" shall have the meaning prescribed by Section 9-21-105 of the Act.

"***Rating Agency***" means either or both Moody's and Standard & Poor's, and/or such other securities rating agencies providing a rating on ECP, at the request of the Metropolitan Government.

“***Resolution***” means the Resolution, as the same may be amended or supplemented.

“***SIFMA***” means the Securities Industry and Financial Markets Association (formerly the Bond Market Association) or any successor thereto.

“***SIFMA Index***” means (i) the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA or (ii) if such index is not published, such other publicly available rate as the Dealer shall deem most nearly equivalent thereto. Such index may be expressed as a percentage of (more or less than, or equal to, 100%) and/or a fixed spread to another index.

“***Standard & Poor's***” means Standard and Poor's Ratings Services, a Division of The McGraw-Hill Companies, or any successor, then maintaining a rating on ECP at the request of the Metropolitan Government.

“***State***” means the State of Tennessee.

“***Tax Certificate***” means a certificate, as amended from time to time, executed and delivered on behalf of the Metropolitan Government by an Authorized Officer on the date upon which ECP Notes are initially issued and delivered, or any functionally equivalent certificate subsequently executed and delivered on behalf of the Metropolitan Government by an Authorized Officer with respect to the requirements of Section 148 (or any successor section) of the Code relating to the ECP Notes.

References to Time

All references to time shall, unless otherwise stated, be deemed to be to the prevailing time in New York, New York.

ECP Fund

The Resolution establishes with the Issuing and Paying Agent a separate and special purpose trust fund for the benefit of the Holders to be designated as the "Metropolitan Government General Obligation Extendable Commercial Paper Fund" (the "ECP Fund"). The Issuing and Paying Agent shall have the sole right of withdrawal over the moneys in the ECP Fund, except as may otherwise be described below.

(a) The Metropolitan Government may deposit its funds or proceeds of its Bonds or other indebtedness or fund into the ECP Fund for the purpose of paying the principal of and/or interest on Outstanding ECP.

(b) The Issuing and Paying Agent, as agent for the Holders from time to time of ECP, shall:

(i) Upon the sale of ECP on any day, deposit to the ECP Fund an amount of the proceeds thereof, which, together with any funds otherwise on deposit in the ECP Fund on such day is sufficient to pay the principal of and interest on Outstanding ECP maturing or being redeemed on such day, and use such proceeds and other funds (if applicable) to pay the principal of and interest on such Outstanding ECP;

(ii) Upon the sale of ECP on any day, to the extent the proceeds thereof are in excess of the amount required by subsection (i), transfer the balance of such excess to the Metropolitan Government;

(iii) deposit into the ECP Fund the proceeds of Bonds, notes or other evidences of indebtedness transferred to the Issuing and Paying Agent by or on behalf of the Metropolitan Government, and apply such deposits to the payment of the principal of and interest on Outstanding ECP, or otherwise, as an Authorized Officer shall specify from time to time in written instructions filed with the Issuing and Paying Agent; and

(iv) apply the moneys on deposit in the ECP Fund solely to the payment of the principal of and interest on the ECP, as aforesaid, as the same mature and become due and payable, or otherwise as provided above.

(c) Amounts on deposit in the ECP Fund as proceeds of ECP to be used to pay the principal of and/or interest on other ECP as required by subsection (c)(i) of this Section shall not be invested prior to their application for such purposes. Other amounts on deposit in the ECP Fund may be invested prior to their application for authorized purposes, but only at the direction of an Authorized Officer, and only in securities held in the name of the Metropolitan Government or the Issuing and Paying Agent as trustee for the Metropolitan Government (in either case, either as registered or beneficial owner), and otherwise shall not earn interest.

(d) The ECP Fund, and all moneys and securities on deposit therein, shall be held by the Issuing and Paying Agent in a fiduciary capacity and shall not be commingled with the assets of the Issuing and Paying Agent or any other person. It is the intent of the Metropolitan Government that the ECP Fund, and all moneys and securities on deposit therein, shall constitute a special deposit and not a general deposit of the Issuing and Paying Agent.

Issuance Requests

(a) The Issuing and Paying Agent shall authenticate and deliver ECP Notes from time to time for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 12:00 Noon on the Business Day on which ECP Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the ECP Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include:

(i) the aggregate principal amount of ECP Notes then to be issued;

(ii) the denominations in which they are to be issued;

(iii) the Original Rate;

(iv) the Issue Date;

(v) the Original Maturity Date;

(vi) the Extended Maturity Date; and

(vii) any additional designations thereof.

(b) The delivery of any Issuance Request under subsection (a) hereof to the Issuing and Paying Agent by an Authorized Officer in the manner provided therein shall constitute the certification and representation of the Metropolitan Government to the Issuing and Paying Agent that, as of the date thereof:

(i) after the issuance of such ECP Notes and the application of the proceeds thereof, (1) the sum of the aggregate principal amount of ECP Notes Outstanding will not exceed $325,000,000 and

(2) the sum of the aggregate principal amount of ECP Notes Outstanding, together with all other Bonds, notes or other indebtedness issued pursuant to the Initial Resolutions, will not exceed the amount of indebtedness authorized by the Initial Resolutions;

(ii) to the Metropolitan Government's knowledge there has been no change in the facts, estimates, circumstances and representations of the Metropolitan Government set forth or made in the Tax Certificate;

(iii) the Original Maturity Date set forth in the Issuance Request does not extend beyond 90 days prior to the Final Maturity Date;

(iv) the Extended Maturity Date of such Commercial Paper Notes set forth in the Issuance Request does not extend beyond the Final Maturity Date;

(v) the Metropolitan Government has not been notified by Bond Counsel that its opinion with respect to the validity of the ECP Notes and the tax treatment of the interest thereon has been revised or withdrawn or, if any such revision or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer has been delivered;

(vi) to the actual knowledge of the Metropolitan Government, the Metropolitan Government in in compliance with the terms of the Resolution; and

(vii) all of the conditions precedent to the issuance of such ECP Notes set forth in this Section of the Resolution have been satisfied.

(c) The Metropolitan Government may deliver an Issuance Request for the issuance of multiple ECP Notes on multiple dates in the future, and shall have the right to rescind such notice with respect to any issue of ECP Notes to be issued until 11:00 a.m. on any date ECP Notes are to be issued.

(d) No later than 2:30 p.m. on each Business Day on which the Metropolitan Government proposes to issue ECP Notes, the Dealer shall report to the Metropolitan Government each transaction made with or arranged by it or shall notify the Metropolitan Government and the Issuing and Paying Agent of the difference, if any, between the amount of maturing ECP Notes and the amount of ECP Notes which the Dealer has arranged to sell or has agreed to purchase.

(e) Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing by 2:00 p.m.), the Issuing and Paying Agent shall, by 3:00 p.m. on such day, complete each ECP Note as to amount, Issue Date, Original Maturity Date, Extended Maturity Date and Original Rate specified in such Issuance Request, and deliver each such ECP Note to or upon the order of the Dealer upon receipt of payment therefor. If an Issuance Request is received after 12:00 Noon on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested ECP Notes until the next succeeding Business Day.

(f) Notwithstanding the foregoing, the Issuing and Paying Agent shall not deliver any ECP Notes if:

(i) such delivery would cause the sum of the aggregate principal amount of ECP Notes Outstanding to exceed $325,000,000;

(ii) the Issuing and Paying Agent shall have received notice from an Authorized Officer directing the Issuing and Paying Agent to cease authenticating and delivering ECP Notes until such time as such direction is withdrawn by similar notice;

(iii) the Issuing and Paying Agent shall have received notice from Bond Counsel that its opinion regarding the exclusion of interest on the ECP Notes from gross income for Federal income tax purposes of the holders thereof is being withdrawn;

(iv) the Original Maturity Date of such ECP Notes would extend beyond the 90th day preceding the Final Maturity Date; or

(v) the Extended Maturity Date of such ECP Notes would extend beyond the Final Maturity Date.

(g) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and shall be confirmed promptly in writing by an Authorized Representative; provided, however, that any conflict between any recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(h) The purchase price of each Note shall be 100% of the principal amount thereof, and no Note shall be deemed to be issued until payment for its purchase has been made in lawful money of the United States of America.

Proceeds of Sale of ECP

The proceeds of the sale hereunder of ECP shall be applied as follows:

(i) The proceeds of each sale of ECP on any day in an amount not in excess of the principal of Outstanding ECP becoming due and payable on such day, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the ECP Fund, shall be deemed to have been issued for the purpose of paying such principal, and such proceeds shall be deposited into the ECP Fund and used to pay such principal.

(j) The proceeds of each sale of ECP on any day in an amount in excess of the principal of Outstanding ECP becoming due and payable on such day, if any, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the ECP Fund, shall be deemed to have been issued for the purpose of paying Costs of Public Works Projects or retiring the Prior Notes and shall be transferred to the Metropolitan Government as directed in writing by an Authorized Officer. Such proceeds shall be held and invested in a segregated fund of the Metropolitan Government in accordance with applicable law and applied exclusively to the Costs of Public Works Projects; provided that amounts to be used to retire the Prior Notes shall be deposited with the paying agent therefor.

Issuing and Paying Agent

(k) The Metropolitan Government covenants to maintain and provide an Issuing and Paying Agent at all times while the ECP is Outstanding, which shall be a bank, trust company or national banking association (and, except in the case of Book-Entry ECP, having an office for delivery of ECP in New York, New York), in each case with trust powers. Should a change in the Issuing and Paying Agent for the ECP Program occur, the Metropolitan Government agrees to promptly cause a notice thereof to be posted on EMMA; provided however, that such notice shall not be required to be posted, but shall be delivered to the Depository, if the ECP are being issued as Book-Entry ECP at such time. Such notice shall specify the Office of the successor Issuing and Paying Agent. A successor Issuing and Paying Agent may be appointed without the consent of the Holders.

(l) The Metropolitan Government may remove any Issuing and Paying Agent by giving not less than fifteen (15) days advance written notice to the Issuing and Paying Agent and the Dealer. The Metropolitan Government shall give written notice of the appointment of a successor Issuing and Paying Agent to the Dealer.

(m) The Issuing and Paying Agent may resign at any time by giving written notice of such resignation to the Metropolitan Government and the Dealer specifying the date as of which the Issuing and Paying Agent proposes that the same shall become effective, which date shall be not less than 30 days after the date of such notice. The Metropolitan Government shall give written notice of the appointment of a successor Issuing and Paying Agent to the Dealer.

(n) Notwithstanding subsections (b) and (c) above, no such removal or resignation shall be effective unless and until a successor has been appointed and shall have accepted the duties and obligations of Issuing and Paying Agent under the Resolution. If no successor has been appointed within 30 days as aforesaid, the Issuing and Paying Agent shall have the right to petition a court of competent jurisdiction for the appointment of a successor Issuing and Paying Agent, and the Issuing and Paying Agent shall be reimbursed by the Metropolitan Government for any and all expenses in connection with any such petition and appointment. On the effective date of any such removal or resignation, the Issuing and Paying Agent shall deliver to the successor Issuing and Paying Agent, if any, at the direction of the Metropolitan Government, or otherwise to the Metropolitan Government, all canceled or unissued ECP instruments then held by the Issuing and Paying Agent for disposition in accordance with the Resolution, and shall transfer the funds then held by it to the successor Issuing and Paying Agent, if any, at the direction of the Metropolitan Government, or otherwise to the Metropolitan Government. The Metropolitan Government shall pay all outstanding fees and expenses due and owed to the Issuing and Paying Agent following such removal or resignation.

Covenants

Punctual Payment

The Metropolitan Government will punctually pay or cause to be paid the principal of and interest on the ECP in conformity with the Resolution. For the purpose of providing for the payment of the principal of and interest on Outstanding ECP on the date that the same shall become due and payable, the Metropolitan Government, on or prior to such date, will pay or cause to be paid to the Issuing and Paying Agent for deposit in the ECP Fund, amounts which, together with other amounts then on deposit in such ECP Fund, will be sufficient and available to make such payment on such date. The foregoing is not intended to preclude the Metropolitan Government from extending the maturity date of ECP Notes in the manner described in the Resolution.

Covenant to Refinance

With respect to any ECP Notes the maturity of which has been extended pursuant to the Resolution, the Metropolitan Government covenants that it will promptly seek approval of the Metropolitan County Council for the issuance of Bonds or other debt obligations to refinance such ECP Notes and, provided such approval is received, to offer and sell such Bonds or other debt obligations upon reasonable and customary terms and conditions so that the proceeds thereof may be applied to the payment of such ECP Notes on or prior to the applicable Extended Maturity Date.

Compliance with Agreements and Other Documents

The Metropolitan Government will comply with the terms and provisions of the Dealer Agreement, the Issuing and Paying Agency Agreement and any other resolution or contract to which the Metropolitan

Government is a party, the non-compliance with which would materially adversely affect the ability of the Metropolitan Government to make payment of the principal of and interest on the ECP as and when the same becomes due and payable.

ECP to Remain Tax Exempt

The Metropolitan Government covenants that it will execute and deliver a Tax Certificate in the form prescribed by Bond Counsel in connection with the first issuance of ECP, and that in connection with any subsequent issuance of ECP it will, if requested by Bond Counsel, execute and deliver either written confirmation that the facts, estimates, circumstances and reasonable expectations contained therein continue to be accurate as of such issue date or a revised Tax Certificate dated such issue date. Each Issuance Request by an Authorized Officer given or made pursuant to the Resolution shall constitute a representation by the Metropolitan Government that the facts, estimates, circumstances and reasonable expectations contained in the latest of such Tax Certificates continues to be true and accurate as of the date of such Issuance Request, and that no fact material to the exclusion of the interest on the ECP from gross income for federal income tax purposes exists which has not been reflected in a revised Tax Certificate. The Metropolitan Government represents and covenants that it will not expend, or permit to be expended, the proceeds of any ECP in any manner inconsistent with its reasonable expectations as certified in the Tax Certificates to be executed from time to time with respect to the ECP Program; provided however, that the Metropolitan Government may expend ECP proceeds in such manner if the Metropolitan Government first obtains an unqualified opinion of Bond Counsel that such expenditure will not impair the exclusion of interest on the ECP from gross income for federal income tax purposes.

The Metropolitan Government further covenants that no use of the proceeds of any of the ECP or any other funds of the Metropolitan Government will be made which will cause any ECP to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. To that end, the Metropolitan Government shall comply with all requirements of said Section 148 and of all regulations issued thereunder or otherwise applicable thereto.

The Metropolitan Government covenants that it will not use any proceeds of the ECP or any other funds held under the Resolution for any purpose which would cause any ECP to be subject to treatment as a "private activity bond" defined in Section 141 of the Code.

Reservation of Right to Issue Other Obligations

The Metropolitan Government expressly reserves the right hereafter to issue Bonds, notes or other evidences of indebtedness in addition to the ECP, constituting a general obligation of the Metropolitan Government, and additionally secured as may be required by the Act or other provisions of law or as determined by the Metropolitan Government, when and as the Metropolitan Government shall determine and authorize.

Amendments and Supplements to the Resolution

Without Consent of Holders of ECP

The Metropolitan Government, from time to time and at any time, (i) without the consent or concurrence of any Holder of any ECP, may adopt a resolution for the purpose of providing for the issuance of any Bonds, notes or other evidences of indebtedness, and (ii) without the consent or concurrence of any Holder of any ECP, may adopt a resolution amendatory hereof or supplemental hereto, if the provisions of such resolution shall not materially adversely affect the rights of the Holders of the ECP then Outstanding, for any one or more of the following purposes:

(o) to make any changes or corrections in the Resolution as to which the Metropolitan Government shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Resolution, or to insert in the Resolution such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable;

(p) to add additional covenants and agreements of the Metropolitan Government for the purpose of further securing the payment of the ECP;

(q) to confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of the Resolution;

(r) to grant to or confer upon the Holders of the ECP any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(s) to comply with any request by or requirement of any Rating Agency which is necessary, or which the Metropolitan Government reasonably believes is necessary, to prevent a downward revision by such Rating Agency in the rating of ECP;

(t) to provide for the issuance, transfer, exchange, registration, discharge from registration and replacement of ECP other than Book-Entry ECP; and

(u) to increase the maximum aggregate principal amount of ECP that may be Outstanding at any time; provided however, that prior to the effectiveness thereof the Metropolitan Government shall have received written evidence from each Rating Agency to the effect that such increase will not, by itself, result in a reduction, withdrawal or suspension of such Rating Agency's rating of the ECP Program which then prevails; and

(v) to modify any of the provisions of the Resolution in any other respect if such modification shall be effective only with respect to ECP issued subsequent to the effectiveness of such resolution or modification, in which case any ECP instrument (except any Master Note) issued subsequent to the effectiveness of any such modification shall contain a specific reference to, and the Metropolitan Government shall give written notice to the Depository of Book-Entry ECP of, the modifications contained in such resolution; *provided, however*, that nothing contained in the Resolution shall permit or be construed to permit the amendment of the terms and conditions of the Resolution or of the ECP Program so as to:

(i) make any change in the maturity of any Outstanding ECP;

(ii) reduce the rate of interest borne by any Outstanding ECP;

(iii) reduce the amount of the principal payable on any Outstanding ECP;

(iv) modify the terms of payment of principal of or interest on any Outstanding ECP, or impose any conditions with respect to such payment;

(v) affect the rights of the Holders of less than all Outstanding ECP; or

(vi) reduce or restrict the provision made in the Resolution for payment of Outstanding ECP.

Defeasance

ECP Deemed Paid; Discharge of Resolution

ECP will be deemed paid for all purposes of the Resolution when (a) payment of the principal of and interest on such ECP to the due date of such principal and interest (whether at maturity or otherwise) either (1) has been made in accordance with the terms of such ECP or (2) has been provided for by depositing with the Issuing and Paying Agent (A) moneys sufficient to make such payment and/or (B) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all compensation and expenses of the Issuing and Paying Agent pertaining to the ECP Program in respect of which such deposit is made have been paid or provided for to the satisfaction of the Issuing and Paying Agent. When ECP is deemed paid, it will no longer be secured by or entitled to the benefits of the Resolution or be an obligation of the Metropolitan Government, except for payment from such moneys or Government Obligations, and no additional ECP may be issued except that it may be transferred, exchanged, registered, discharged from registration or replaced.

When all outstanding ECP are deemed paid under the foregoing provisions of this Section, the Issuing and Paying Agent will, upon the request of the Metropolitan Government, acknowledge the discharge of the Metropolitan Government's obligations under the Resolution and the ECP Program.

No such deposit will be made or used in any manner which, in the opinion of Bond Counsel, would cause any ECP to be treated as "arbitrage bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

Application of Trust Moneys

The Issuing and Paying Agent will hold in trust moneys or Government Obligations deposited with it and apply the deposited money and the proceeds from the Government Obligations in accordance with the Resolution only to the payment of principal of and interest on the ECP with respect to which the same was deposited.

Repayment to Metropolitan Government

The Issuing and Paying Agent will pay to the Metropolitan Government promptly upon its request any excess moneys or securities held by the Issuing and Paying Agent at any time, and any moneys held by the Issuing and Paying Agent under any provision of the Resolution for the payment of principal or interest on ECP that remains unclaimed for one year or such other shorter or longer period, or to such other Person, as may at the time be prescribed by State law with respect to unclaimed property.

Miscellaneous

Notices to Rating Agencies

The Metropolitan Government shall give each Rating Agency, the Dealer and the Issuing and Paying Agent advance notice in writing of any (i) change of Dealer, (ii) change of Issuing and Paying Agent, (iii) amendment or material change to the Program Documents, and (iv) termination or defeasance of the ECP Program; *provided however*, that if the Metropolitan Government does not have advance actual notice of any such event, notice shall be given by the Metropolitan Government as soon as practicable after the Metropolitan Government has actual notice thereof.

Resolution to Constitute a Contract; Equal Security

In consideration of the acceptance of the ECP, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Metropolitan Government and the Holders from time to time of the ECP, and the pledge made by the Resolution by the Metropolitan Government and the covenants and agreements set forth in the Resolution to be performed by the Metropolitan Government shall be for the equal and proportionate benefit, security and protection of all Holders of the ECP, without preference, priority or distinction as to security or otherwise of any of the ECP authorized hereunder over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Resolution.

Payment and Performance on Business Days

Whenever under the terms of the Resolution or the ECP Program, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the ECP, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the ECP, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date of performance or payment, and, with respect to any payment, without any additional interest accruing after the originally scheduled date of payment.

No Personal Recourse

No recourse shall be had for any claim based on the Resolution or the ECP Program against any member, officer or employee, past, present or future, of the Metropolitan Government, the Metropolitan County Council of the Metropolitan Government or of any successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

Disclosure of Liability

All covenants, stipulations, promises, agreements and obligations of the Metropolitan Government contained in the Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Metropolitan Government and not of any member, officer or employee of the Metropolitan Government in his individual capacity, and no recourse shall be had for the payment of the principal of or interest on the ECP or for any claim based thereon or on the Resolution against any member, officer, or employee of the Metropolitan Government, or against any Person executing the ECP.

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